

MINUTES OF THE SENATE EDUCATION COMMITTEE.

The meeting was called to order by Chairperson Senator Barbara Lawrence at 9:00 a.m. on February 17, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Hensley - Excused

Committee staff present: Avis Swartzman, Revisor of Statutes
Ben Barrett, Legislative Research Department
Jackie Breymeyer, Committee Secretary

Conferees appearing before the committee: Senator Langworthy
Dale Dennis, Deputy Education Commissioner
Jim Yonally, Shawnee Mission Public Schools
John Koepke, Kansas Association of School Boards

Others attending: See Attached List (also representing Kansas National Education Association)

Chairperson Lawrence called the meeting to order and opened the hearing on: **SB 570 - local option budget; increasing the prescribed percentage**. She called on Senator Langworthy to begin testimony on the bill. Senator Langworthy distributed two letters from a constituent urging the Senator and Governor to uphold the commitment to increase public education by \$50 per pupil this year and to activate the task force to address school finance reform. An editorial by Laura Scott entitled, "The right path for schools" was included. (Attachment 1) She introduced Majorie Kaplan, Superintendent of Schools, Shawnee Mission School District, who was present to answer any questions the committee might have.

Stating that she sensed there was small sympathy for the bill, the Senator stated that the bill was introduced to address the plight of school districts across the state and the dire needs facing the future of the educational system. She feels the school finance formula is failing the schools and is feeling more pessimistic about the future of education and lack of focus by the legislature on the most important responsibility it has - the education of its children. She shared the fact that over 200 of the 340 school districts in the state are declining in enrollment. Each committee member probably has a district that has experienced in the past or presently has declining enrollment. The seriousness of the problem needs to be addressed in the next year or so. Reasons for declining enrollment vary, and, as such, cannot be lumped into a single solution. She emphasized that something needs to be done with the school finance formula. Not all districts use their full local option budget authority, but most districts are relying on it more each year. Raising the LOB cap is using only a piece of the puzzle. Shawnee Mission is one of the schools that is experiencing declining enrollment and has used its full LOB authority for several years. It is the second largest school district in the state with over 30,000 students. She requested the bill be introduced, the Senator stated, because of multiple requests from patrons in the Shawnee Mission school district. She showed the committee the many pieces of correspondence she had received. She read from a letter and stated she has received many letters asking to raise taxes.

Senator Langworthy ended her testimony by challenging the committee to make the multiple changes necessary to fund education adequately, while addressing its varying needs. Allowing a district to help itself allows the state to fund those who can't help themselves. Johnson County provides 25% of the sales and income tax and yet the Shawnee Mission school District which has helped drive the growth of Johnson County will be strangled if no help appears.

Seeing no questions for the Senator, Chairperson Lawrence called on Jim Yonally, Shawnee Mission Schools, to present his testimony in favor of the bill. (Attachment 2) Mr. Yonally distributed testimony with a sheet that contained budget figures for the Shawnee Mission School District. He stated the concept of the bill is extremely simple, but the effect is very important. He went over the budget figures to let the committee know how the district stood in terms of the budget situation.

Mr. Yonally stated the bill has the potential for every school district in Kansas to increase its budget. The first objection likely to be heard is the loss of federal impact aid, which is currently about \$8 million. In the many years he has been at the capitol, he has not been aware that any impact aid has been lost.

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The second objection to the bill might be opposition on the grounds of the disruption of equal educational opportunity. Mr. Yonally stated the Supreme Court of Kansas made it clear in a 1994 decision that there is no constitutional requirement that the legislature provide an equal educational opportunity. The court did say that every child has the right to an adequate education. He believes the same court case didn't mean equal expenditures in every district. There is no description and no measure of equality of education across the state.

On the third objection, Mr. Yonally stated that the charge of the wealthier districts accessing the LOB and the poor not being able to do so is not true. The Wealthier districts get less assistance in funding the LOB; the poor districts get more assistance. The LOB is only equalized to the 75th percentile.

Mr. Yonally stated that the district thinks that budget decisions shouldn't be placed solely on the shoulders of state lawmakers. He hopes the argument will not be accepted that the bill's passage would somehow destroy equalization. Passage of the bill carries the potential that every district in the state can increase its budget.

As Mr. Yonally drew to the close of his testimony, he stated the bill might not be needed so badly if all districts would have started at the same stage in 1992, but every large district in the state had to access a sizable amount of local option budget just to maintain the same level of spending they had the year before. This was also true of a number of small schools. An 18% LOB had to be used in the district to stay where it was. If the district could have started with what is being spent now and then the limit was 25% above that for the future, it would have been a different story.

Mr. Yonally was asked what one mill would raise in his district. The reply was over \$1 million. The comment was made that one mill in Galena, Kansas would raise approximately \$6,000. His response was that Galena would probably get 85% to 90% state assistance; his district would get zero.

One of the committee questioned Mr. Yonally as to his opinion that the state wouldn't lose federal impact aid because it never had. It was commented that the state has just barely gotten by the provision that allows the 25% difference between the 5th and the 95th percentile. The reason the state has been getting by is because the law says 25% LOB and that is how the state manages to make it work. If the state goes to 30%, it will absolutely lose the federal impact aid, which would amount to \$8 million. To say the state wouldn't lose federal impact aid because it never has, does not address the issue. It is a virtual certainty that the federal impact aid would be lost.

The Chairperson brought to the committee's attention submitted testimony by g. Eugene Troehler, Chairman, Sate/Federal affairs Task Force, Overland Park Chamber of Commerce. ([Attachment 3](#))

Dale Dennis, Deputy Education Commissioner, brought information on federal impact to the committee and was asked by Chairperson Lawrence to explain the information ([Attachment 4](#)) Mr. Dennis explained that the federal law states that if the state wants to deduct between the 5th percentile and expenditure per pupil weighted and the 95th percentile, there cannot be more than 25% variation; beyond that, it cannot be deducted. The state could get the impact aid, but it could not be deducted in the computation of general state aid. This would cost the state approximately \$8 million dollars. The information prompted several comments from members of the committee.

The last conferee was John Koepke, Executive Director, Kansas Association of School Boards (also representing Kansas National Education Association). Mr. Koepke was appearing in opposition to the bill and submitted his testimony ([Attachment 5](#)) He stated that he agreed with the remarks Senator Langworthy made in that most of the problems faced by schools is because of the failure of the legislature to address the real concerns since the implementation of the school finance act in 1992 and its failure to keep up base budget funding and the rate of inflation. Mr. Koepke stated the answer is simple: increase the base budget, correlation weighting, funding for special education and expand the declining enrollment provisions that currently exists.

The Chairperson closed the hearing on **SB 570** and called for committee discussion. Several members asked to have clarifying information on several of the issues brought up by conferees. Staff was asked to have the information available for Monday's meeting. The meeting was adjourned.