

MINUTES

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

November 4, 2010
Room 144-S—Statehouse

Members Present

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

Member Excused

Representative Eber Phelps

Staff Present

Sharon Wenger, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Jason Long, Office of the Revisor of Statutes
Dale Dennis, Kansas Department of Education
Dorothy Gerhardt, Committee Assistant

Others Present

Marjorie Werly, Emporia State University
Scott Rothschild, Lawrence Journal World
Linda Fund, Kansas Association of Community College Trustees
Blake Flanders, Kansas Board of Regents
Kip Peterson, Kansas Board of Regents

Jonathan Krueger, Kansas Board of Regents
Kathy Damron, Kansas University
Mike Reecht, K12, Inc.
Doug Bowman, Kansas Interagency Coordinating Council
Gene Meyer, Kansas Reporter
Patrick Vogelsberg, Kearney and Associates
Diane Gjerstad, Wichita Public Schools
Mark Desetti, Kansas National Education Association
Tom Krebs, Kansas Association of School Boards
Kathryn Hund, Department of Commerce/Kansas Board of Regents
Doug Penner, Kansas Independent College Association
Ken Stephens, Hutchinson, News
Sue Storm, Kansas Board of Education
Dr. Andy Tompkins, Kansas Board of Regents

The meeting of the Legislative Educational Planning (LEPC) was called to order at 10:00 a.m., November 4, 2010, by Chairperson Deena Horst. Opening remarks included a statement from Representative Steve Huebert thanking Chairperson Horst for all of her service through the years.

Approval of Minutes

Representative Ballard made a motion that the minutes of the September 2, 2010 meeting be approved as written; motion seconded by Senator Teichman. Motion carried on a voice vote.

Kansas Board of Regents, Qualified Admissions Task Force

Gary Sherrer, Chair, Kansas Board of Regents, appeared before the Committee with a report on the activities of the Admissions Task Force of the Kansas Board of Regents, which is a part of the 10-year strategic agenda for the State's public higher education system called Foresight 2020 (Attachment 1). The strategic goals set by Foresight 2020 include:

- Achieve alignment between the state's pre K-12 and higher education systems and continue to enhance alignment between higher education institutions;
- Achieve participation in the state's higher education system that better reflects the state's demography and more fully engages adult learners;
- Achieve measurable improvement in persistence and completion rates for higher education institutions across the state;
- Ensure that students earning credentials and degrees across the higher education system possess the foundational skills essential for success in work and in life;
- Enhance alignment between the work of the state's higher education system and the needs of the Kansas economy; and
- Enhance the regional and national reputation of Kansas universities through aspirational initiatives.

Recommendations from the Taskforce will be forwarded to the Board of Regents for discussion and approval.

Regent Sherrer also reviewed The Kansas Commitment which is the financial package that will be carried to the Legislature. The various sectors include the following:

- KAN-PROTECT - Protect the State's historical investment in its higher education infrastructure by requesting an inflationary increase based on the 3-year rolling average of the Higher Education Price Index of 2.73 percent, or \$20.5 million;
- KAN-BUILD - Restore the Legislature's 5-year deferred building maintenance funding promise;
- KAN-HELP - Help middle and low-income Kansans who cannot afford to attend but who have the talent to succeed, while at the same time growing the State's workforce by re-couping the state sales tax already being collected on the State university campuses (\$6.0 in FY10 through a systemwide initiative) with the universities contributing an additional \$4 million;
- KAN-GROW - Grow the Kansas workforce and economy with the 32 public colleges and universities using the funds to address critical workforce shortage areas such as engineering, nursing, rural doctors, construction management, biotechnology, and others; and
- KAN-CONNECT - Provide access in every part of the state to the global economy through broadband technology and achieve this by maintaining the same level of funding (\$10 million annually) for Kan-ed through the Kansas Universal Service Fund.

Kansas Board of Regents Legislative Initiatives and Other Higher Education Issues

Dr. Andy Tompkins, President and CEO, Kansas Board of Regents, appeared before the Committee with a report ([Attachment 2](#)) of recent activities and initiatives of the Kansas Board of Regents. Noted items included:

- Establishment of the P-20 Council (Preschool through Postsecondary School) which is working on ways to make the systems work together providing ways to follow students as they leave an institution and go to another institution or perhaps drop out of the system or enter the economy;
- Regents visits to all 32 public colleges and universities;
- Enhancement of the annual state university CEO evaluation process;
- Big 12 re-alignment; and
- Distance education inventory and report.

A short discussion regarding distance learning opportunities and out-of-state providers followed as well as presentations on enrollments for the fall semester, funding, comparisons to other states regarding funding for education by the state, and federal stimulus funding uses.

Dr. Tompkins presented the 2011 Legislative Policy Initiatives (Attachment 3) for the Board of Regents. These included the following:

- Amend the Kansas Private and Out-of-State Postsecondary Act, by eliminating the sunset provision;
- Expand Kan-Ed membership, amend out-dated funding language, and specify funding from the Kansas Universal Service Fund;
- Update and clean up terminology, definitions, and statutes of the Technical Education Authority;
- Reinstate Community College Tax Credits creating the option of pooling unused tax credits so that other colleges might use them before expiring;
- Amend statutes to raise the dollar threshold for state universities that currently triggers approval from the State Chief Information Technology Officer (CITO) from \$250,000 to \$1.0 million to increase efficiency by reducing the reporting burden and staff costs;
- Amend statutes to make the use of the Housing Suspense Fund optional rather than mandatory;
- Amend statutes to enable the universities to retain earned interest on revenue raised by the Johnson County Education Research Triangle Authority (JCERTA); and
- Provide Wichita State University with the authority to issue approximately \$33 million in revenue bonds for the Rhatigan Student Center Expansion and Renovation Project.

A question and answer session with the Committee followed. Items discussed included costs involved in providing public education which might include the closing of some institutions, better alignment of spending, efficiencies that could be used, and deferred maintenance.

Senator Vratil moved that the LEPC ask that bills be drafted in final form and introduced by LEPC for all eight (8) of the requests made by the Regent's and that the Chairperson and Vice Chairperson decide which House of origin each bill will go to. Motion seconded by Representative Ballard. Motion carried.

Legislation Proposed but Not Passed During 2010 Legislative Session

Theresa Kiernan, Senior Assistant Revisor of Statutes, presented a brief overview of legislation proposed during the 2010 Legislative session but which was not enacted (Attachment 4). Those included the following:

SB 354 - This bill would have amended three provisions in the school finance law relating to levies imposed by school districts for the ancillary facilities weighting, cost of living weighting and declining enrollment weighting

HB 2748 - This bill would have amended several provisions of law relating to the use of the unencumbered balances in certain school district funds. It would apply to the unencumbered balance of moneys contained in the following funds on June 30, 2010: Bond and interest fund, parent education program fund, virtual school fund, adult education fund, adult supplementary education fund, at-risk education fund, preschool-aged at-risk education fund, special education fund, vocational education fund, driver training fund, food service fund, tuition reimbursement fund, summer program fund, extraordinary school program fund, special liability expense fund, special reserve fund, textbook and student materials revolving fund, capital outlay fund, bilingual education fund and professional development fund.

Hb 2587 - This bill was intended to provide that a school district would not be reimbursed for more than 92 percent of the *excess cost* of providing special education and related services.

SB 74 - This bill was introduced in the 2009 Legislative session and was used by the House as a vehicle for many of the education issues it wanted to be considered in conference.

Petition Filed by Schools for Fair Funding Summary

Jason Long, Assistant Revisor, Office of Revisor of Statutes, presented a brief summary ([Attachment 5](#)) of the petition filed by Schools for Fair Funding ([Attachment 6](#)) with plaintiffs from four unified school districts and certain students in those districts. Among the claims are:

- The current school finance formula is unconstitutional;
- The alleged unconstitutional formula has not been fully funded;
- The inadequate funding of education has led to the inequitable distribution of state aid;
- Capital outlay equalization payments were not paid for the 2009-10 school year as required and the failure to make these payments affects all school districts entitled to receive such payments; therefore, plaintiffs are seeking to make this a class action;
- The fundamental right to an education is being denied Kansas students through the inadequate funding of education;
- The school funding formula does not equitably distribute state aid to school districts; therefore students in school districts that do not receive an equitable portion of state aid are being denied equal protection under the law;
- KSA 72-64b03(d) is an unconstitutional limit on the judicial branch as it prohibits the courts from issuing orders closing public schools as remedial measures in cases concerning the constitutionality of the Act;
- The Legislature has failed to comply with KSA 72-64c03 which requires education be given first priority in the budgeting process; and

- The Legislature has failed to comply with law which requires state aid to education increase in accordance with increases in the Consumer Price Index.

A short Committee discussion followed.

Career and Technical Education Updates

Robin Harris, Assistant Director, Kansas Department of Education Career and Technical Education Program, presented a report on national and state initiatives regarding career and technical education, stressing that making learning relevant is essential. A review of the five interconnected principles of career and technical education as developed by the National Association of State Directors of Career Technical Education Consortium followed (Attachment 7). These include:

- CTE (career technical education) is critical to ensuring that the United States leads in global competitiveness;
- CTE actively partners with employers to design and provide high-quality, dynamic programs;
- CTE prepares students to succeed in further education and careers;
- CTE is delivered through comprehensive programs of study aligned to The National Career Clusters framework; and
- CTE is a results-driven system that demonstrates a positive return on investment.

She also presented the outline of the eleven points of the Career and Technical Education Policy Initiatives as developed and approved by the Kansas State Board of Education in May, 2010 (Attachment 8).

A review of the Kansas Career Fields and Clusters Model (Attachment 9) was also given.

Discussion of financing and implementation of the sixteen clusters in schools followed. A summary of career and technical education programs in the Wichita Public Schools was also provided (Attachment 10). A brief summary of activities in the El Dorado school district was also given. It was pointed out this program is already being implemented in schools, and there are many similarities to that being proposed by Senator Abrams.

Summary of Work on School Drop-out Prevention; Review of Achievement in Kansas Schools

Mark Tallman, Assistant Executive Director/Advocacy, Kansas Association of School Boards, presented a summary of state and national testing and Kansas achievement results. This summary (Attachment 11) of results of testing on both state and national levels indicate student achievements in Kansas are rising. He pointed out that the percentage of low income students tested has risen substantially as compared to national figures which means Kansas schools must improve achievement for a more challenging student population.

He also noted actual ACT results demonstrate student achievement has increased in Kansas. In fact, Kansas posted the highest average composite score among the 13 states where at least 75 percent of graduates participated in the exam.

Committee discussion regarding test scores shown on the Kansas tests in reading and math and those indicated on the National Assessment of Educational Progress followed.

Mr. Tallman also presented a summary of graduation and college readiness among Kansas students ([Attachment 12](#)). He pointed out that high school completion is at an all-time high with over three-fourths of students graduating in four years and most finishing by age 24. Studies indicate that more education increases individual earnings. As a result, states with higher levels of educational attainment tend to rank higher in per capita income. Mr. Tallman stated the single most important thing to do to improve educational outcomes is to improve professional development.

A summary of changes in student demographics, educators and finance under the current finance system was also presented ([Attachment 13](#)). Highlights of this report included the following changes from 1993 to 2009, a 16 year time frame:

Full Time Equivalent Enrollment:	Up 3.8%
Percent Eligible for Free or Reduced Lunch:	Up 41.6%
Percent Special Education:	Up 64.6%
Percent English Language Learners:	Up 94.5%
Base State Aid Per Pupil:	Up 22.2%

Discussion Regarding Various School Finance-related Issues

Dale Dennis, Kansas Department of Education, presented a brief summary of instructional operating expenditures in the State of Kansas ([Attachment 14](#)). Included was a definition of expenditures considered “instruction”, as well as student support services, and staff support services.

Mr. Dennis presented the following fiscal information regarding the current school year, and the latest estimate of the budget shortfall compared to the recently awarded Federal Jobs Bill funding. It is uncertain, according to Mr. Dennis, whether the Governor and the Legislature will provide funding for the shortfall amounts below.

FY 11 Budget Shortfall:	
Due to drop in revenue from 20 mills because of drop in assessed valuations across the state.	\$29.8 million
Due to increased free lunch applications, <i>i.e.</i> , increase in at-risk funding	\$13.6 million
Due to increased enrollment (1,350 students)	\$5.6 million
Base State Aid Per Pupil:	Up 22.2%

The state was awarded approximately \$92.0 million in Federal Jobs Bill funding.

Another factor affecting available funds is a penalty assessed by the Federal Department of Education involving matching funds in special education requiring a payment of approximately \$2.186 million. Mr. Dennis also stated Federal auditors would be visiting the Department and some school districts regarding special education funding. They will visit approximately 3 to 4 schools and review programs being delivered to schools.

Status of School Finance Proposals

Sharon Wenger, Kansas Legislative Research Department, presented a brief review of the change to the school finance formula being proposed by Senator Abrams. Some of these include:

- Instructional costs would be fully funded from the State General Fund and the current 20 mill property tax;
- Non-instructional costs would be funded by the local board through state equalized property tax or some other tax;
- The at-risk weighting used now is not included but does have something based on free lunch or some other categories; and
- Every student is assigned a Personal Student Scholarship to follow the student with accounts administered by the Department of Education.

She reported the proposal by Representative Siegfried is being re-worked and there was nothing to report at this time.

Discussion and Recommendations for Bill Drafts and Final Report for the 2011 Legislature

*Senator Schodorf moved that the bill that has already been drafted as a substitute for **SB 354** that references the issues that have to do with vehicles and recreational vehicles taxation and how it relates to school finance be introduced by this Committee. Motion seconded by Senator Francisco. Motion carried.*

Senator Schodorf moved that this Committee introduce a bill which would delete the words "Except for matters or issues relating to school finance" in the charge to the LEPC so that the Committee will be responsible for discussing and considering school finance in the future. Motion seconded by Senator Teichman. Motion carried.

*Senator Vratil moved that this committee re-introduce the contents of **SB 74** introduced in the 2009 Legislative Session which runs the KPERs contribution through the General Fund allowing increases in the Local Option Budget and to remove the sunset which allows a higher Base State Aid per pupil and special education funding to be used in calculating a local option budget. Motion seconded by Senator Schodorf. Motion carried.*

Discussion of items to be included in the final report followed. Items included the proposed legislation as presented above, as well as the following:

Senator Francisco moved that the Committee recommend to the Governor and Legislature that the approximately \$50 million short-fall currently being projected be taken from the \$92 million from the Federal Jobs Bill Revenue. Motion seconded by Senator Vratil. Motion carried.

Represented Horst ended the meeting by thanking the staff for all their help during her tenure, with a special thank you for Theresa Kiernan who is retiring.

The meeting was adjourned at 4:20 p.m.

Prepared by Dorothy Gerhardt
Edited by Sharon Wenger

Approved by Committee on:

December 10, 2010

(date)