

MINUTES

2010 COMMISSION

March 3, 2006
Room 526-S—Statehouse

Members Present

Rochelle Chronister, Chairperson
Dr. Ray Daniels, Vice Chairperson
Representative Sue Storm
Carolyn Campbell
David Davies
Barbara Hinton
Stephen Iliff
Dennis Jones
Barbara Mackey

Members Absent

Senator Jean Kurtis Schodorf
Representative Kathe Decker

Staff Present

Deb Hollon, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Art Griggs, Office of the Revisor of Statutes

State Department of Education Staff

Dale Dennis, Deputy Commissioner

Conferees

Bill Walker, Superintendent, USD 104 (White Rock)
Mark Wolters, Superintendent, USD 105 (Rawlins County)
Jim Frank, Superintendent, USD 106 (Western Plains)
Mike Stegman, Superintendent, USD 222 (Washington)

Don Wells, Superintendent, USD 221 (North Central)
Mike Kastle, Superintendent, USD 245 (Leroy-Gridley)
Larry Lysell, Superintendent, USD 427 (Republic County)
Deborah Haltom, Director of Special Education, USD 512 (Shawnee Mission)
Judy Denton, Director, Northeast Kansas Education Service Center, Lecompton
Terry Collins, Director, ANW Special Education Cooperative, Humboldt
Jason Larison, Holton High School
Joel Judson, USD 259 (Wichita)
Gary Jantz, Assistant Superintendent, USD 373 (Newton)

Discussion of School District Consolidation

Chairperson Chronister introduced the topic of consolidation by distributing information prepared by the Kansas Association of School Boards entitled *Student Enrollment and the Demographics of Change* ([Attachment 1](#)). The material describes a constant decline in population in Kansas since statehood, resulting in Kansas presently having its smallest percentage of total United States population since it became a state. The peak in public school enrollment was in school year 1973-74. The decline since then has not been constant because children born to baby boomers—the “baby boom echo”—have moved through the school system. Nevertheless, almost 30 percent of Kansas counties have six or fewer persons per square mile and more than half of the counties in Kansas ended the century with fewer residents than at the beginning. These demographic changes in Kansas’ population have dramatic consequences for public education in the state.

Bill Walker, Superintendent of USD 104 (White Rock), told the Commission that school districts in his area went through consolidation in the 1980s and now USD 104 (White Rock) and USD 278 (Mankato) are in the process of consolidating.

In response to questions, Mr. Walker said both districts have serviceable bus fleets and the consolidated district will not have to purchase new buses. He estimated that travel time for some students has increased by 15 minutes. He said there are three school buildings in two towns and some teachers will be shared and will travel to several facilities.

Mark Wolters, Superintendent of USD 105 (Rawlins County), gave the Commission a checklist of things that have to be done when districts consolidate ([Attachment 2](#)). They include matters relating to insurance, completing personnel and retirement forms to transfer staff to the new district, notifying vendors of the name change, and changing all letterheads, purchase orders, and other forms.

Mr. Wolters said patrons of the districts voted favorably to consolidate in the fall of 2005 and the communities are ready to proceed. He said interest in consolidation originated in both districts because of declining student enrollment, the difficulty in hiring math and science teachers, and limited educational opportunities and extracurricular offerings.

Mr. Wolters said he expects the consolidated district to be able to realize savings due to reducing the number of teachers and other employees. He said the incentive provided by the state which allows the consolidated district to have the same budget authority as the former districts for an interval of time was a great benefit to the district.

When asked what advice he would give to others considering consolidation, Mr. Wolters said the process is emotional and it takes time for people to come to grips with the situation.

Jim Frank, Superintendent of USD 106 (Western Plains), told Commission members that USD 304 (Bazine) and USD 302 (Smoky Hill) consolidated to form the new district in response to declining enrollments and the need to share assets in order to provide outstanding educational opportunities for students. There are 250 students in the new district, which has a junior high school in one town and a high school in another. (Mr. Frank's presentation is [Attachment 3](#).) He told Commission members that the Bazine High School has been closed and another building may be closed.

Mr. Frank said the plan to consolidate involved combining athletic programs early so that the communities could be brought together over a shared interest. Still, tension exists between the two communities over "who is getting the better deal." Mr. Frank told the Commission that consolidation *per se* does not save money. Money is saved by closing facilities and cutting staff.

Mike Stegman, Superintendent of USD 222 (Washington), and Don Wells, Superintendent of USD 221 (North Central), described the process their districts have taken to consolidate ([Attachments 4, 5, and 6](#)). The consolidation was prompted by a 35 percent enrollment decline in USD 221 and a 15 percent decline in USD 222 over the past ten years. The consolidation was promoted on the basis of enhanced educational opportunities, the stabilizing effect of a larger student body, and the anticipation that the new district will have greater long-term viability due to increased valuation and larger size.

According to the conferees, the two boards have worked almost two years to plan the merger, which will be effective July 1, 2007. Both boards passed a resolution in November of 2005 to agree to the consolidation. The issue was approved by patrons in the combined districts in an election in March of 2006.

The conferees told Commission members that the incentive provided by the state to allow consolidated districts to continue to receive state funding in the amount of the former districts for a period of time benefits districts that consolidate. They spoke in support of 2006 SB 481, which would extend the benefit from two to three years and expand it to apply to other state aid programs.

Mike Kastle, Superintendent of USD 245 (Leroy-Gridley), told the Commission he was the former Superintendent of USD 302 (Smoky Hill) when it was considering consolidation with USD 304 (Bazine) ([Attachment 7](#)). He described the long process by which the two boards and communities worked through issues such as where schools would be located, how the board of education would be configured, and which teachers would be offered positions in the new district. Once community support was attained, he and other officials in both districts met to work on plans for transportation, staffing, and the status of buildings. During the process, one building was closed. Mr. Kastle said the most difficult decision was the need to reduce staff.

Mr. Kastle said that some consolidations are desirable and produce educational benefits for students. However, in the case of remotely located school districts, patrons must take into consideration the amount of time children would need to be transported if their school district were to merge with another district.

Larry Lysell, Superintendent of USD 427 (Republic County), provided demographic information about school districts in Republic County ([Attachment 8](#)). Notable were population and enrollment declines, both in Republic County and in surrounding counties.

Discussion of Special Education

Deborah Haltom, Director of Special Education, USD 512 (Shawnee Mission), addressed issues in the cost study conducted by the Legislative Division of Post Audit which specifically dealt with special education ([Attachment 9](#)). She explained that her school district has supported a change in the special education funding formula from the current resource-based model (funding on the basis of teaching units) to a census-based model (funding based on the total number of students in a school district). Among the reasons she cited in favor of the change are:

- The current formula is too complex;
- The formula does not fully fund special education excess costs and the percentage of excess costs funded varies greatly among districts across the state;
- The formula does not take into account the fact that some districts have higher teacher salaries, partly as the result of regional differences; and
- The formula lacks predictability, making it difficult for school officials to prepare budgets and plan from year to year.

Ms. Haltom asked the Commission to consider implementing census-based funding, whereby the amount of money a district receives would be based on its total number of students, not on the number of special education teachers, special education students, or the types of services provided. If the Commission does not recommend census-based funding, Ms. Haltom asked it to consider adopting the modification to the current formula recommended by Legislative Post Audit, which would be to not subtract the regular education cost of each special education student from the excess cost calculation, and also to use a salary index to provide greater reimbursement to those districts with higher teacher salaries.

Judy Denton, Director of the Northeast Kansas Education Service Center (Lecompton), discussed several concerns with the Commission ([Attachment 10](#)). They include the following:

- Fewer individuals are being licensed in special education, but the number of special education students is increasing. Ms. Denton said providing good salaries and benefits and creating low-stress working conditions would help recruit and retain special education teachers;
- More special education services are being provided in regular classrooms, which can be more expensive than pull-out services;
- The cost of special education materials has increased because of the need to provide “specially designed instruction;”
- In some cases, special education students are transported to special classrooms in other districts, which could cause the host district to incur additional costs; and
- The use of paraprofessionals has increased, causing districts to incur greater expense for salaries.

Ms. Denton told Commission members that rural districts may be impacted by foster care children who move into the area and need special services which may not be readily available. Also of concern is the number of children who formerly would be institutionalized but now are the responsibility of school districts. Many of these children are medically fragile and require specialized services and equipment.

Ms. Denton told members that not only is it difficult to find special education teachers, but it is especially hard to find staff in specialized fields, such as autism. She concluded her presentation by saying that, as the Legislature considers adding significant amounts of money to school finance, care should be taken to avoid the “yo-yo” effect, whereby, a large infusion of state aid in one year would greatly lower property taxes, only to have them bounce back the next year when state aid returns to a more normal level.

Terry Collins, Director of the ANW Special Education Cooperative (Humboldt), told the Commission that the current special education funding formula works ([Attachment 11](#)). He applauded the policy of the 2005 Legislature to provide that, beginning in FY 2007, excess costs would be funded at the 92 percent level. He recommended that if the formula were changed along the lines recommended by the Legislative Division of Post Audit, additional funding should be phased in over a several-year period so that school districts would be able to make a smooth transition to the new formula. He said additional funding would be used to pay higher teacher salaries, improve technology, and increase the purchase of research-based instructional materials.

Discussion of Vocational Education

Jason M. Larison, Instructor at Holton High School, speaking on behalf of the Kansas Association of Agriculture Educators, told the Commission he believes the Legislative Division of Post Audit used faulty assumptions as the basis of its recommendation that the vocational education weighting should be reduced from .50 to .323 ([Attachment 12](#)). Mr. Larison called attention to the sample of 21 school districts used in the cost study and compared the distribution of vocational education programs across the state to the distribution of programs in the sample. His conclusion is that the data used under represent the number of agriculture and trade and industrial programs in the state and over represent the number of business and marketing programs. He contended that the cost to provide the under-represented programs generally is higher than the cost of the over-represented programs, resulting in the erroneous conclusion that vocational education programs are less expensive for school districts to offer than they actually are.

Mr. Larison said his biggest concern is that the study sends a signal to local boards of education that funding for vocational education ought to be reduced because the programs are not of value to the state. In Mr. Larison's opinion, the vocational education weighting ought to be maintained at its current level.

Joel Hudson, Executive Director for Secondary Career and Technical Education for USD 259 (Wichita), listed some of the activities currently underway to redesign career and technical education in the Wichita school district ([Attachment 13](#)). They include redesigning and developing new programs to meet the needs of students and the community; building stronger relationships with local businesses, industry, and postsecondary education; and recognizing the link between education, workforce development, and economic development.

Mr. Hudson told the Commission that activities and programs such as those he described cost more than traditional academic programs. For that reason, the additional funding provided by the vocational weighting is necessary. He called vocational education a worthy investment which helps students stay in school, improves graduation rates, and prepares a skilled labor workforce. He recommended that the Commission identify, by region, areas of high need for technical training; identify the resources necessary to develop programs to meet the needs; make the delivery system accountable; and work with the State Department of Education to simplify the process of developing innovative programs.

Gary Jantz, Assistant Superintendent of USD 373 (Newton), told the Commission that, if the .50 vocational weighting were to be reduced, the Newton school district would be unable to offer the variety and quality of programs the district's students need (Attachment 14). Mr. Jantz described the district's programs and said they range from classes that address the needs of at-risk students who do not perform well academically to classes and programs that are offered in conjunction with area vocational schools and community colleges. He said the district works closely with local businesses and is part of the community's economic development effort.

Next Meeting

The Commission will meet April 17, 2006, in Room 527-S of the Statehouse. The meeting will begin at 9:00 a.m.

Prepared by Carolyn Rampey

Approved by Commission on:

May 19, 2006

(date)