

## **MINUTES**

### **SPECIAL COMMITTEE ON EDUCATION**

November 6-7, 2013  
Room 112-N—Statehouse

#### **Members Present**

Representative Kasha Kelley, Chairperson  
Senator Steve Abrams, Vice-chairperson  
Senator Tom Arpke  
Senator Jeff Melcher  
Senator Ralph Ostmeyer  
Senator Pat Pettey  
Senator Kay Wolf  
Representative Marvin KleeB  
Representative Jerry Lunn  
Representative Richard Proehl  
Representative Ron Ryckman, Jr.  
Representative Sharon Schwartz  
Representative Ed Trimmer,  
Representative Valdenia Winn

#### **Staff Present**

Martha Dorsey, Kansas Legislative Research Department  
Sharon Wenger, Kansas Legislative Research Department  
J.G. Scott, Kansas Legislative Research Department  
Rebecca Manes, Kansas Legislative Research Department  
Lauren Douglass, Kansas Legislative Research Department  
Craig McCullah, Kansas Legislative Research Department  
Jason Long, Office of Revisor of Statutes  
Eunice Peters, Office of Revisor of Statutes  
Natalie Scott, Office of Revisor of Statutes  
Florence Deeter, Committee Secretary

#### **Conferees**

Jeff Spalding, Director, Fiscal Policy and Analysis, The Friedman Foundation for Educational Choice  
Mark Tallman, Associate Executive Director, Kansas Association of School Boards  
Benjamin Scafidi, Ph.D., Director, Economics Policy Center, Georgia College and State University, for the Friedman Foundation for Educational Choice  
Dave Trabert, President, Kansas Policy Institute

## Others Attending

See attached sheet.

## Wednesday, November 6

Chairperson Kelley opened the meeting at 8:00 a.m. by expressing appreciation for each member's participation and the importance of their work on the Committee. She noted the day included a working lunch with numerous aspects to consider for the issues at hand. She introduced each staff member and expressed appreciation for their diligent preparations for the Committee.

Sharon Wenger, Kansas Legislative Research Department (KLRD), provided an overview of various types of funding systems used across the nation. She noted that, over time, there have been numerous changes in the formulas used to finance education, all of which are complex. She also summarized salient provisions of the current Kansas School District Finance and Quality Performance Act, mentioning it provides formulas and definitions for state financial aid, the base state aid per pupil (BSAPP) and numerous weighting mechanisms ([Attachment 1](#)). Regarding the nationwide school finance overview, Ms. Wenger acknowledged pulling information from a policy brief compiled by Dr. Deborah A Verstegen, Professor, the University of Nevada, which provides updated information on major state finance systems. Every state is listed on her website, [www.schoolfinances.info](http://www.schoolfinances.info), and detailed information covers every school district.

In response to a question, Ms. Wenger noted the current statutory BSAPP is \$4,492 as recorded in KSA 2012 Supp. 72-6410. However, through the appropriation process, the Legislature has set the current BSAPP at \$3,838. She explained various enrollment weightings, showing computation examples for adjustments based on changes in enrollment ([Attachment 2](#)).

Ms. Wenger also referenced two documents: the Kansas 2013-2014 School Year District Finance and Quality Performance Act and Bond and Interest State Aid Program, which outlines the principal features of the current school finance formula ([Attachment 3](#)), and a chronological listing of all the amendments to the 1992 school finance legislation ([Attachment 4](#)). An information-only document titled *2013-2014 Budget at a Glance* from the Kansas State Department of Education is available online at [www.ksde.org](http://www.ksde.org) ([Attachment 5](#)). Ms. Wenger provided information regarding the increase in student enrollment in the English Language Learner program and the interest in virtual student learning modes. She noted Legislative Post Audit reports provide additional information. Responding to various comments and questions from members, Ms. Wenger concluded her remarks by indicating she would bring additional information and answers to the Committee as necessary.

Jeff Spalding, Director, Fiscal Policy and Analysis, The Friedman Foundation for Educational Choice, provided a focus on school funding-related data from six states surrounding Kansas, including both public and private school information ([Attachment 6](#)). He noted many factors are included in school funding formulas, making it difficult to draw comparisons among states. Mr. Spalding said the formula for Kansas schools generally is typical of most state formulas. The Nebraska school funding formula is an entirely school-centric formula, and Oklahoma's formula uses penalties to enforce policy goals. He noted each state's formula develops a life of its own with many of the same issues resolved in different ways.

Martha Dorsey, KLRD, presented information from a slide presentation titled *National School Finance Reform: Policy History and Its Implications*, addressing the issues of equity and adequacy ([Attachment 7](#)). She acknowledged the competent assistance of Cindy Roupe, Director of Reference, Kansas State Library, as well as other State Library staff, for assistance in compiling information for this presentation.

In her presentation, Ms. Dorsey provided background information indicating school district funding nationwide formerly was derived primarily from local property taxes. The concept of equity originated with academic research, the purpose of which was to address educational equality, mindful of disadvantaged students and purposefully through the courts. The academic research was used in the first successful court challenge in the nation, after which numerous such challenges occurred in the nation.

Eunice Peters, Office of Revisor of Statutes, expanded on the litigation issues, giving an overview of the constitutional challenges in school finance ([Attachment 8](#)). She provided historical background both for the nation and specifically for the State of Kansas. Ms. Peters stated the concepts of equity-based lawsuits held to the issue of funding disparity, and those of adequacy-based persuasion stated the level of funding determined by the financing formula prohibited some school districts from meeting a standard of educational quality. Regarding Kansas constitutional history, Ms. Peters stated, because of a 1963 school unification law, an advisory committee recommended changes in the structure and organization of the Kansas school system. As a result, in 1966, amendments to Article 6 of the *Kansas Constitution* were passed by the Legislature and ratified by the electorate.

Chairperson Kelley recognized Ms. Dorsey for comments on the Post Audit Report on School District Performance ([Attachment 9](#)). Ms. Dorsey directed attention to the executive summary listed on pages *i* and *ii*, which details outcomes of the *Montoy* funding requirement.

Jason Long, Office of Revisor of Statutes, provided information on the status of the *Gannon v. State* lawsuit, stating in January of this year a three-judge panel issued a decision in the case ([Attachment 10](#)). The State filed an appeal of the district court panel's decision with a motion to stay the panel's orders, which was granted. Summarizing his remarks, Mr. Long stated the district court panel lacks the power to order the Legislature and the Governor to enact specific legislation to appropriate an amount greater than \$4,492 BSAPP. He noted the case is now under review by the court and there is no deadline for a decision.

Mr. Long updated the Committee regarding the case of *Petrella v. Brownback*, which currently is being litigated in the U.S. District Court for the District of Kansas ([Attachment 11](#)).

Mark Tallman, Associate Executive Director, Kansas Association of School Boards, briefed the Committee on information from the National Assessment of Educational Progress (NAEP), commenting on the achievement-level percentages and average score results of math and reading tests administered to fourth- and eighth-grade students in Kansas ([Attachment 12](#)). He noted the tests are administered every two years on two subjects to two grade levels. Mr. Tallman stated the graphs are designed to reveal how students in Kansas have progressed in the past decade in relation to the national average ([Attachment 13](#)). He further explained the tenets of the "basic" and "proficient" levels, saying that at the basic level, a student has completed the requirements at the high school level; proficient-level students have acquired a college-level benchmark in their education.

Mr. Tallman stated the importance of observing this data lies in the changing job requirements, where postsecondary and advanced degrees are needed to qualify for a position. He said by the year 2020, two-thirds of the job market will require some postsecondary education; Kansas is ranked fifth in the nation for job opportunities that will require more than a high school diploma.

Noting the issue of funding, Mr. Tallman stated the level in Kansas is close to the national average at 61.9 percent with current spending per pupil in 2011 totaling \$9,498 ([Attachment 14](#)). He noted Kansas ranks ninth in the nation in the category of “free and reduced lunches” for low income students’ education and that only eight other states spend more per pupil and have fewer low income students compared with Kansas. He conjectured that Kansas could improve its national ratings significantly by investing more dollars in education.

Ms. Dorsey commented on the executive summary from both the NAEP 1999 and 2012 *Trends in Academic Progress Report Card*, which has existed as a long-term monitor of student achievement since 1969 ([Attachment 15](#)). Summarizing current trends, Ms. Dorsey directed attention to the last two pages of the document to observe the information showing differences between NAEP long-term trend assessment and a primary NAEP assessment. She then referred to math and reading graphs on page two showing the narrowing of racial/ethnic and gender gaps in student achievement nationally from 1971 to 2008.

Chairperson Kelley requested Ms. Dorsey give a bottom-line assessment of her lunch-time report. Ms. Dorsey said one of the best services the Legislative Research Department can provide for the Committee is the framing of questions for discussion and then finding answers to those questions. Her conclusions regarding the findings of money spent on education indicate that, while two groups have held opposite views on whether money matters in improving educational outcomes, the research showed that both groups agree that money matters if it is spent on certain components. Of significant importance is the quality of its teachers, as well as other factors relating to school effectiveness.

In Chairperson Kelley’s closing remarks she noted studies apparently showed money spent on education does not indicate success in student achievement; rather, money must be targeted toward what works.

The meeting was recessed at 4:40 p.m. and scheduled to resume at 8:00 a.m. on November 7, 2013.

#### **Thursday, November 7**

The meeting was called to order at 8:10 a.m. The Chairperson commented on the requested information from the previous day’s meeting regarding the costs of school finance litigation ([Attachment 16](#)). Other issues discussed previously will be researched by staff and compiled in a packet to be distributed to members at a later date.

Ben Scafidi, Ph.D., Director, Economics Policy Center, Georgia College and State University, for the Friedman Foundation for Educational Choice, provided data regarding the surge in administrative staff by stating the percentage of increase is four times greater than the percentage of increase in the student population during 1950-2009 ([Attachment 17](#)). He indicated the data from the U.S. Department of Education reveals this trend continues.

Dr. Scafidi noted the Organization for Economic Cooperation and Development, Paris (OECD), which compiles current expenditures on teachers in other countries, shows a 63.2 percent level of finance for teaching staff, while the U.S. has a 55.0 percent level of finance in publicly funded schools. In addition, he stated, non-teaching staff percentages of expenditures in the U.S. are almost twice the amount of that recorded in other countries. Mr. Scafidi presented data that allows a savings of \$346,700,000 per year in annual recurring costs for 1992-2011, if Kansas had increased non-teaching staff at the same rate as the increase in student population. He projected from that amount, almost \$18,000 could have been spent in every classroom and that every teacher could have been given a \$10,000 raise in pay.

Dr. Scafidi referenced for members a chart listing every school district in Kansas. The data covers student increases, the level of full-time teachers and administrators, changes in those areas, and the cost savings that could be accrued if staff numbers changed proportionally to student numbers (Attachment 18). He responded conversationally to various questions from members and indicated additional answers would be forthcoming later in his testimony.

Dr. Scafidi gave an overview of the teacher-pupil ratios at the national level and in neighboring states, with data showing an overall decrease; other data reveal a similar decrease in non-teaching staff to pupils. Regarding the Tennessee Experiment, Student-Teacher Achievement Ratio (STAR), which was used nationwide to justify smaller class size, he stated there are researchers on both sides of the question pertaining to smaller class size and the inclusion of paraprofessionals in the classroom indicates only modest benefits in student achievement.

Dr. Scafidi emphasized the need for more and better preparation at the educational level for teachers. He noted most educators tend to teach in a school close to the area in which they attended school themselves, although a few choose to accept positions with corporations because of better pay and benefits. Dr. Scafidi reported there are additional Staffing Surge Reports available online at [www.edchoice.org](http://www.edchoice.org) should members want to acquire current information.

Dave Trabert, President, Kansas Policy Institute (KPI), commented on the questions and discussion previously heard. He stated the analysis reports provide pertinent information for making a more informed decision on how to educate children adequately. He indicated the information to be presented in his testimony is derived from the Kansas State Department of Education (KSDE); additional data can be obtained on the website [www.ksde.org](http://www.ksde.org). Mr. Trabert stated over the past 20 years, full time equivalent (FTE) staff has increased 6 percent, teacher hires 16 percent, and non-teacher support staff increased 40 percent (Attachment 19). He referenced a source from the KSDE showing FTE changes in more detail (Attachment 20). Mr. Trabert stated increases in employment are historically less than funding increases, with the most current data showing the compounded annual growth rate increase at 2.9 percent and a funding increase of 7.9 percent. He observed that Kansas school districts placed greater emphasis on hiring teacher aides and questioned whether that practice is more beneficial than smaller class size. Mr. Trabert emphasized the need for school districts to consider analyzing the need for additional staff, both number and type of staff, and especially for those enrolled as special education students.

Referring to the issue of suitable provision of funding for education, Mr. Trabert noted there currently is no requirement for statutorily prescribed funding to be directed through the state treasury. He stated the Legislature makes provisions for property taxes and other revenues, which are recorded as local aid.

## Afternoon Session

Rebecca Manes, KLRD, provided an overview regarding the historical changes in public education, staff, and students. She noted the various time periods and the effect of the analysis encompassing both teaching and non-teaching staff ([Attachment 21](#)). Ms. Manes stated her analysis agreed with the conclusions of the two previous staffing analyses insofar as those analyses went; as well, her analysis provided a more detailed look at the issue over time, revealing that the staffing surge has taken a downturn in recent years.

Chairperson Kelley requested Committee staff obtain a copy of a press release from KSDE regarding the achievement score levels of Kansas students and include the document in the members' packets.

Mr. Trabert apprised the Committee of the current statistics from NAEP showing Kansas achievement-level percentages and average score results ([Attachment 22](#)). He noted Kansas schools, on the whole, continue to perform above the national average in math and reading; however, when disaggregated by race and ethnicity or income, the data reveal achievement gaps exist. He commented that scores measure actual performance and are the basis for determining whether achievement gaps are closing. Mr. Trabert also stated, in 2002, KPI found Kansas' state assessment standards were lowered. If that trend should continue, it might make the school look better but would not reflect student achievement levels validly across time. He noted the definition of "proficiency" has changed over the years. Before 2002, it was "an adequate understanding of difficult material." From 2006 to the present a student must "demonstrate satisfactory comprehension."

Mr. Trabert stated spending does not elevate the results of scores and percentages; the determining factor lies in how the dollars are spent, not in how much is spent. He noted there are negligible changes in reading and math scores among the at-risk/low income population. He noted Kansas has large achievement gaps based on income and race and the U.S. spends more money per student than other countries, but students perform at a lower level overall. Responding to a question on the effectiveness of various programs, Mr. Trabert said research can be obtained from other states for an analysis of what provides the best results of a program. He noted something different must be put in place to achieve improvement in the Kansas educational system ([Attachment 23](#)).

J.G. Scott, KLRD, spoke of the possible implications of a Supreme Court decision requiring a specific amount of additional money for education, saying that he included an estimated amount of \$600 million for FY 2015. He noted, for the purposes of this report, a 9.8 percent across-the-board reduction would be required from other state agencies ([Attachment 24](#)). Responding to a question, Mr. Scott said education requires about 62 percent of the state budget. He explained the percentage reductions of various groups and agencies and, excluding K-12, caseloads, and Kansas Department of Corrections, the budget of each agency would be reduced by approximately one-third. Mr. Scott commented on the profile of State General Fund receipts, expenditures, and balances, noting the approved expenditures and consensus estimates showing an ending balance of \$326 million.

In reference to previous questions about the Kansas Public Employees Retirement System, Mr. Scott provided a memorandum with background information regarding the merger with the public school retirement system in 1963 ([Attachment 25](#)).

A video presentation, "TED Talks Education," was viewed by Committee members. In response to questions from the previous meeting, additional information and reports were distributed to members (Attachments 26-30).

The Chairperson opened discussion for possible items in the preliminary report to be submitted to the Legislative Coordinating Council. She said on the agenda is a request for two additional days for the Committee to meet; an item for consideration is the Kansas Educator Evaluation Program, which is a tool for evaluating teacher performance (Attachment 31). In addition, she spoke of the evaluation process utilized by the Bill Gates Foundation, which may be of interest to the Committee.

The Committee was adjourned at 5:30 p.m.

Prepared by Florence Deeter  
Edited by Martha Dorsey

Approved by the Committee on:

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August 1, 2014  
(Date)