

MINUTES

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

November 19-20, 2009
Room 545-N—Statehouse

Members Present

Senator Jean Kurtis Schodorf, Chairperson
Representative Deena Horst, Vice-chairperson
Senator Marci Francisco
Senator Bob Marshall
Senator Mark Taddiken
Senator John Vratil
Representative Barbara Ballard
Representative Owen Donohoe
Representative Steve Huebert
Representative Eber Phelps
Representative JoAnn Pottorff
Representative Valdenia Winn

Member Absent

Senator Ruth Teichman

Staff Present

Sharon Wenger, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Kristen Kellems, Office of the Revisor of Statutes
Renaë Jefferies, Office of the Revisor of Statutes
Dale Dennis, Kansas State Department of Education
Janet Henning, Committee Assistant

Others Present

Scott Frank, Legislative Division of Post Audit
Laurel Murdie, Legislative Division of Post Audit
Alex Gard, Legislative Division of Post Audit

Daniel Bryan, Legislative Division of Post Audit
Mike Reecht, K12, Inc.
Kathy Damron, University of Kansas
Bill Reardon, Kansas City Kansas Public Schools
Diane Gjerstad, Wichita Public Schools
Dodie Wellshear, United School Administrators of Kansas
Tom Krebs, Kansas Association of School Boards
Val DeFever, Schools for Quality Education
Bill Brady, Schools for Fair Funding
Terry Forsyth, Kansas National Education Association
Bob Vancrum, USD 229, Blue Valley
Sue Storm, Kansas State Board of Education
Sue Denny, USD 229, Blue Valley
Doug Bowman, Coordinating Council on Early Childhood
Mark Bozanysk, Capitol Strategies
Jennifer Crow, USD 501, Topeka
Shannon Bell, Little Government Relations
Trudy Racine, Kansas Children's Service League
Debi Hatfield, Kansas Department of Health and Environment
Julie Hein, Hein Law Firm

**Thursday, November 19
Morning Session**

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

**Update on November Fiscal Consensus Estimates
for K-12 Education**

Dale Dennis, Deputy Commissioner, Kansas State Department of Education, spoke to Commission members and reviewed the current fiscal situation for K-12 education. Mr. Dennis began by describing the changes, over time, in the Base State Aid per Pupil (BSAPP). BSAPP primarily is what funds general education.

When the November consensus estimates were done, the following factors exacerbated fiscal problems:

- Property valuations dropped by \$500.0 million;
- Total K-12 enrollments increased by 3,300-3,400 students;
- Free lunch applications increased by 12-13 percent; and
- Virtual and bilingual students increased slightly.

These factors led to an additional BSAPP cut of approximately \$150, bringing the BSAPP to \$4,068.

Mr. Dennis told Committee members there have been indications in the media that there will be additional allotments. He advised that under the American Recovery and Reinvestment Act (ARRA), the State of Kansas cannot go below the 2006 level of funding for K-12 education without special permission and special waivers from the federal government.

Mr. Dennis told Committee members that 2,101 licensed positions were eliminated in Kansas school districts for the 2009-10 school year. There have been 1,603 non-licensed positions eliminated for the 2009-10 school year.

Mr. Dennis told Committee members of other cost-saving measures which have been reduced or eliminated for the 2009-10 school year. These include cuts in or total elimination of the following:

- Before school, after school, and summer school programming;
- Parents as Teachers;
- Fine arts, language arts, and career and technical education classes;
- All-day kindergarten;
- In-district professional development;
- Out-district conferences;
- Extracurricular activities;
- School year (shortened);
- Transportation;
- Attendance center(s) (closed);
- Purchase of textbooks; and
- Purchase of school buses.

Mr. Dennis told Committee members the above listed items would be a total estimated reduction cost of \$67,692,746. He stressed to Committee members that this will have an effect on student achievement.

Mr. Dennis reviewed staff cost-cutting and efficiency measures being taken by the school districts:

- Eliminated 2,101 licensed positions in the 2009-10 school year;
- Eliminated 1,603 non-licensed positions in the 2009-10 school year:
 - Used early retirement options;
 - Froze salaries;
 - Reduced or eliminated professional development;
 - Shared food service manager with local hospital;
 - Shared a school nurse with the county health department;
 - Reduced or eliminated out-of-state conference travel;
 - Shared staff with other districts, such as a technology coordinator;
 - Eliminated bonuses for teachers in high-poverty schools;
 - Reduced new teacher orientation and induction;
 - Reduced and eliminated school resource officers, counselors, librarians, educational aides, administrators, paraprofessionals, social workers, school nurses, and parent educators;
 - Filled a coaching position with private funds from the community;
 - Used part-time staff; and

- Reduced overtime for non-licensed staff.

Mr. Dennis related some of the utility-related cost-cutting and efficiency measures:

- Contracted with a company to evaluate energy systems and recommend replacement and savings;
- Created a position which monitors energy use and implementation of energy cost-saving measures;
- Retrofitted buildings with energy-saving lights;
- Updated heating and cooling systems;
- Installed new energy-efficient heating and cool systems;
- Lowered room temperatures in the winter and increased room temperatures during the summer;
- Purchased natural gas via a bulk-buying group; and
- Created a student advisory council to assist with finding energy savings through the district's buildings.

Mr. Dennis told Committee members that programming efficiencies included the following:

- Increased pupil-teacher ratio;
- Reduced or eliminated early childhood programs;
- Reduced the number of activity buses taken to out-of-town athletic events;
- Reduced the number of activity trips;
- Reduced the number of curriculum-related field trips;
- Reduced extracurricular activities, such as clubs and organizations;
- Reduced alternative school programs;
- Reduced or eliminated before school, after school, and summer school programming;
- Reduced or eliminated support to Parents as Teachers programs;
- Reduced or eliminated fine arts, language arts, and family and consumer science programs;
- Reduced athletic programs;
- Reduced tutoring;
- Reduced instructional time;
- Lengthened school day and shortened school year, which save money on custodial, utility, and transportation services;
- Eliminated field trips, unless paid for by parents or boosters; and
- Raised class sizes in some or all subjects.

Mr. Dennis told Committee members that school districts have increased school lunch, driver's education, and facility rental fees. Districts also have increased scrutiny of Medicaid-eligible services, which increased the billing for services.

Committee members were advised the following steps have been taken regarding the operations and maintenance of school districts:

- Closed school buildings;
- Discontinued contracted bus service;
- Eliminated or reduced bus routes, making some routes longer than one hour;
- Deferred maintenance, repairs, and improvements to buildings and equipment;
- Bid large ticket items such as milk, fuel, technology software and hardware services, telecommunications, vehicles, and other large equipment;
- Installed hand blowers in restrooms to reduce paper towel use;
- Installed automatic flush toilets to reduce custodial time;
- Joined cooperative buying units;
- Used state contract when purchasing various equipment and supplies;
- Delayed purchases of textbooks, supplies, and school buses;
- Entered into agreements with local units of government for some services, such as school security services with a local police department;
- Reduced maintenance to a minimum;
- Eliminated transportation of students to day care providers;
- Used bigger buses or passenger vans; and
- Reduced funding available to purchase necessary school supplies, which increases the cost to teachers and parents, who still must provide supplies.

Mr. Dennis advised that school districts have refinanced bonded indebtedness and reduced cash reserves, which is of concern for future budgets. Mr. Dennis also noted that school districts have promoted wellness and safety issues in an attempt to keep health insurance renewal rates as low as possible. Insurance policies have been changed to have higher deductibles. Mr. Dennis indicated some school districts are interested in a statewide health insurance plan for their employees ([Attachment 1](#)).

A question and answer session followed the presentation.

Representative Steve Huebert distributed two items:

- Unified School Districts—State Totals (November 16, 2009, prepared by the Kansas Department of Education) ([Attachment 2](#)); and
- Chart prepared by Legislative Research dated May 8, 2009, showing K-12 expenditures over time for KPERS, bond and interest, local option budget, and full-time equivalent enrollment ([Attachment 3](#)).

Staff Review of Topics for Legislative Action and Inclusion in Final Report

School District Reorganization

History and Review of Various Studies

Dale Dennis and Sharon Wenger, Kansas Legislative Research Department, spoke to Commission members regarding school district reorganization questions being discussed ([Attachments 4 and 5](#)).

A question and answer session followed the presentation.

Afternoon Session

Current Statutory Incentives

Theresa Kiernan, Office of Revisor of Statutes, gave an overview of the various statutory incentives which have been enacted to encourage school districts to consolidate (Attachment 6).

A question and answer session followed the presentation.

Status of Performance Audit on Reorganization

Dan Bryan, Legislative Division of Post Audit, gave an overview of a performance audit reviewing school district reorganization currently being prepared by Legislative Post Audit. The report should be completed by mid to late January, 2010, and will include a variety of reorganization scenarios for review by Kansas legislators.

A question and answer session followed the presentation.

Special Education Catastrophic Aid

Sharon Wenger spoke to Committee members regarding three proposals made by various entities related to the special education catastrophic aid funding formula. Those proposals are summarized below.

- **2010 Commission:** Increase the funding threshold per student to two times the prior year's aid per teacher, deduct any other state categorical aid a district has already received for the student, and multiply the result by the percentage determined by state law (currently .75).
- **Special Education Directors:** Increase the funding threshold per student to two times the prior year's average cost per special education student (FTE), deduct any other state categorical aid a district has already received for the student, and multiply the result by the percentage determined by state law (currently .75).
- **Legislative Post Audit Committee:** Increase the funding threshold to \$36,000, allow the threshold to increase in future years to account for inflation, deduct any other state categorical aid a district has already received for the student, and multiply the result by the percentage determined by state law (currently .75) (Attachments 7, 8, and 9).

A question and answer session followed the presentation.

Youth Residential Centers

Theresa Kiernan, Revisor of Statutes Office, spoke to Committee members and reviewed the funding for educational services provided to students residing at juvenile detention facilities, psychiatric residential treatment facilities, youth residential centers, and the Flint Hills Job Corp Center (Attachments 10, 11, 12, and 13).

A question and answer session followed the presentation.

Chairperson Schodorf asked Committee members if there were any changes or additions to the minutes of October 12, 2009. *Representative Horst moved to approve the minutes as recorded. The motion was seconded by Representative Phelps. The motion carried.*

Review of Final 2010 Commission Recommendations

Martha Dorsey, Kansas Legislative Research Department, spoke to Committee members and gave a review of the final 2010 Commission recommendations (Attachment 14), which included:

- The Legislature should refocus its revenue and funding priorities to make education priority number one;
- The Legislature should consider generating revenue from at least three specific revenue sources, including:
 - Reversing previous tax cuts;
 - Increasing the statewide school mill levy; and
 - Increasing the state sales tax.
- In addition to the knowledge that the education of children is the most important function of state government, there are practices that are known to make a difference in assuring that every child receives the maximum benefit of his or her education;
- The Legislature should continue funding K-12 education in a three-year funding cycle;
- The Legislature should change the formula for determining special education catastrophic aid; and
- The Legislature should shift the *tiny-k* and Early Head Start programs to the Kansas Department of Education.

A question and answer session followed the presentation.

Kansas Board of Regents Final Legislative Initiatives

President Reginald Robinson, Kansas Board of Regents, spoke to Committee members and gave a summary of the Board of Regents 2010 Legislative initiatives (Attachment 15):

- Revise Private Postsecondary Statutes—Amend private postsecondary statutes by: including new definitions of regulated entities; eliminating the exemption for branch locations; making changes to the application and renewal process; clarifying the types of degrees requiring a certificate of approval; providing for greater penalties for violations of the Private Postsecondary Act; revising the fee structure to establish new maximum amounts that may be charged to regulated entities; requiring data to be reported by regulated institutions; and requiring the schools to post their student complaint process.
- Amend the 45-day veto provision related to the Technical Education Authority (TEA) statutes by TEA and the Board, and eliminate the need for the Board to take negative action on TEA recommendations for purely procedural reasons.
- Make permanent the State University Purchasing Pilot Project—The University of Kansas and Fort Hays State University have participated in a three-year purchasing pilot program which has exempted them from state purchasing statutes. The proposal would make the exemptions permanent and would allow all six state universities to participate.
- Expand State University Surplus Property Exemption—Exempt the six state universities from the State Surplus Property Act.
- Update investment statutes/gifts and bequests—Update statute language and offer an additional investment option supported by the recent adoption of the Kansas Uniform Prudent Management of Institutional Funds Act.
- Authorize Fort Hays State University to sell land—Authorize Fort Hays State University to sell two tracts of land to the City of Hays.

A question and answer session followed the presentation.

Chairperson Schodorf announced the Committee would be meeting at 9:00 a.m., November 20, 2009, in Room 545-N.

The meeting was adjourned at 3:25 pm.

Friday, November 20 Morning Session

The meeting was called to order at 9:00 a.m. by Chairperson Schodorf. Committee members discussed recommendations and bill introductions for the 2010 Legislative Session.

Catastrophic Aid Recommendations

Representative Horst moved to have the LEPC recommend and introduce a bill changing catastrophic special education aid by raising the threshold for catastrophic aid claims to twice the previous year's teacher aid allocation, and districts would be required to deduct any other state

categorical aid already received. The motion was seconded by Representative Pottorf. The motion carried.

Senator Vratil moved to have the LEPC recommend and introduce a second bill raising the threshold for catastrophic aid claims to \$36,000 for the 2009-10 school year, with the threshold indexed to the consumer price index-urban (CPI-U), and districts would be required to deduct any other state categorical aid already received. In addition, the bill would establish a separate fund called the Catastrophic Aid Fund at the state level, which would be used to receive appropriations and be subject to an annual appropriation. The motion was seconded by Representative Ballard. The motion carried.

Youth Residential Centers (YRCs)

Theresa Kiernan explained a bill related to YRCs which has been prefiled by Senator Vratil (SB 340). On June 30, 2011, SB 340 would eliminate the “two for one student” funding currently in place for students in the custody of the Department of Social and Rehabilitation Services or the Juvenile Justice Authority enrolled in USD 259, Wichita, and USD 409, Atchison, and housed at the Judge V. Riddel Boys Ranch and the youth residential center located on the grounds of the former Atchison Juvenile Correctional Facility. In SB 340, each student housed in the above facilities would be counted as one student, instead of two students.

Representative Horst made a motion that the LEPC support prefiled SB 340. Senator Vratil seconded the motion. The motion passed.

Early Childhood Programming

Senator Vratil made a motion to have the LEPC support a resolution requesting the Governor to move the tiny-k and early head start programs to the Kansas Department of Education (in agreement with a recommendation of the 2010 Commission). Senator Schodorf seconded the motion. The motion failed.

State Aid for K-12 Education

Senator Vratil made a motion that the LEPC recommend in its final report that state aid for K-12 education and higher education not be reduced below the 2006 maintenance of effort level required by the American Recovery and Reinvestment Act; in addition, the Governor should not request a waiver of this maintenance of effort requirement. Senator Francisco seconded the motion. The motion passed.

Higher Education

Senator Vratil made a motion for the LEPC to recommend and introduce bills which include all six of the Kansas Board of Regents legislative initiatives. Representative Pottorf seconded the motion. The six initiatives are described below:

- Amend private postsecondary statutes by including:
 - New definitions of regulated entities;

- Eliminate the exemptions for branch locations;
 - Change the application and renewal process (for out-of-state postsecondary institutions wanting to do business in Kansas);
 - Clarify the types of degrees requiring a certificate of approval;
 - Provide for greater penalties for violations of the Private Postsecondary Act;
 - Revise the fee structure to establish new maximum amounts that may be charged to regulated entities;
 - Require data to be reported by regulated institutions; and
 - Require the schools to post their student complaint processes.
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- Amend Kansas Postsecondary Technical Education Authority statutes by amending the 45-day veto requirement and, instead, requiring the Kansas Board of Regents to “act upon such recommendations within 45 days of submission”;
 - Make a pilot exemption permanent that has allowed Ft. Hays State and the University of Kansas to be exempt from state purchasing statutes, and expand the exemption to all six state universities to participate;
 - Exempt the six state universities from the State Surplus Property Act;
 - Update and streamline statutory language regarding investments and add an additional investment option supported by the recent adoption of the Kansas Uniform Prudent Management of Institutional Funds Act; and
 - Authorize Fort Hays State University to sell two tracts of land to the City of Hays as part of the development of a community sports complex.

Representative Huebert made a substitute motion for the LEPC to recommend and introduce bills for all of the Board of Regents’ legislative initiatives, except for initiative number two, which would amend the Kansas Postsecondary Technical Education Authority statutes by changing the 45-day veto requirement. Representative Huebert’s motion indicated this proposed bill would be introduced by the LEPC, but without a recommendation. Representative Horst seconded the substitute motion. The substitute motion passed.

Senator Schodorf indicated that the LEPC’s final report should include recognition of the efforts by superintendents and all school district personnel and the Kansas Department of Education in the continuing good work providing quality education for Kansas children in very difficult times. She wished to thank all who testified before the LEPC during the 2009 Interim.

The meeting adjourned at 10:30 a.m.

Prepared by Sharon Wenger

Approved by Committee on:

December 30, 2009

(Date)