

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on February 2, 2006, in Room 123-S of the Capitol.

Committee members absent: Carolyn McGinn – excused

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

Conferees appearing before the committee: Dale Dennis, Deputy Commissioner, Kansas Department of Education  
Senator James A. Barnett  
Theresa Klinkenberg, Chief Business and Financial Planning Officer, University of Kansas  
Larry Magill, Kansas Association of Insurance Agents  
Patty Walters, USD 105 Board of Education President

Dale Dennis, Deputy Commissioner, Kansas Department of Education, distributed copies of a brief review of the Title I components of No Child Left Behind and how the funds are allocated to students and school districts. (Attachment 1) In addition, he distributed a listing of federal payments distributed by the Kansas Department of Education to local school districts under the No Child Left Behind Act and the Individual with Disabilities Education Act (IDEA). (Attachment 2) He reminded the Committee that the information was requested at the February 1 meeting after he presented an overview of federal funding for the No Child Left Behind Act.

Senator James Barnett requested the introduction of a school finance bill which would increase funding for K-12 by \$400 million over four years. He explained that the monies would go to at-risk and bilingual weighting increases. He noted that the current bilingual is .395, and he proposed raising that to .482. The current at-risk is .193, and he proposed raising that to .347. The remainder of the money would go to base state aid per pupil. He noted that the proposed plan would not require a tax increase. (Attachment 3)

Senator Teichman moved to introduce the proposed school finance bill, seconded by Senator Lee. The motion carried.

Senator Teichman requested the introduction of a bill concerning human sexuality education programs. She explained that the bill would take the State Board standards which expire this year and re-authorize them in statute. She noted that the purpose of the bill was to preclude the possibility of sex education not being taught in the school system.

Senator Teichman moved to introduce the proposed bill, seconded by Senator Vratil. The motion carried.

**SB 332 – Authorizing Regents’ institutions to acquire insurance**

Deb Hollon, Kansas Legislative Research Department, explained that **SB 332** amends statutes governing state agencies’ purchase of insurance. The bill would allow the state universities to purchase insurance other than employee health insurance independently of the requirements of the Committee on Surety Bond and Insurance, which oversees what insurance state agencies can buy. According to the fiscal note by the Division of Budget, there would be some savings to state universities, but an estimate of the savings could not be made because at this time it was unknown what insurance they would be buying. She explained that the bill was introduced by the LEPC at the request of the University of Kansas.

Theresa Klinkenberg, Chief Business and Financial Planning Officer for the University of Kansas, testified in support of **SB 332**. At the outset, she pointed out that the bill as currently drafted went beyond what was intended by the Board of Regents by allowing the Regents to purchase insurance independent of the Committee on Surety Bonds and Insurance without complying with certain purchasing requirements. She

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explained that the intent was only to gain the flexibility to determine what risks the University could cover through the purchase of insurance. She went on to explain that the bill would improve administrative efficiencies and business practices. She explained further that the current law restricts the Board of Regents and universities from insuring property other than housing facilities, but the University of Kansas has invested heavily in equipment for the Kansas Fire and Rescue Training Institute and in research equipment such as a nuclear magnetic resonance imaging system that is critical to research. The bill would allow the Board of Regents and institutions to determine, based on risk assessment and a cost/benefit analysis, what equipment or liability to insure without seeking further legislative authorization. (Attachment 4)

Ms. Klinkenberg responded to questions from the Committee. She explained that funding for the insurance would come from the University's operating grant, but she did not yet know the amount because the University has not had the ability to purchase the insurance. She noted that the University might want to consider business interruption insurance for buildings which house a large amount of research grant activities. She noted that, currently, should the fire fighting equipment be destroyed in an accident, the university would have to absorb the loss. She noted that, while there was not a statute which specifically prohibits the Regents from purchasing insurance, past attempts to purchase insurance were denied by the Department of Administration because there was no specific authorization. At this point, Angela Hoobler, Department of Administration, Division of Purchases, stated, "I believe that there is a statute that states that no agency may buy insurance unless there is specific authorization. I can't quote it for you, but I believe that there is one, and that's what we've operated under."

Written testimony in support of **SB 332** was submitted by Reginald L. Robinson, President and CEO, Kansas Board of Regents. Mr. Robinson noted that it was important to point out that the bill as currently drafted went beyond the Board's original intent and that an amendment was drafted to correct the error. (Attachment 5)

Larry Magill, Kansas Association of Insurance Agents (KAIA), explained that he had intended to testify in opposition to **SB 332**; however, he felt the proposed amendment addressed his objections, and he was comfortable with the bill with the amendment. He noted that KAIA has found that the Surety Bonds and Insurance Committee bidding process has worked well for years and was concerned about carving all the university insurance purchases out of the normal sealed competitive bidding process. He noted that one aspect the bill originally would have done was allow the purchase of insurance from carriers that are not licensed to do business in Kansas. (Attachment 6)

Theresa Kiernan, Revisor of Statutes Office, explained that the language in the balloon amendment (Attachment 7) did not accomplish what was intended, and in essence, the language returned to current law. Keith Yehle, University of Kansas, stood to inform the Committee that the Assistant General Council for the Board of Regents had reviewed and approved the amendment. Senator Schodorf suggested that Ms. Kiernan work with the Regents staff to draft statutory language which would clearly reflect the Regents' intent in the bill. With this, the hearing on **SB 332** was closed.

Senator Schodorf informed the Committee that Val Defever, Schools for Quality Education, had requested that Pattie Wolters, USD 105 Board of Education President from Atwood, be allowed to speak before the Senate Education Committee on the importance of low enrollment weighting funds for small school districts which have consolidated, not by choice but by necessity due to population density. Ms. Wolters outlined the USD 105 cost cutting measures, the LOB and consolidation budget, the opportunity gap that exists for many students in small rural schools, teacher salary costs, increasing costs for the district, the economic development aspect of small schools, and the need for the flexibility to use funds to serve students and to maintain regular education teaching positions. (Attachment 8)

Senator Schodorf called the Committee's attention to the minutes of the January 11 and 12 meetings. Senator Teichman moved to approve the minutes of the January 11-12, 2006, meetings, seconded by Senator Ostmeyer. The motion carried.

The meeting was adjourned at 2:25 p.m.

The next meeting is scheduled for February 6, 2006.

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