

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairman Clay Aurand at 9:00 a.m. on March 5, 2009, in Room 711 of the Docking State Office Building.

All members were present except:

Representative Steve Huebert- excused

Committee staff present:

Sharon Wenger, Kansas Legislative Research Department

Theresa Kiernan, Office of the Revisor of Statutes

Dale Dennis, Kansas State Board of Education

Janet Henning, Committee Assistant

Conferees appearing before the Committee:

Scott Frank, Legislative Post Audit

Representative Clay Aurand

Tom Krebs, Kansas Association of School Boards

Bill Brady, Schools for Fair Funding

Bill Reardon, Kansas City, Kansas Public Schools

Val DeFever, Schools for Quality Education

Diane Gjerstad, Wichita Public Schools

Cheryl Semmel, United School Administrators of Kansas

Royce Powelson, Superintendent, Jayhawk USD #346

Dr. Gary George, Assistant superintendent, Olathe USD #233

Chairman Aurand told Committee members for the purpose of chairing the House Education Committee on March 5, 2009, he would appoint Representative Marti Crow as the Chairperson.

HB 2357 - School districts; calculation of at-risk pupil enrollment.

Chairperson Crow opened the hearing on **HB 2357**.

Scott Frank, Audit Manager, Kansas Legislative Post Audit, gave Committee members an overview of the audit entitled "*K-12 Education: Reviewing Free-Lunch Student Counts Used as the Basis for At-Risk Funding, Part I*".

Mr. Frank told Committee members that legislators have seen information indicating the number of students districts reported as eligible for the free-lunch program varies significantly from poverty estimates prepared by the U.S. Census Bureau. In addition, information compiled by the State Department of Education, as well as findings in the Legislative Post Audit cost study, indicate the number of students eligible for free lunch has little relationship to the number of students who actually receive at-risk services.

This information has raised concerns among some legislators about the validity of using the number of students qualifying for free lunch to measure poverty within each district, and for some it also called into question the appropriateness of using free-lunch counts as the basis for distributing State at-risk funding.

The audit was conducted in two parts:

- **Does the number of free-lunch students used for at-risk funding accurately reflect the number of students who are eligible for the program?**

In the 2005-06 school year, Kansas public school districts received almost \$111 million in at-risk funding for nearly 135,000 free-lunch students. About 17% of the statewide random sample of 500 free-lunch students were ineligible - primarily because families under-reported their income. That means the State paid almost \$19 million in at-risk funds for about 23,000 ineligible students. However, based on the Legislative Post Audit survey of school district officials, about 6,900 students Statewide may have been eligible for free lunches but their families didn't apply, mostly because they're embarrassed to reveal their finances.

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The free-lunch counts used for at-risk funding may also include a number of students the Legislature didn't intend to fund, including adult students in alternative schools and part-time students.

- **How does the number of free-lunch students reported by school districts compare with poverty estimates compiled by the U.S. Census Bureau?**

In 2003-04, Kansas had 54,000 more free-lunch students than adjusted figures from the U.S. Census Bureau would suggest. The primary reason for this difference is that the free-lunch count includes approximately 22,000 ineligible students for that year. The Census Bureau's district-level poverty estimates also have several limitations, including difficulties in accurately measuring important populations, significant lag time in publishing figures, and decreasing accuracy as they get further from the 10-year census count. (On file - Performance Audit Report, Legislative Division of Post Audit, November 2006)

Representative Clay Aurand spoke to Committee members as a proponent of **HB 2357**. Representative Aurand told Committee members that each year, the Kansas State Board of Education determines the at-risk pupil enrollment of each school district who are eligible for free meals under the national school lunch act. The State Board of Education must then determine the estimated number of children living in a school district who are at least five and not more than 17 years of age and who are a member of a household whose income is equal to or less than the poverty threshold according to the current small area income and poverty estimates prepared by the United States Census Bureau as of September 20 of each school year.

Representative Aurand told Committee members of a conceptual amendment which would not reduce the total amount paid by the State but would redistribute it by increasing dollars going to districts that after auditing were under-reporting what would be considered the "normal poverty" rate after auditing.

Representative Aurand distributed a print-out which compared free-lunch counts (9.20.08) to adjusted Census counts (2006) (Attachment 1)

A question and answer session followed the presentations.

Tom Krebs, Governmental Relations specialist, Kansas Association of School Boards (KASB), spoke to Committee members in opposition of **HB 2357**. Mr. Krebs told Committee members that KASB was opposed to the bill for the following points:

- KASB is not aware of any example of actual evidence that school officials, rather than parents, are knowingly using false information to calculate free lunch status
- The evidence is very clear that students qualifying for free lunch, as a group, have lower performance, regardless of whether this reflects actual income for each qualifying family
- The at-risk weighting factor is intended to help districts narrow and ultimately eliminate this achievement gap
- According to state test results - the current measure that is used, - as funding has increased for at-risk student programs, at-risk student achievement has increased
- It is believed that reducing such funding will make it much harder to sustain that achievement.

(Attachment 2)

Bill Brady, Schools for Fair Funding (SFFF), spoke to Committee members in opposition of **HB 2357**. Mr. Brady told Committee members that most of the school districts belonging to SFFF have levels of at-risk students that represent 30 - 60% of their student population. With the current rate of economy, these numbers are growing, not declining. Mr. Brady stated it is believed that **HB 2357** would set up a burdensome system which will have the net effect of reducing resources for at-risk funding. It will add

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administrative costs both at the state and local levels at a time when schools are being asked to do more with less. ([Attachment 3](#))

Bill Reardon, Kansas City, Kansas Public Schools, spoke to Committee members in opposition to **HB 2357**. Mr. Reardon told Committee members this bill does not directly deal with this issue but rather addresses the use of free lunch count as the method of accessing at-risk funds. He stated this bill would implement a second count based on estimates from the U.S. Census Bureau and require that the smaller of the two counts be used for determining at-risk funding. ([Attachment 4](#))

Val DeFever, Schools for Quality Education, spoke to Committee members in opposition to **HB 2357**. Ms. DeFever urged Committee members to refrain from changing the way at-risk dollars are presently determined. At a time when so many programs are being limited by the economic crunch and with expectations increasing, it doesn't make sense to slow down what dollars there are to help children. ([Attachment 5](#))

Diane Gjerstad, Wichita Public Schools, spoke to Committee members in opposition to **HB 2357**. Ms. Gjerstad told Committee members this bill would make significant, costly, and time consuming changes in the at-risk calculation. She stated the bill would amend the current at-risk weighting calculation and change it into a complex, lengthy and inefficient process which will require school districts to have more staff dedicated to counting at-risk eligible students. ([Attachment 6](#))

Cheryl Semmel, Executive Director United School Administrators of Kansas, spoke to Committee members in opposition to **HB 2357**. Ms. Semmel told Committee members that the changes proposed in HB 2357 will negatively impact programs that serve those students with the greatest need because the proposed alternatives present an inaccurate, unreliable and untimely portrait of need. ([Attachment 7](#))

Royce Powelson, Superintendent of Jayhawk USD #346, spoke to Committee members in opposition of **HB 2357**. Mr. Powelson stated the bill would likely result in a lack of resources available to support these students with the greatest need. The bill would create a very bureaucratic process that focuses on increased time and labor for compliance, while neglecting the impact on children. ([Attachment 8](#))

Dr. Gary George, Assistant Superintendent, Olathe USD 233, spoke to Committee members in opposition of **HB 2357**. Dr. George told Committee members of a number of concerns with the bill including the following:

- The purpose of the bill is not clear
- The use of census data is a problem because the data is old and is statistical
- Limiting at-risk funding to 5-17 year old students excludes the four year old at-risk students
- Unclear if at-risk funding would only be directed as the proposed bill indicates or if non-proficient at-risk would still be allowed
- It is not clear if the Department of Labor data is sufficiently current
- No fiscal impact has been listed
- Reduction of at-risk funding would not help advance student achievement

([Attachment 9](#))

A question and answer session followed the presentations.

Chairperson Crow closed the hearing on **HB 2357**.

The meeting was adjourned at 10:45 a.m. The next meeting is scheduled for March 10, 2009.