

MINUTES

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

June 26, 2007
Room 313-S—Statehouse

Members Present

Senator Jean Kurtis Schodorf, Chairperson
Senator Roger Pine
Senator Marci Francisco
Senator Ruth Teichman
Representative Deena Horst
Representative Steve Huebert
Representative Eber Phelps
Representative Jo Ann Pottorff
Representative Valdenia Winn

Members Absent

Representative Clay Aurand, Vice-Chairperson
Senator Mark Taddiken
Senator John Vratil
Representative Barbara Ballard

Staff Present

Theresa Kiernan, Office of the Revisor of Statutes
Dianne Rosell, Office of the Revisor of Statutes
Sharon Wenger, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Ashley Holm, Kansas Legislative Research Department

Others Present

Scott Frank, Division of Legislative Post Audit
John Dougherty, Emporia State University
Derek Hein, Hein Law Firm
Mark Boranyak, Statehouse
Katie Firebaugh, Kearney & Associates
Stuart Little, Shawnee Mission School District
Gary Lewis, Lawrence Virtual School
Diane Gjerstad, Wichita Public Schools

Tom Krebs, Kansas Association of School Boards
Cindy D'Ercole, Kansas Action for Children
Jennie Rose, KACCT/KCSL

Tuesday, June 26

The meeting of the Legislative Educational Planning Committee (LEPC) was called to order at 10:00 a.m. by Chairperson Schodorf. Committee members reviewed the preliminary interim schedule.

K-12 Education Update

Theresa Kiernan, Office of the Revisor of Statutes, began with a legislative update. HB 2368, the Mega Appropriations Bill, increased the local option budget (LOB) required percentage from 31 percent to 32 percent. SB 68 was passed during the veto session to simplify the LOB legislation and set the percentage to 31 percent; however, this created a conflict with the 32 percent provision in HB 2368. An opinion from the Attorney General regarding this conflict is expected soon ([Attachment 1](#)).

Ms. Kiernan continued with HB 2310, explaining that part of the bill was changed from "state prescribed percentage" to read "31 percent," with a grandfather clause for schools currently at 30 percent. Schools at 31 percent are able to access the cost-of-living adjustment and declining enrollment weightings.

SB 68 dealt with the non-proficient at-risk weighting in the school finance formula, removing the June 30, 2007 sunset date. The bill included a provision for school districts that have experienced a disaster, which would cause them to be unable to complete state assessment tests, to continue to receive non-proficient student funding equal to the prior year. This provision will apply to Greensburg public schools.

SB 68 also requires school districts to adopt policies and strategic plans to address bullying and to train students and staff in methods to identify and reduce bullying during school events. If a school district requests help in creating a character development curriculum, the State Board of Education must assist the school district.

HB 2159 dealt with the second count date for dependents of military service members. In order to qualify for the February 20, 2008 and February 20, 2009 count date, the school district must increase by 25 pupils or by 1 percent of enrollment in order to be eligible for more funding.

SB 95 dealt with the treatment of mentally ill youth at psychiatric treatment facilities. Students being treated in these facilities are not counted in the school finance formula. SB 95 changed the wording to label facilities that provide educational services to students as "psychiatric residential treatment facilities."

SB 109 required that teachers begin receiving pay for the school year in September, in 12 installments.

SB 129 created time requirements and limits for reporting and punishing school safety violations. Ms. Kiernan noted that the Kansas Association of School Boards has argued that the provisions of the bill which require the disclosure of student discipline records may violate the Family

Educational Rights and Privacy Act (FERPA). The Office of the Revisor of Statutes currently is examining this.

SB 138 created the Autism Task Force, consisting of 20 members and 4 *ex-officio* members, to study issues related to autism and the delivery of services. The Task Force must submit a preliminary report by November 15, 2007 to the LEPC, and a final report by November 8, 2008.

HB 2310 also mandated that the LEPC, in collaboration with the 2010 Commission, research and make recommendations regarding the creation of a new office of early childhood education and the most coordinated system for delivery of early educational services. The LEPC will report to the Governor and the Legislature by December 31, 2007. Sharon Wenger of the Kansas Legislative Research Department noted that the Department of Legislative Post Audit would be presenting an early childhood audit to the LPA Committee on July 11. Additionally, representatives from the Kansas Health Institute and four state agencies that deal with early childhood issues will make presentations to the 2010 Commission. Chairperson Schodorf suggested the LEPC members attend this 2010 Commission meeting to hear from the parties.

Senator Pine inquired about the changes to special education funding through Medicaid payments. Senator Teichman explained that the federal Centers for Medicare and Medicaid Services changed from paying bundled rates to state educational agencies, to paying fees for services, which decreases the amounts paid to states for special education services. Michele Alishahi explained that because of this change in regulation, the state had to put more money into special education excess costs to cover the shortfall in federal funding. Under the bundled rate, Kansas received approximately \$35 million to fund special education; under the fee for service payment plan, Kansas is expected to receive only \$17.5 million. Approximately \$16.1 million was added for special education excess costs to alleviate the shortfall.

Postsecondary Education Update

Ms. Kiernan continued with a summary of postsecondary education legislation from the 2007 Session. HB 2073 allows the Board of Regents to transfer the title to property to the investing agent of a state institution ([Attachment 2](#)).

Individuals have 60 months to return to the State of Kansas to attend a state educational institution without losing their in-state residency status. This changed the maximum time limit from 12 months to 60 months. This applies only to individuals with lawful immigration status, and is extended to out-of-state residents who serve in the Kansas National Guard.

HB 2185 creates the Nurse Educator Scholarship program and consolidates teacher scholarships and grants.

HB 2556 establishes the Technical Education Authority to recommend rules and regulations, and set benchmarks for technical education programs in Kansas. This bill also establishes the Technical College and Technical Schools Commission, which will submit reports to the LEPC.

HB 2237 addressed the issue of deferred maintenance of the infrastructure at postsecondary institutions. The bill established two five-year programs for deferred maintenance. The state educational institution long-term infrastructure maintenance program is funded by transfers from the State General Fund and the statewide maintenance and disaster fund; the program applies to the Regents universities. Under the postsecondary educational institution infrastructure finance program, up to \$100,000,000 in bonds may be issued to finance no-interest loans to Washburn University, community colleges, and technical colleges.

HB 2237 creates a long-term infrastructure maintenance program. HB 2237 transfers \$43 million from the statewide maintenance and disaster fund to state universities. The last transfer will occur on July 1, 2011. The Kansas Development Finance Authority (KDFFA) may issue \$20 million in bonds annually for five years to Washburn University, community colleges, and technical colleges and \$30 million worth of income tax credit is available for private donors to Washburn, community colleges, and technical colleges. Community colleges, technical colleges, and Washburn University must share \$15 million in bonds. Approximately \$38 million will go to Regents' universities for ongoing maintenance.

SB 115 funds the Johnson County Educational Research Triangle, and levies a 0.2 percent property tax to support University of Kansas' Edwards Campus, Kansas State University's facilities in Johnson County, and the KU Medical Center.

Michele Alishahi, Kansas Legislative Research Department, gave an overview of education budget issues from the 2007 Session. Department of Education budget adjustments were made in FY 2007 to increase school funding by \$3.3 million above the amount approved by the 2006 Session for the first year of the three-year school finance plan. FY 2008 adjustments included a \$48.5 million increase above the amount approved by the 2006 Legislature for the second year of the three-year school finance plan. HB 2159 created the second count date for students in military families, and required a \$4 million increase in State General Fund appropriations to the Department of Education. The Legislature also set aside the third year of increased funding in the 2006 school finance bill by transferring \$122.7 million from the State General Fund to the Keeping Education Promises Trust Fund in FY 2008. The funding will be transferred back to the State General Fund in FY 2009.

Other funding adjustments affected the Parents as Teachers program, a mentor teachers program, after-school programs, the Kansas Career Pipeline, and juvenile detention centers.

Diane Duffy, Kansas Board of Regents, answered questions from legislators regarding deferred maintenance funding needs. The \$38 million allocation is used for funding preventative maintenance at individual institutions. There is currently a \$600 million backlog and she said schools need to be spending \$84 million per year to catch up. Regents institutions also will receive \$15 million from the Education Building Fund. The Board of Regents is planning a July 25 meeting with the Department of Revenue to determine the amounts of tax credit to be granted. The amount of bonds to each school will be decided by the Board of Regents.

Dianne Rosell, Office of the Revisor of Statutes, gave an overview of disaster-related legislation. School districts can apply for waivers to exempt them from statutory requirements regarding school year length. Funds for disasters are considered separate from impact aid and operating expenses.

Senator Teichman explained that in Greensburg, insurers will give a replacement value, however, a school district will not be required to build an exact replacement, but would be provided sufficient funds to rebuild. Senator Teichman also noted that provisions such as the declining enrollment weighting are only helpful to school districts like Greensburg for the first year, and adjustments will be necessary for three and four years out, when the enrollment is still low, but not necessarily declining. Representative Horst suggested that additional funding may be required for textbooks and classroom materials, costs which may not be included in insurance reimbursements.

Legislative Post Audit Update

Heidi Zimmerman, Legislative Post Audit, also presented an audit entitled "Reviewing the Research on Charter School Performance." The audit reviewed the literature about charter schools

and concluded the schools had mixed results. There are 27 charter schools in Kansas presently. Magnet high schools, which usually have a strong academic focus, were shown to outperform regular high schools, with no discernible difference between magnet elementary and regular public schools. Ms. Zimmerman drew a distinction between alternative schools, which are independent schools with their own sets of test data, and alternative programs, which are part of a school and whose test data cannot be distinguished from the entire school's data.

Dan Bryan, Legislative Post Audit, presented another audit entitled "Reviewing the Staff Recruitment and Retention Strategies Used by Kansas School Districts." LPA surveyed 98 percent of superintendents in the state about what strategies they use to recruit and retain teachers, and which ones have been successful. Effective strategies included recruitment via the internet, college recruitment fairs, and student teaching placements. Hiring paraprofessionals and giving teachers collaboration time were strategies that helped retain teachers in schools.

Respondents to the survey suggested these changes to help recruit teachers: easing licensing and certification requirements, removing barriers to hiring retired teachers, such as removing the KPERS cap, and increasing teacher salaries. The LPA audit found that Kansas is ranked 32nd in the nation in teachers' salaries. LEPC members concurred with the LPA audit's finding that hiring retired teachers is an attractive means of recruiting more teachers into the workforce, but issues surrounding KPERS must be addressed in order for retired teachers to reenter the profession. The Committee requested further information regarding the KPERS' issues surrounding the retired teachers question.

LEPC members were concerned about the need to ease licensure qualifications and requirements, which was also a concern reflected in the LPA audit. In a future meeting, a member of the State Board of Education would attend to discuss this aspect of teacher recruitment.

Scott Frank, Legislative Post Audit, presented an audit entitled "Reviewing Issues Related to Virtual Schools." Virtual school enrollment has increased significantly in the last decade. In the 1998-1999 school year, 63 FTE students were enrolled in virtual schools in Kansas. By the current 2006-2007 school year, 2,056.2 FTE students were enrolled. In general, virtual school education is cheaper than an education in a "bricks and mortar" school.

Mr. Frank distinguished between virtual charter schools and virtual school programs. Virtual charter schools are independent schools, and there are seven such virtual charter schools in Kansas, including Lawrence's elementary and middle virtual schools. Virtual school programs are aspects of an existing "bricks and mortar" school, and there are 15 district-run virtual school programs in Kansas. The Lawrence virtual school programs are run through both Lawrence high schools.

The audit found that while there are policies in place regulating virtual schools, those policies are not always followed. The Department of Education did not have the registration forms for many virtual schools, on-site visits are not done, and performance reports were missing. Paying for students living outside of Kansas remains a risk, and the practice of "giving away students" to other schools caused concern about the potential for abusing the school finance formula and testing requirements.

The lack of oversight on virtual schools also provides an incentive to recruit and trade nongraded students, who may be older than traditional students, but who do not have to take the state assessments.

Dr. Alexa Posny, the new Commissioner of Education, made remarks to the Committee regarding her new appointment and her vision for ensuring the success of all students in Kansas, and

not waiting for students to fail before schools intervene. She is concerned about recruiting capable individuals to become teachers; currently approximately 43,000 licensed teachers are in the Kansas teacher workforce, yet there are over 70,000 teaching license holders in Kansas, leaving a significant number of licensed teachers who are not currently teaching. Dr. Posny reflected on the need to get those nonpracticing teachers into the 1,100 vacant teaching positions across the state.

A reception for Dr. Posny followed. The next meeting of the Legislative Educational Planning Committee will be July 23, 2007.

Prepared by Ashley Holm

Approved by Committee on:

July 23, 2007

(Date)