

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 12:25 p.m. on February 16, 2005, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Carolyn Rampey, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Mark Desetti, Kansas National Education Association
Bob Vancrum, Blue Valley School District No. 229
Stuart Little, Shawnee Mission School District No. 512
Rocky Nichols, Disability Rights Center of Kansas
Jason Larison, Kansas Association of Career and Technical Education
Gloria Davis, Superintendent, Dodge City Public Schools
Fred Kaufman, Superintendent, USD 489, and Schools for Fair Funding
Tristan Duncan, Shawnee Missin, Kansas
Cal Kleinmann, Greater Kansas City Chamber of Commerce
Katherine Rivard, Civic Counsel of Greater Kansas City
Marvin Estes, Superintendent, Winfield Public Schools
Nancy McRoberts, Family and Consumer Sciences Dept.
Chair, Olathe Northwest High School
Terry Holdren, Kansas Farm Bureau
Don Willson, United School Administrators
Bill Reardon, USD 500, Kansas City, Kansas

Continued hearings and discussion on:

SB 244—Schools; establishing The 2010 Commission

SB 245—School districts; audits by Legislative Post Audit

SB 246—School finance; three-year plan

Mark Desetti, Kansas National Education Association (KNEA), noted that, although legislators gave a great deal of thought as to how to address the concerns of the Kansas Supreme Court, he did not believe that the plan being considered by the Committee would receive the Court's approval. As to overall funding, he pointed out that the Court referenced the Augenblick and Myers study on the cost of a suitable education as competent evidence that a suitable education was not being provided. He noted that the plan being considered would increase school funding in 2008 by less than half the amount recommended in the Augenblick and Myers study for the 2003 school year. As to the issue of bilingual and at-risk weightings, he expressed concern that, by 2008, the proposal would simply give schools what they are spending now. As to special education funding, he noted that the plan did not fund special education costs at 100% as it should. He noted that he proposed elimination of vocational weighting artificially raises the Base State Aid Per Pupil. He supported the oversight issues in **SB 244** and **SB 245**, noting that it is important to maintain a system that promotes measurable student achievement and accountability. As to funding for the three-year plan, he expressed concern that year one depends on spending down the state's ending balance and projected economic growth, and the second and third years have no identified funding source at all. He commented that a phased in plan might satisfy the Court but only if the Court has confidence that the plan will be funded. (Attachment 1)

Bob Vancrum, testified on behalf of Blue Valley Unified School District No. 229 with regard to the existing finance formula and suggestions regarding the school finance plan being considered. (Attachment 2) He noted that Blue Valley was pleased with the three-year school finance plan and that the level of special education cost funding was raised. He emphasized that it is a myth that the Johnson County districts have much more money to spend on operating budgets than other districts because of the willingness of their

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citizens to impose LOBs and other local funding sources. He noted that large districts have been seriously disadvantaged by the existing formula and urged the Committee not to distribute new dollars in a manner subject to the weightings in the existing formula. In this regard, he called the Committee's attention to a printout from the Department of Education showing operating costs per pupil in all districts. (Attachment 3). He pointed out that all six Johnson County districts are in the lowest 15% of districts in operating expenditures per pupil. He commented, "This is the major disparity the Court was talking about." He went on to say that, although he supports an increase in at-risk weighting, the definition must be changed to provide the same weighting for all students who are performing substantially below grade level. As to increased funding for bilingual education, he noted that costs for the Blue Valley district are higher than some districts with a much higher bilingual headcount because the students are scattered over a large geographical area. He stated, "We support a new formula that provides financial equity, defined as an equal opportunity to generate dollars to support educational activities in each district, not equal expenditures imposed by a state formula." In conclusion, he contended that the Court's mandate to meet the constitutional test of funding a suitable education could not be accomplished without a tax increase this year or next. He urged the Committee to add permanent funding to cover the first two years of the plan.

Stuart Little, offered comments on all three bills on behalf of Shawnee Mission School District No. 512, the second largest district in the state. He noted that the Shawnee Mission School District educates 6.5% of the entire student population in the state with the 11th lowest expenditures per pupil in the state, and an enrollment decline has placed a strain on the district because expenditures cannot be reduced as fast as funding declines. He went on to say that the District supports **SB 244** and **SB 245**; however, there was concern about the issues of the local option budget and the absence of an equity factor in the distribution of state aid in **SB 246**. As a solution, he suggested the addition of a 50 pupil reduction to correlation weighting, which would help equalize the funding at a cost of approximately \$20 million. He noted that another alternative would be to distribute the \$87 million going to the base state aid per pupil in **SB 246** based on FTE students, not through the formula wherein weightings further skew the distribution. With regard to the local option budget issue, he suggested that the Committee could consider the provisions in **HB 2375** for extraordinary declining enrollment. In summary, he commented that Shawnee Mission would support **SB 246** if the local option budget increased to at least 5% in the first year and the state funding was distributed more equitably. (Attachment 4)

Rocky Nichols, Disability Rights Center of Kansas (DRC), informed the Committee that DRC's 2005 priorities included disability rights advocacy for students with rights under the Individuals With Disabilities Education Act (IDEA). He noted that one of DRC's recommendations during the 2004 Legislative Interim was that the Legislature review and revise the current special education funding formula to focus on the individual needs of students, not the administrative needs of the districts. He requested that **SB 244** be amended to add a task for The 2010 Commission which would require the development of a new special education financing formula that is based on the needs of students receiving special educational and related services under the provisions of IDEA. He noted that, with the amendment, funding for special education and related services would be treated the same way as funding for almost any other disability related service system. He commented that, without a group like The 2010 Commission being directed to develop such a plan, the formula may never be based on the needs of youth. (Attachment 5)

Jason Larison, a Holton High School agriculture instructor, testified in opposition to **SB 246** on behalf of the Kansas Association of Career and Technical Education (K-ACTE). He explained that, although there were some positive features in the bill, he strongly opposed the elimination of the .5 vocational weighting in the school finance formula. He contended that the elimination or reduction of vocational weighting contradicts one of the Legislature's major goals: to help grow and enhance the Kansas economy. He noted that, for any economic growth to occur, the state needs a skilled and trained workforce as the foundation. He maintained that the current vocational weighting encourages schools to provide students a connection to careers and life after school. In his opinion, if there is no funding available for vocational education, school districts have no incentive to maintain the established standards for vocational programs. He went on to say that vocational programs in his school serve gifted students, at-risk students, and special education students within one classroom, and students are encouraged to attend technical colleges and universities to continue their training in their chosen career path. He expressed his concern that, with the bill, school districts will have only two choices: take funding away from other educational areas in order to continue vocational programs or

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eliminate the programs altogether. (Attachment 6) Mr. Larison called attention to written testimony in strong opposition to **SB 246** submitted by Alex E. Gottlob, a Winfield High School student and the owner of a small business (Gottlob Lawn Service), who was unable to attend the meeting. Mr. Gottlob emphasized that his lawn service has prospered tremendously due to the opportunities that were offered him through vocational education programs at Winfield High School over the last four years. (Attachment 7)

Gloria Davis, Superintendent of Dodge City Public Schools, informed the Committee that bilingual weighting is important to her district because the student population is 62% Hispanic. She noted that only 1,818 of the 6,257 students currently enrolled in Pre-K through 12 in Dodge City School District 443 are “regular” students. The remaining students are at-risk or bilingual, which equates to larger class sizes and the need for more space. She noted areas such as all day kindergarten and early childhood are critical to districts which have a high enrollment of bilingual, at-risk students. She emphasized that consideration of the need for more funding involved more than adding money to the current formula. She urged the Committee “to look at the issue of how the current formula has been devised and how the money is being distributed across the state because therein lies part of the key. To just add more money to the current formula, I think you’ll still end up in future in years with the same problem that we have now. We’ll just have more money added on, but it will not address in districts like us who have rising enrollment, increased class size, and increased minority population.”

Kathy Taylor, Director of Secondary Education in Dodge City, commented that the Dodge City school district has made great strides in improving student achievement due to supplemental funds such as the 21st Century Grant and the Geary Up Grant. She said at-risk and bilingual weightings help, but they not enough. She called the Committee’s attention to a copy of the district’s answer to the survey conducted by the State Department of Education regarding the actual cost to educate students, which was included in the handout she shared with Superintendent Davis. (Attachment 8) She noted that, primarily, lower class sizes make the difference. She explained that nearly 70% of Dodge City second graders are reading at grade level this year due to the use of federal funds to hire instructional specialists who help teachers use appropriate research-based techniques. She pointed out that the district’s calculations show that a base of approximately \$7,000 is needed for regular students, and additional money is needed for at-risk and bilingual students. In conclusion, she strongly urged the Committee, “Look for more money than what is currently being proposed in **SB 246**. Weigh it appropriately. Help us educate all of our children. The current state finance formula is causing Dodge City public schools to leave 54% of our students behind. We’d like to leave none of our children behind.”

Fred Kaufman, Superintendent of USD No. 489 in Hays and the President of Schools for Fair Funding, contended that **SB 244**, **SB 245**, and **SB 246** do not address the Kansas Supreme Court’s ruling. In his opinion, the proposed legislation does not provide more funding or an equitable distribution of funding based on cost. He suggested that a different solution was needed to meet the Court’s ruling. (Attachment 9)

Tristan Duncan, a parent in the Shawnee Mission school district, informed the Committee that the school which her children attend increased its classroom size from 18 to 1 to 29 to 1. She commented that 29 children in a classroom is too large according to every guideline regarding the proper classroom size. She noted that the current formula robs Peter to pay Paul. She explained that, because extra costs associated with special needs students are not funded at 100%, local school districts are forced to take funds from their local budgets that would have been spent on regular classroom teachers and reallocate those funds to special resource teachers and related expenditures for special needs students. Consequently, the average student experiences discrimination in the form of larger class sizes. Her solution to remedy the inequity was to block grants for schools with class sizes over 18-1 in the younger grades and 24-1 in the secondary grades. She noted that the remedy does not force a competition for funds. (Attachment 10)

Cal Kleinmann, Greater Kansas City Chamber of Commerce, presented a business perspective on school finance. He explained that the Chamber believes that the current formula contains several features which, over time, have caused it to operate in an unfair manner. He stated, “It is a flawed formula that cries out to be replaced as soon as possible.” The Chamber believes that a new formula should, (1) equalize the necessary resources available in each school district to achieve adequate funding for students in all districts, (2) permit reasonable local funding choices, (3) include definitions of at-risk ad special education weightings which are

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based upon actual needs and expenses, and (4) provide that local residents receive no less funding than they currently receive unless it is due to declining enrollment. ([Attachment 11](#))

Katherine Rivard, Civic Council of Greater Kansas City, discussed the Civic Council's position regarding the funding of Kansas public schools. She discussed the provisions in **SB 246** which the Council supported as stated within the Civic Council's Principles statement attached to her written testimony. She noted that the bill did not address several areas within the statement, but it was a strong place to start the development of a new formula. She explained that Civic Council would propose designating a portion of the future growth of the state general revenue per annum to the foundation formula and that a cost of living factor be included in the annual calculation that reflects not only factors such as housing costs but also the competitive market for hiring teachers and other critical personnel. In addition, the Council would support including funds for three and four year old pre-school and before and after school programs. In summary, she said, "Investment in P-12 education is not only about what is right for the children of the state, but is also a good business investment. It's about building a 21st Century economy for Kansas." ([Attachment 12](#))

Marvin Estes, Superintendent of Winfield Public Schools, urged the Committee to reconsider the exclusion of vocational weighting in the proposed school finance plan. He went on to explain that his district has lost 7% of its student population over the past four years, and it has been at the maximum LOB funding of 25% for the past four years. In the same period of time, the district has lost \$27 BSAPP per student. He noted that the Winfield district has attempted to stay positive and has promoted vocational program partnerships with community businesses. Businesses have responded with generous donations; however, the donations cannot and should not fully fund school programs. He expressed concern that the elimination of the vocational weighting would result in current vocational programs being reduced or weakened. ([Attachment 13](#))

Nancy McRoberts, a teacher and Chairman of the Olathe Northwest High School Family and Consumer Sciences Department, testified in opposition to the elimination of career and technical education weighted funding. She noted that, as a teacher, she has become very aware of the great influence the school's family and consumer sciences program has had in serving the needs of a wide variety of students in the process of preparing to enter the workforce as young adults. She stressed the importance of additional funding to meet the career training needs of the students. To illustrate the importance of vocational education, she quoted very positive student responses from an end-of-semester survey. In conclusion, she encouraged committee members to visit the Family and Consumer Sciences Department in their hometown community before making a final decision about removing weighted vocational funding. ([Attachment 14](#))

Terry Holdren, Kansas Farm Bureau, commented that the Farm Bureau supports encouragement of the development of agricultural education programs in the classroom. He urged the Committee to reconsider the elimination of the vocational education weighting. He noted that vocational weighting is much needed in both rural and urban areas for students who otherwise may not receive critical skills that translate into jobs upon graduation. In addition, he expressed the Bureau's opposition to an increase in property taxes or an increase in the authority granted to local school boards to increase property taxes beyond the current 25%. He noted that, due to the unique investment requirements for agriculture production, increased property taxes would place a substantial burden on farmers and ranchers. He suggested that the proposed school finance plan be funded by sales or income taxes. ([Attachment 15](#))

Don Willson, United School Administrators, noted that, while there are many positive concepts in **SB 246**, the United School Administrators would like the Committee to reassess some of the provisions. He asked the Committee to consider raising the base to \$5,100 to insure retention of programs and adequate improvement in salaries for school personnel. In addition, he asked that vocational funding not be eliminated or reduced. ([Attachment 16](#))

Bill Reardon, an employee of Kansas City, Kansas, public schools (USD No. 500), informed the Committee that, although state assessment scores have improved in USD 500 in the past few years and the drop out rate is lower, the scores are still near the bottom of the 301 Kansas USDs, and most other measurements of achievement are similarly low. He noted that the reasons were complex; however, the three significant factors were (1) state funds cover only 75% of the district's excess costs for the hundreds of handicapped students with special medical and developmental services being educated in USD 500, (2) USD 500 has the highest

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percentage of at-risk students in the state, and (3) the percentage of students qualified for bilingual programs has doubled in the past five years. To cope with these challenges, USD 500 has been forced to transfer an increasing number of dollars from the general fund to these three programs. He commented that **SB 246** addresses these three weights; however, the district would be forced to wait an additional three years before funding reaches levels approaching national averages for the three categories. He urged the Committee to consider fully funding special education, bilingual, and at risk in the first year. (Attachment 17)

Senator Lee requested that the superintendents and lobbyists for school districts who testified provide a list of the schools' curriculums and along with a statement reflecting how they feel the curriculum does or does not go along with the definition of a suitable education.

Senator Schodorf called the Committee's attention to written testimony regarding the components of the Senate Education Plan submitted by Gary George, Assistant Superintendent for the Olathe School District, (Attachment 18) and written testimony submitted by Gary Janatz, Newton USD 373, concerning the impact of the Senate Education Plan on the five school districts in Harvey County (Attachment 19). With this, the hearings on **SB 244**, **SB 245**, and **SB 246** were closed.

Senator Schodorf opened committee discussion on the 2005 Senate School Finance Proposal (formula adjustments and three-year plan). Senator Apple suggested that the Committee consider a five-year plan. Senator Steineger expressed his opinion that it was unnecessary to have a cutoff time for the plan. He said, "If we are going to commit this, just commit. It's that simple." Senator Teichman commented, "I don't think it's a question of cutting off funds after five years. I think it's a matter of putting funds in and continuing it, and then, after that, we're going to have to see where we are with our programs to see if we need more funding." With regard to the three-year plan, Senator Lee commented that the planned increase in the BSAPP to \$4,263 at the end of three years was not enough. In support, she noted that the recommendation by Augenblick and Myers for the base, which made several years ago, would translate to \$5,033 now.

Senator Vratil commented, "I agree that we need to look at school funding on a long-term basis. I think all of us are getting tired of battling this every year. One way to approach that would be to build a cost of living escalator into your formula. You don't necessarily have to develop a plan saying we're going to spend X amount of dollars in each year for the next ten years. That would become pretty difficult to predict what our needs would be and what our resources would be. But a cost of living escalator is a good gage of the additional money that would be necessary absent unexpected occurrences." Senator Schordof added, "I had actually thought, after the three-year plan, that would be something that The 2010 Commission would develop for years four and five." Senator Goodwin noted, "The Supreme Court decision said a suitable education will never be stagnant. We have to look year, after year, after year. In two years, a suitable education may even be more than what we put in this year. So, I would not support anything that's longer than five years out."

Senator Apple explained why he suggested a five-year plan as follows: "If we look at the dollars we are going to spend on at-risk weighting under the plan that exists now, we're looking at a 50% increase in one area. I, perhaps, don't think that's the wise thing to do. If we have a 20% increase in a certain area in one year, I think in anybody's book, that's a substantial increase. And if we went 20% the first year, 20% the second year, 15% the third, 15% the fourth, and 15% the fifth, then we'll still end up at the same point. Perhaps we will spend our money a little wiser and a little more effectively and still end up at the same place. And, if we do that, then we stand a chance that we can do a couple of other things, and we can put vocational weighting back in the formula."

Senator Pine commented, "My concern would be that we have a two-year, three-year, five-year, or ten-year plan that we describe exactly how we're going to do this year after year. I think there's a lot of things that need to be looked at and we need to have pointed out to us by numerous people. It appears to me that we don't have the necessary information in terms of exactly what our school districts are doing and how they are spending their money in a way that we can compare what they are doing school district to school district. I don't see how you can plan what you are going to do exactly for the next several years when you don't have the adequate information much less time to get it all figured out in the next two or three days." Senator Schodorf responded, "Absolutely, we need to look at cost figures. But schools haven't had an increase for three years, and what I envision, and maybe other members of the committee are thinking something else, but

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for the first year, this is a good faith effort on the part of the state to put more money into schools. We do not have the accurate cost figures now, but I don't hear schools saying, 'Just wait a couple more years.' This is a framework for funding, a good faith effort that we're going to increase funding. The first year, we're going to put money into every school district and then analyze the cost, if it passes by the Post Audit Department. And year two and three may change, but, right now, this is a framework. That's the way I'm envisioning it. Then The 2010 Commission is looking to the future. That's sort of your (Senator Apple) five-year plan. But I don't hear schools say that they don't want money, they've got to have costs."

With regard to the discussion regarding a cost of living increase, Senator Lee commented, "If you don't have an appropriate base, a cost of living increase doesn't mean anything, and a five-year or ten-year plan doesn't mean anything if you don't start with the appropriate base. That's my only concern. We've got to agree that that's appropriate before you can say a five-year plan is appropriate. Frankly, I agree with both that we need to have a master plan."

Senator Goodwin commented, "One of the highest priorities I think we need to look at is looking at the formula, and that is going to take some time." Senator Ostmeyer agreed that the formula should be addressed and suggested that the formula should be the first order of business addressed by The 2010 Commission because, under the current formula, schools are not funded equally. Senator Vratil commented, "I think we need to look at the Supreme Court decision and try to tailor the changes in our formula to address the concerns that were articulated by the Supreme Court. I'm not suggesting that we can scrap the existing formula this year and rewrite one, because I don't think that's possible in the time we have available. But I think we need to focus on what the Supreme Court said. One of the things that the Supreme Court repeatedly talked about is the disparate spending in Kansas from the lowest spending school district to the highest spending school district. I think we should try to tailor our proposal to decrease that disparate spending so that we have a tighter range of spending per pupil across the state than what we now have. I think we need to look very closely at that disparate spending because I think the Court is going to look closely at it."

Senator Apple reminded the Committee that, at the February 15 meeting, he discussed a revenue neutral proposal which would lower property taxes and raise income and sales taxes. For the Committee's information, he distributed copies of a chart regarding potential revenue from the transfer of the local option budget to the general fund ([Attachment 20](#)) and copies of data regarding 2004 mill levies for all school districts including the supplemental general fund which was prepared by the State Department of Education ([Attachment 21](#)). He clarified that the information did not relate to the five-year school finance plan he proposed.

Senator Allen reminded the Committee that, at the February 15 meeting, she requested that Dale Dennis, State Department of Education, prepare a run showing the effect of the proposed Senate school finance plan with an final column for "per pupil." For the Committee's information, she distributed copies of the printout. ([Attachment 22](#)) She commented, "I thought it was interesting that the highest per pupil number is \$747, and the lowest is \$105. So there is, again, a great disparity amongst school districts as far as who would benefit from this plan as introduced." Senator Vratil commented, "I think what you will find when you analyze this is that, as the size of the school district increases, the amount of money they receive in this plan would decrease as a general rule. And that's true because of the low enrollment weighting."

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for February 17, 2005.

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