

MINUTES

2010 COMMISSION

October 9, 2008 A.M.
Room 784-Docking State Office Building

Members Present

Rochelle Chronister, Chairperson
Dr. Ray Daniels, Vice-Chairperson
Senator Jean Kurtis Schodorf
Representative Sue Storm -Thursday only
Dennis Jones
Emile McGill
Carolyn Campbell
Stephen Iliff - Thursday only
Lee Urban
Barb Hinton

Members Absent

Representative Clay Aurand

Staff Present

Sharon Wenger, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Dale Dennis, Kansas Department of Education
Janet Henning, Committee Assistant

Others Present

Scott Frank, Legislative Post Audit
Doug Moeckel, Kansas Association of School Boards
Mike Reece, K12, Inc.
Val DeFever, Schools for Quality Education
Dodie Wellshear, USA/Kansas
Diane Gjerstad, Wichita Public Schools
Bill Brady, Schools for Fair Funding
Terry Forsyth, Kansas National Education Association
Berend Koops, Hein Law Firm

**Wednesday, October 9
Morning Session**

The meeting of the 2010 Commission was called to order at 10:00 a.m. by Chairperson Chronister.

Chairperson Chronister asked Committee members if there were any changes or additions to the Committee minutes of August and September, 2008. *As there were not any changes or additions, the Chairperson declared the minutes approved.*

Reagan Cussimano, Kansas Legislative Research Department, told Commission members that the Legislative Research Department had released information regarding the financial status of the State of Kansas. She advised total receipts for July-September (the first quarter of fiscal year 2009) were approximately \$18.9 million or 1.4 percent below the estimate.

September receipt balances are more of an indicator on the state's economic activity than one month's receipts.

The State General Fund (SGF) receipts through September of FY 2009 were \$229.90 million, which is 20.1 percent above FY 2008 for the same time period. Approximately \$200 million was transferred out of the SGF fund for statewide maintenance and disaster relief and also \$122.7 million for the education lockbox.

Initially when the estimates were made, estimates for 2009 were \$37.2 million, under SB 531. There was an under-estimation of the Consumer Price Index-Urban (CPI-U). It was initially estimated at only 2 percent and actually was at 3.71 percent.

A question and answer session followed the presentation.

Theresa Kiernan, Office of the Revisor of Statutes, gave an overview to Commission members of the statutory duties of the 2010 Commission (Attachment 1).

A question and answer session followed the presentation.

Dale Dennis, Deputy Commissioner, Kansas State Department of Education, gave an overview of the current statute related to state aid and increases based upon the Consumer Price Index-Urban (CPI-U), and the State Board of Education budget recommendations. Mr. Dennis advised that the statute states the total amount of state aid, except for Special Education, will be increased by not less than the percentage equal to the CPI-U. This bill expires June 30, 2010 (Attachment 2).

A question and answer session followed the presentation.

Discussion and Development of Recommendations Regarding School Finance for the 2009 Legislature

Federal Impact Aid and the Second Count Date for Districts with Military Families

Representative Storm moved that the Second Count Date for districts with military families be extended for four school years and the second count be based upon a net increase in students. The motion was seconded by Senator Schodorf. The motion carried.

Long-Term Funding Issues

Senator Schodorf moved to extend the multi-year funding to a three-year plan. The motion was seconded by Dr. Daniels. After discussion by Commission members, Senator Schodorf moved to amend the original motion to include the wording of "based on CPI-U." The amended motion was seconded by Dr. Daniels. Chairperson Chronister advised Commission members that the motion, as amended, was a recommendation to the Legislature to amend the statute (KSA 72-64c04) which provides for increases in certain state aid based upon the CPI-U to extend that provision through school year 2012-2013. The motion carried by show of hands.

Chairperson Chronister made a further motion that the Commission recommend an emphasis, for the 2009-10 school year, be placed on funding Professional Development at 100 percent or \$6,250,000 and \$630,000 be funded for the leadership initiatives. The motion was seconded by Carolyn Campbell. The motion carried favorably for passage (Attachment 3).

Report on Performance Audits

Scott Frank, Audit Manager, Legislative Division of Post Audit, told Commission members of a pending audit entitled "K-12 Education: School District Efficiency." Mr. Frank informed Commission members that HB 2247 which was passed by the 2005 Legislature included a provision which established the school district audit team within the Legislative Division of Post Audit to conduct performance audits and "monitor school district funding and other oversight issues through audit work as directed by the 2010 Commission." He stated this audit would look at the efficiency and effectiveness of many aspects of the school districts' operations by answering the following questions:

- Does the district manage its personnel, facilities, and other resources in an efficient and economical manner?
- Does the district follow best practices for financial management to ensure that its financial resources are protected?
- Does the district spend its State at-risk and bilingual funding on effective programs or services?
- Does the district report reliable revenue and expenditure data to the State? (Attachment 4)

A question and answer session followed the presentation.

Representative Storm moved that the Commission recommend the School District Efficiency audit include more than one district but no more than four and eliminate questions 3 and 4. The motion was seconded by Steve Iliff. The motion carried.

Chairperson Chronister reminded Commission members of the joint meeting with the Legislative Educational Planning Committee at 1:30 p.m., Thursday, October 9, 2008.

The meeting was adjourned at 11:45 a.m.

Prepared by Janet Henning
Edited by Sharon Wenger

Approved by Commission on:

November 6, 2008

(date)