

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:10 p.m. on April 24, 2006, in Room 313-S of the Capitol.

Committee members absent:

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

Conferees appearing before the committee: Alan Conroy, Director, Kansas Legislative Research Department
Senator Dennis Wilson
Dr. Mike Wasmer
Ron Johnson, Kansas City Autism Training Center
Kyle Kessler, Deputy Secretary, Kansas Department of Social & Rehabilitation Services
Mike Hutfles, Alliance for Kansans with Developmental Disabilities
Nan Perrin, Community Living Opportunities, Inc.

Senator Schodorf commented that the meeting was called for the purpose of discussing and comparing six school finance plans. She noted that, while formulating another school finance plan, the Committee would need to consider a three-year plan, the size of the plan, and the needs of all districts.

Senator Lee requested that, at some point in the discussion of the school finance plans, Dale Dennis, Deputy Commissioner of Education, Kansas Department of Education, explain the concept of equalizing the LOB to the 81st percentile (how much actual local money goes in and the percentage of state funding).

Senator Goodwin noted that, during the session break, she had an opportunity to visit with 14 school superintendents and several school board members. One of their questions was, why do school districts think they are going to have to get up to 33 percent of the LOB? She could not answer the question. In response to her request for an answer, Mr. Dennis explained, "There is no mandate that school districts go to any level. It's up to the local board and their taxpayers."

Senator Apple suggested that the Committee discuss the size of the plan before discussing the details of the plan. In addition, he felt that the Committee should consider including the LOB as a source of state funding.

Senator Steineger commented that the state's revenue consensus estimates improved substantially after the Legislature had voted on three school finance plans; therefore, any plan would now be more affordable. In his opinion, the Committee needed to consider a plan that would have the best chance of achieving a two-house majority.

Senator Schodorf noted that revenue estimates for all of the plans had been prepared by the Kansas Legislative Research Department. She went on to say that the Committee had a good opportunity to develop a long-range plan which helps education and complies with the Supreme Court's ruling. She called upon Theresa Kiernan, Revisor of Statutes Office, to outline the components of the 2006 school finance plans.

Ms. Kiernan distributed a handout which compared current law with the following 2006 school finance plans: The Senate plan (**SB 584**), Senator Barnett's plan (**SB 501**), the House plan (**HB 2986**), and Senator Umbarger's first plan (5rs2398). (Attachment 1) In addition, copies of memorandums prepared by Dale Dennis concerning Senator Umbarger's first plan (Attachment 2) and his second plan (Attachment 3) were distributed. Ms. Kiernan and Mr. Dennis pointed out the differences between Senator Umbarger's two plans and responded to questions from the Committee concerning the fiscal impact.

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:10 p.m. on April 24, 2006, in Room 123-S of the Capitol.

Senator Schodorf called attention to copies of a memorandum prepared by Mr. Dennis which concerned Senator Derek Schmidt's school finance plan for the 2006-07 school year. She pointed out the estimated cost of state aid programs in Senator Schmidt's three-year plan. (Attachment 4) Senator Pine asked if the Schmidt plan was the only plan that included state contribution to KPERS. Senator Vratil commented that the KPERS expenditures were not included in either the Augenblick & Myers study or the Legislative Post Audit cost analysis study; therefore, there was no purpose in including KPERS in a distribution spreadsheet.

Ms. Kiernan continued with a comparison of the 2006 school finance plans, including Senator Umbarger's second plan and Senator Schmidt's plan (BSAPP, at-risk weighting, high at-risk weighting, bilingual weighting, correlation weighting/high enrollment weighting threshold, low enrollment weighting, school facilities weighting, ancillary facilities weighting, special education excess cost, LOB/LOB state aid, mandatory student performance improvement budget, state moneys for educational and support services, accreditation and curriculum requirements/reallocation of resources, grant programs for ESOL teachers, flexibility in spending, all-day kindergarten, needs assessments and school district budgets, school district budget forms, capital outlay state aid fund, school finance litigation contingency reserve fund, total amount of state aid). As Ms. Kiernan discussed the proposed funding for each plan, Scott Frank, Legislative Division of Post Audit, responded to questions from the Committee concerning the calculations in the Legislative Post Audit cost study analysis for K-12 education.

Senator Lee asked Mr. Frank to clarify how current funding from districts' local option budgets was handled in the Post Audit cost analysis study. Mr. Frank explained, "In terms of coming to the \$400 million a year, we included local option budget dollars in that pool because we understand that many of the districts are using those dollars to provide basic services." He confirmed that both state and local dollars were included. He added, "What we were trying to capture was, what are districts spending now to achieve the outcomes they are achieving and then translate that into a basic formula that captures all those costs so that, at that point, anything you do with your local option budget truly becomes kind of optional if you want to go above and beyond the basics. What we tried to do was recognize that current local option budget dollars were being used for basics the districts needed in order to achieve outcomes. We tried to incorporate that into what then became what we termed "foundation level," which would incorporate the costs associated with that so that you get a picture of what does it cost to achieve outcomes." Senator Lee asked, "Overall, when you looked at the amount of money to fund next year, is that \$400 million being used to replace local option budget dollars that are currently being used or in addition to the current local option budget dollars?" Mr. Frank responded, "I would say, yes, it's going to replace the local option budget dollars that are currently used. It's also going to redistribute them." Senator Lee commented, "So, in the overall scheme of things, we don't really need additional dollars if we leave the local option budget where it currently is." At this point, Barbara Hinton, Legislative Post Auditor, distributed copies of a memorandum explaining how the local option budget was handled and how Post Audit would have handled local option funding under the various proposals being considered by the Legislature. (Attachment 5)

Alan Conroy, Director, Kansas Legislative Research Department, distributed copies of a memorandum regarding the April 17, 2006, meeting of the Consensus Revenue Estimating Group. He discussed the revised estimates for FY 2006 and FY 2007, noting that the overall estimate for both fiscal years was increased by \$289.4 million. (Attachment 6) He also discussed a profile of FY 2006 and FY 2007 expenditures as approved by the Legislature at first adjournment. (Attachment 7) He went on to discuss a table regarding new K-12 funding prepared by the Legislative Research Department at the request of Senator Schodorf. (Attachment 8) Senator Vratil called attention to a table regarding new funding for K-12 funding, including KPERS, prepared at the request of Senator Steve Morris. (Attachment 9) Committee discussion followed in which the data was compared to the data requested by Senator Schodorf. Mr. Conroy went on to discuss data regarding new K-12 funding under **SB 584** (Attachment 10), **SB 501** (Attachment 11), **SB 584** (Attachment 12), and **HB 2986** (Attachment 13).

At this point, Senator Schodorf explained that Senator Dennis Wilson requested through the Senate Ways and Means Committee that an autism program be included in the state budget, and the request was assigned to the Senate Education Committee to determine if it should be included in the plan or be placed in an interim study. To emphasize the importance of early intervention in the treatment of autism, Senator Wilson introduced a constituent, Dr. Mike Wasmer, DVM, whose daughter was diagnosed with autism at an early age.

CONTINUATION SHEET

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Dr. Wasmer noted that he is an appointed member of the Kansas Governor's Commission on Autism and co-founder of the Kansas Coalition for Autism. He went on to say that his daughter was born on April 6, 1999, and for the most part, she appeared to be growing at a normal rate her first year. However, her world began to fall apart shortly after her first birthday when she stopped speaking completely, no longer acknowledged persons who walked into the room, rarely smiled, and stopped sleeping through the night. Shortly before her second birthday, she developed an ear infection. Her regular pediatrician was not available; therefore, she was taken to another pediatrician who recommended that she be seen by a developmental pediatrician as soon as possible. However, there was a four month waiting list for an appointment at KU Medical Center. In the mean time, they were referred to speech therapy. Once his daughter was able to point to the letters in the alphabet on her own, her speech therapist was able to teach her basic sign language. On July 13, 2001, she was diagnosed as having autism. He and his wife were told that the cause of autism was unknown, there was no proven treatment, and there was a 50 percent chance that she would never speak. They did not want to accept that prognosis and began to immerse themselves in learning everything they could about autism. They found that intensive early intervention demonstrates an improvement in I.Q. scores, language, autistic behavior, teacher school placements, and social behavior. Having received a formal diagnosis of autism, they sought treatment. However, they were soon told that there was no assistance to pay for the recommended minimum 25 hours of weekly therapy. They personally employed two paraprofessionals. They later discovered that Kansas public schools are not prepared to provide the one on one therapy necessary to effectively teach a child with autism, and they enrolled their daughter in a special education preschool program where she received speech and occupational therapy. They found that their health insurance would not cover any of the professional services. They continued her in-home therapy until she was five and one half years old. Their out-of-pocket expenses totaled \$35,000 to \$40,000 per year. Their daughter is now seven years old, and in a general education first grade class. She loves school and has several friends. Today, her speech and language skills are age appropriate, and her reading comprehension and writing skills are well above her age level. She not been cured of autism. She still has occasional behavior issues. Although they still have some difficult days, they cry less and laugh more.

In conclusion, Dr. Wasmer commented, "Compared to so many others, we realize we are very fortunate. We were educated enough to ask for the standard of care. When Infant and Toddler Services, the public schools, and health insurance would not cover the services, we were financially in a position to be able to provide them. To be less fortunate and the parent of a child with autism is unimaginable. The prevalence of autism in Kansas and nationwide is increasing at an alarming rate. Based on statistics from the U.S. Department of Education and other governmental agencies, autism is growing at a rate of 10 to 17 percent per year. In Kansas from 1997 to 2004, the number of children with autism increased by 471 percent. Some argue that the increased prevalence is a reflection of increased awareness or broadening of diagnostic criteria rather than an actual increase in disease prevalence. Regardless of why there is such a dramatic increase in the number of children diagnosed with autism spectrum disorders, the fact remains that an ever increasing number of children are entering the Kansas public school system with a diagnosis of autism. Autism is distinct from other developmental disabilities in many ways. Most important though is the treatment. If given the same treatment, the child with another disability would not have the same response as a child with autism. The National Research Council has repeatedly documented that intensive early intervention is effective and must be considered a standard of care for children with autism. Considering the dramatic increase in cases of autism, Kansas public schools need to prepare for this onslaught of children who will require specialized education. With intensive early intervention, studies demonstrate that 48 to 50 percent of children with autism achieve normal intellectual and educational functions with a normal I.Q. score and successful first grade placement in public schools. In contrast, only two percent of children with autism seeking less than ten hours a week of one on one treatment achieve normal educational and intellectual functioning. Intense early intervention prior to the child's starting first grade can dramatically ease the burden on Kansas public schools and society as a whole."

Ron Johnson, Kansas City Autism Training Center, stood in response to questions regarding the cost for a state early intervention program. He explained that the Autism Training Center is a private pay, early intervention center located in Prairie Village. He commented that it would be very difficult at this point to determine the exact cost for a state early intervention autism program. He noted that it would be beneficial to develop a system to identify how many individuals there are with autism and their degree of disability. That information would allow interested persons to make better projections on how to address the problem.

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Kyle Kessler, Deputy Secretary, Kansas Department of Social and Rehabilitation Services, called the Committee's attention to his written testimony in support of services for early childhood intervention for children ages 0-5 with autism spectrum disorders. (Attachment 14) He pointed out that the estimated cost was \$600,000 SGF for FY 2007 (for a six month period) to serve 100 children, and he responded to questions regarding the proposed program.

Mike Hutfles, Alliance for Kansans with Developmental Disabilities, distributed a packet of information on autism spectrum disorders prepared by Community Living Opportunities, Inc. (Attachment 15) Nan Perrin, Early Childhood Autism Program, Community Living Opportunities, Inc., responded to questions regarding early behavioral intervention for children with autism spectrum disorders. She noted that, as indicated in the packet Mr. Hutfles distributed, early intensive treatment can run from \$30,000 to \$50,000.

Senator Schodorf called attention to written testimony by Representative Bill McCreary in support of funding (\$300,000) for a math and science scholarship program for teachers at Challenger Learning Centers. (Attachment 16) Carolyn Rampey, Kansas Legislative Research Department, explained that the funding had been placed in the House omnibus bill. Although it will be a matter for conference when the omnibus bill is considered, Representative McCreary wrote a letter in support, encouraging the Senate Ways and Means to act favorably. Senator Schodorf commented that the matter would be addressed by the Chairman of Ways and Means in the conference committee.

Ms. Keirnan resumed and completed her summary of the 2006 school finance plans.

Committee discussion regarding the development of a plan followed. Senator Schodorf noted the discussion would continue at the April 25 meeting. In addition, as requested by Senator Lee, Mr. Dennis will provide examples of how local option budget state aid equalization is computed at 81.2 percent and 100 percent. Senator Vratil requested that Mr. Dennis also bring a printout showing in high to low order the estimated percentage of local option budget used by each county.

The meeting was adjourned at 4:35 p.m.

The next meeting is scheduled for April 25, 2006, at 9:00 a.m.