

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:10 a.m. on January 26, 2009, in Room 143-N of the Capitol.

All members were present.

Committee staff present:

Audrey Dunkel, Kansas Legislative Research Department
Christina Butler, Kansas Legislative Research Department
Nobuko Folmsbee, Office of the Revisor of Statutes
Jim Wilson, Office of the Revisor of Statutes
Kelly Cure, Chief of Staff
Kathy Holscher, Committee Assistant

Conferees appearing before the committee:

Mark Tallman, Kansas Association of School Boards - Proponent
Cheryl Semmel, United School Administrators of Kansas - Proponent
Jennifer Crow, Topeka Public Schools - Proponent
Bill Reardon, Kansas City, Kansas Public Schools - Neutral
Luann Watson, Norton County - LEPP - Proponent
Alan Dinkle, City of Abilene - Opponent
Don Moler, League of Kansas municipalities - Opponent

Others attending:

See attached list.

- Attachment 1 Funds Short for Doctor Training Article in the Wichita Eagle
- Attachment 2 JJA Renegotiation of Leases and Unfilled Budgeted Employee Positions
- Attachment 3 United School Administrators (USA) of Kansas Overview and FY 2009 Governor's Budget Recommendations
- Attachment 4 USA/Kansas Survey
- Attachment 5 Topeka Public Schools Proposed Reductions FY 2009 and FY 2010
- Attachment 6 Kansas City, Kansas Schools Proposed Reductions FY 2009
- Attachment 7 Local Environmental Protection Program Overview
- Attachment 8 City of Abilene, Kansas Transportation Department
- Attachment 9 League of Kansas Municipalities Proposed Budget Reductions FY 2009 and FY 2010
- Attachment 10 Impact Assessment of State Budget Cuts City of Wichita

Chairman Yoder stated that two handouts were being distributed, in regards to follow up questions from Committee members; Funds Short for Doctor Training (Attachment 1), and JJA Renegotiation of Leases and Unfilled Budgeted Employee Positions (Attachment 2).

Representative McLeland moved to introduce legislation regarding local school finance options and flexibility. The motion was seconded by Representative Mast. Motion carried.

HB 2022: Supplemental appropriations for FY 2009 for various state agencies.

Mark Tallman, Assistant Executive Director/Advocate, Kansas Association of School Boards, responded to questions from testimony provided at the January 22 Committee meeting. Chairman Yoder asked for Mr. Tallman's suggestions as the Committee looks at reductions in the School Finance Plan. Mr. Tallman stated that once the amount is determined by the Committee, local districts should have a reasonably equal way to respond and share the burden without proportionately effecting any particular subject. Base cuts would have an impact on those areas that are not under legal obligations. Many of the district's budgets are already committed for this year and their ability to get through this year may be the ability to tap into their contingency reserve funds. The use of capital outlay money was discussed. Districts have been given clear targets. Academic standards that students will be tested on, accreditation and public reported view points are measurable sources for results, Mr. Tallman noted.

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Cheryl Semmel, Executive Director, United School Administrators of Kansas, presented an overview of the organization and the impact of the Governor's budget recommendations for FY 2009 ([Attachment 3](#)). Administrators state-wide would do whatever possible to preserve the integrity of the programs that have been put in place. These programs have demonstrated success by helping students acquire the necessary skills to be successful beyond high school. The impact of budget reductions not only effect the classroom, but the community as well. The organization will partner with legislature to reduce costs where possible, and coordinate and identify opportunities. All Kansas school districts were surveyed to determine the estimated impact of a 2 - 5 percent rescission for FY 2009 ([Attachment 4](#)). Common responses were reviewed.

Cheryl Semmel responded to questions from Committee members in regards to membership fees, workforce in communities and the impact of reductions in FY 2009, transfers of shared resources and contract obligations effecting workforce issues. The impact of the FY 2010 budget concerns included reductions in programs, increased class sizes, cut-backs to important instructional services to students, increased student fees and the impact on adult learning facilities.

Jennifer Crow, USD #501 Topeka Public Schools, presented budget reductions for FY 2009 and FY 2010 school years ([Attachment 5](#)). FY 2009 reductions from the Governor's budget for the general fund and local option budget shows a loss of approximately \$568,458. With the additional reduction of 3 percent, as proposed by the legislature, combined with the Governor's recommendations, the district would be impacted by a reduction of \$2,997,255. A 5 percent reduction would result in a negative balance of \$5,092,511. 50 percent of the budget has been spent thus far this year. Concerns were expressed regarding workforce reductions and additional reductions in required expenditures. FY 2010 reductions include a 10 percent administrative reduction. Additional reductions for 2009/2010 school year based on 3 and 5 percent reductions were reviewed. These reductions range from \$7,299,411 to \$10,963,547.

Bill Reardon, Kansas City, Kansas School District, presented an overview of the impact of the proposed FY 2009 budget reductions ([Attachment 6](#)). The district has experienced dramatic increases in student scores and a decrease in student dropouts. Concern was expressed that the proposed cuts would have a negative impact for At Risk and bilingual students. Deeper cuts may wipe-out the significant gains that districts have made. Public education cuts determined by head count would reduce the weighted FTE by \$22. For districts that have a higher number of At Risk or bilingual students or that receive low enrollment weighting, then the actual number of dollars per child would be considerably higher. The Governor's proposal of a \$22 reduction per pupil would actually be between \$30 - \$40 per pupil for Kansas City school districts.

Bill Reardon responded to questions from Committee members as related to the programs designed to reduce student dropout rates before the new money was appropriated to present date. Alternate schools for non-traditional students were discussed.

- Information requested:
 - Supporting data on successful reduction of student dropout rates.
 - Prioritizing cuts and any additional suggestions for reductions in a format similar to the information USD #501 provided to the committee

Luann Watson, Local Environmental Protection Program (LEPP), presented a program overview and discussed the impact of the proposed FY 2009 budget reductions ([Attachment 7](#)). This program protects and preserves the environment with a present budget of \$1.5 million.

Allen Dinkel, City Manager, Abilene, Kansas, discussed the impact decreased funding will have on the Special City/County Highway Fund ([Attachment 8](#)). The cuts for FY 2009 and the proposed cuts in FY 2010 would represent a \$13,000 budget reduction for repairs and street maintenance. Opposition was stated for reductions in the FY 2009 Machinery and Equipment slider payments. The concern for a decrease in property values and the impact this may have in FY 2010 and with future budgets was expressed.

Don Moler, Executive Director, League of Kansas Municipalities, discussed the proposed FY 2009 and FY 2010 budget reductions ([Attachment 9](#)). The budget recommendations would represent a \$159,573,271 cut to local communities over the next two years. Cities will be faced with the issue of raising property taxes, reducing services, or a combination of both issues. The Machinery and Equipment slider payments, that the

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legislature passed in FY 2006, and the Governor's budget recommendation to eliminate these payments was reviewed. The proposed budget recommendation includes a \$15 million reduction for Special City-County Highway Funds in FY 2009 and a \$5 million reduction in FY 2010. The impact Assessment of State Budget cuts from the City of Wichita was reviewed ([Attachment 10](#)). The proposed budget cuts for FY 2009 and FY 2010 are estimated at \$16.8 million. A summary of how these state dollars are currently used was reviewed.

Don Moler responded to questions from Committee members as related to transfers; connecting link projects and encumbered dollars; membership fees and services provided to communities by the league. Aggregate numbers were reflected in the material provided. The specifics by city would be available through the Department of Revenue. The February slider payment has been delayed until June, as part of the Governor's budget recommendation. The receipt of Local Ad Valorem Tax Reduction money was discussed.

The next meeting is scheduled for January 27, 2009.

The meeting was adjourned at 10:55 a.m.

Kevin Yoder, Chairman