

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:40 p.m. on March 21, 2006, in Room 123-S of the Capitol.

Committee members absent: Chris Steineger – 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: Representative Bill Otto
Ann Foster, Kaw Valley CARES
Representative Edward O'Malley
Representative Clay Aurand
Mark Tallman, Kansas Association of School Boards

HB 2585–School board member districts

Representative Bill Otto testified in support of **HB 2585**. He explained that the improved version of the bill was passed by the Senate Education Committee last year (**HB 2252**), but that bill was killed after being amended on the Senate floor. (Attachment 1) He went on to say that school boards prefer to take office on July 1 because it works better. He stated, “You did a good job last year. One person, one vote is important.” At the request of a committee member, he explained further, “Several school boards across the state do not reflect ‘one person, one vote.’ Like in Iola, we have one district within the school district that represents about 100 people whereas I have another one that represents about 1,000 or better people. What happens is, over the years, a lot of the school districts have not changed their districts since 1966, which is consolidation. In the existing structure, to make them do that you have to sue your own school district, which people are very reluctant to do, and this just makes the county attorney responsible for that. I had it based on every ten years, and then you approved it so that urban school districts like Desoto can do it more often because they may have a population shift more frequently.”

Theresa Kiernan, Revisor of Statutes Office, explained that the bill required the school board to draw the boundaries in a manner so that they are as compact and equal as possible. It is keyed off whether the districts are at least five percent above or below the mean population of all other member districts in the school district. If the board fails to redraw member district boundaries, the county or district attorney will notify the board to do so. If the board does not respond within 60 days, the county or district attorney would be required to file an action in district court compelling the school board to change member district boundaries.

Ann Foster, Kaw Valley CARES, testified in support of **HB 2585**. She related her experience in the school district in which she lives, USD 321, where a school board election in 2003 was fueled by one issue, the restructuring of the district to include one combined high school, one middle school, and four K-5 schools which would have saved the district over \$500,000 a year and at the same time increased education opportunities. New board members were elected, and the restructuring plan was reversed. After the election, the district recognized that the basic right of “one man, one vote” was not being met and requested that the local board reapportion member districts to come into compliance. The local board discussed the reapportionment question only after their attorney requested that the subject be put on their agenda. In October 2004, the board approved a new map, bringing the district into compliance with “one man, one vote.” In her opinion, **HB 2585** is a step in the right direction to improve patrons’ voting rights with regard to local school board elections. (Attachment 2)

There being no others wishing to testify, the hearing on **HB 2585** was closed.

Senator Teichman moved to recommend **HB 2585** favorably for passage, seconded by Senator Pine. The motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:40 p.m. on March 21, 2006, in Room 123-S of the Capitol.

Senator Schodorf opened a discussion on a previously heard bill, **HB 2722** which would establish a pilot program providing state matching of contributions by low-income participants in postsecondary savings accounts (Learning Quest). She recalled that the Committee was concerned that the \$340,000 fiscal note on the bill included \$100,000 for marketing and administration of the program, and the question arose whether the brokerage company for Learning Quest, American Century, would be responsible for some of the marketing expenses. Senator Allen commented that, after the Committee considered the bill at the March 16 meeting, she had a discussion with the sponsor of the bill, Representative Edward O'Malley, about an amendment Senator Vratil had proposed.

Noting that the thoughts he had for the Committee were twofold, Representative O'Malley stated, "If the Committee feels the need to reduce the fiscal note, I think that's fine. I would encourage you not to ask American Century to do that, mainly because American Century won't be doing that. Every account holder will end up paying that burden. In the fee structure that they put into place, it's put into place because they are obviously a for profit company, and they have an objective here to make a profit. I think if you ask them to handle the marketing for this program, what you will really be doing is asking every Kansan that participates in this program already to help pay for the marketing of the program. If that's your intent, that's fine. My thought is that this is a responsibility that the state should incur going forward. The other issue, and perhaps a more complicated one, deals with how do you ensure the money is truly spent on education. The original bill said that the money must be paid out directly to an institution of higher learning. The Treasurer's Office brought an amendment trying to provide a little more flexibility. It doesn't matter to me which direction you head, but I would encourage you to think about the following point. Right now, my wife and I participate in the Learning Quest Program for our two toddlers. If someday we utilize that money for something different than higher education, there will be a penalty that we will have to pay. As we talked about during the hearing, right now, there is a matching program going on in the State of Kansas with the Learning Quest Program. It's kind of an indirect matching program, but because my wife and I participate in this program, there are more dollars in my pocket at the end of the year than there would be if not for the state involvement in the Learning Quest matching program. If we fully fund our Learning Quest Program each year for each of our toddlers, we'll have almost \$800 more in our pocket at the end of the year because of the tax benefit. Now, if we someday use that money, the money in the Learning Quest account, for something different than higher education, there's a penalty to pay. The state never comes back and asks my wife and I for some of that \$800 each year that's in our pocket. The penalty is the punishment, and under this type of program, if you feel the need to tighten the language, I think that's fine. I believe that we need to keep in mind though that a matching program in philosophical terms already exists, and we never go back and ask people currently participating in the Learning Quest Program to pay back money that they receive. We don't ask them to do anything more than the penalty that is on the books for withdrawing that money early, just like the penalties on the books for 401-K withdrawal early or a Roth IRA withdrawal. The final thing that I would mention is, again, the amendments the Committee decides to adopt or not adopt don't matter to me as much as the fact that this program moves forward. This is a pilot program, and it was created as a pilot program for two reasons – number one to discover if this type of matching opportunity is an incentive for low-income Kansans to save. We might discover it's not. Other states have discovered that it is, but in Kansas we might discover that this isn't going to work. If we discover that in three years, this program goes away all by itself. However, I believe we may discover it is the way to encourage low-income Kansans to save. The reality though is, in this next three years during the pilot program, the likely hood that any of the participants will save money and then spend that money on higher education during the pilot period is very slim to none. So if we have great concern about ensuring that the money is spent on higher education, I understand you feel you need to make amendments. I guess what I'm suggesting to you is that I believe that during this pilot period, we will have plenty of opportunity to talk about whether the mechanism in place is the appropriate mechanism."

Senator Vratil presented two proposed amendments, one to limit the amount of money which can be spent for marketing and administration of the program and one which clarifies a section in the bill. He commented, "After talking with Representative O'Malley, he has convinced me that we need to try this pilot study for three years. I'm still not totally satisfied with how it operates mechanically, and I believe there are opportunities for people to take advantage of this program. But I think the intentions of the program are good and it needs to be test driven to determine whether worthy program going forward."

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Senator Vratil moved to amend **HB 2722** on page 2, line 15, by inserting after the period the phrase, “no money shall be appropriated for the purposes of the marketing or administration or implementation of this program in an amount which exceeds \$50,000,” seconded by Senator Allen. The motion carried.

Senator Vratil distributed copies of a second proposed amendment. (Attachment 3) He explained that subsection (g) on page two of the bill was written in a difficult to understand manner; therefore, he requested that the revisor rewrite it without changing the substance to make it understandable.

Senator Vratil moved to amend **HB 2722** on page two, subsection (g) as shown in the balloon he distributed, seconded by Senator Allen. The motion carried.

Ms. Kiernan called attention to the language on page 2, lines 12 and 13, “No application shall be approved after June 30, 2009.” She suggested that the statement be rephrased. Representative O’Malley commented that the intent of the bill was that, after three years, no additional money would be provided to any participant unless the Legislature would decide to continue the program.

Senator Vratil moved to amend **HB 2722** on page 2, beginning on line 12, by changing the sentence to read, “No matching contributions shall be made after June 30, 2009,” seconded by Allen. The motion carried.

Senator Vratil moved to recommend **HB 2722** favorably for passage amended, seconded by Senator Allen. The motion carried.

HB 2613–School districts; transfer of pupils residing outside the district

Representative Clay Aurand testified in support of **HB 2613**. He noted that, over the years, school consolidation and the closing of attendance centers has left many families in the unfortunate position of residing in a district whose schools are substantially farther away than a neighboring district’s school. To remedy this situation, current law allows for students who meet certain criteria to board a bus at their home and ride to their hometown school. He explained that **HB 2613** was an attempt to help families by removing one criteria in current law. It would remove a barrier for some children who are unable to access a bus in order to attend the school that best fits their situation. He noted that the bill would affect only a very small number of families. (Attachment 4)

Mark Tallman, Kansas Association of School Boards (KASB), testified in opposition to **SB 2613**. He asked the Committee to consider whether the bill helps or hurts local efforts to try to run the most efficient districts. One concern that KASB staff and members have about the transfer of students to another district is that the loss of revenue will have an impact on the remaining children in the district. KASB is also concerned that the bill would make it harder for school districts to consider school or district consolidation. (Attachment 5)

Senator Schodorf pointed out that Johnson, Sedgwick, Shawnee, and Wyandotte Counties were not included in the bill. She noted that the bill would help families in rural Kansas. There being no others wishing to testify, she closed the hearing on **SB 2613**.

Senator Apple discussed the recommendations by the subcommittee on **SB 566**, which would establish the Teacher Education Grant Program. (Attachment 6) He distributed copies of the amendments recommended by the subcommittee. (Attachment 7) Senator Schodorf proposed that the Committee adopt the balloon amendments, and then amend **SB 566** into a similar House scholarship bill scheduled for debate on the Senate floor.

Senator Apple moved to adopt the balloon amendments to **SB 566**, seconded by Senator Pine. The motion carried.

Senator Apple moved to direct staff to draft language to amend **SB 566** to establish a two-part program, from an associate degree to a teaching certificate or from a Bachelor’s level teaching certificate to a Masters level, and that the administration of the program be moved from the Kansas Department of Education to the Kansas Board of Regents, seconded by Senator Pine. The motion carried.

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Senator Vratil commented, "I'm picking up on the desire of the subcommittee to replace 'state board' with the term 'executive officer.' But that requires some further changes, striking state board where it just isn't appropriate."

Senator Vratil moved to allow the revisor to further amend **SB 566** to substitute the term "executive officer" for "state board" wherever it appears and any other necessary and appropriate changes, seconded by Senator Pine. The motion carried.

The meeting was adjourned at 2:35 p.m.

The next meeting is scheduled for March 22, 2006.