

MINUTES

2010 COMMISSION

April 17, 2009
Room 535-N—Statehouse

Members Present

Rochelle Chronister, Chairperson
Dr. Ray Daniels, Vice-Chairperson
Representative Marti Crow
Carolyn Campbell
Dennis Jones
Emile McGill
Barbara Hinton

Members Absent

Senator Jean Kurtis Schodorf
Representative Clay Aurand
Stephen Iliff
Lee Urban

Staff Present

Martha Dorsey, Kansas Legislative Research Department
Jennifer Horchem, Kansas Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Kristen Kellems, Office of the Revisor of Statutes
Florence Deeter, Committee Assistant

Others in Attendance

Dale Dennis, Kansas State Department of Education
Brenda Heafey, Legislative Division of Post Audit
Mark Desetti, Kansas National Education Association
Scott Frank, Legislative Division of Post Audit

Morning Session

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

Legislative Activities and the Federal Stimulus

Dale Dennis, Deputy Commissioner of Education, Kansas State Department of Education, and Theresa Kiernan, Office of Revisor of Statutes, provided a summary of several education-related bills being considered by the 2009 Legislature ([Attachment 1](#)).

Mr. Dennis and Ms. Kiernan addressed SB 41, saying the bill is in conference committee and an agreement has been signed. The bill allows the state aid of a school district to be apportioned among the districts to which its territory is attached on the basis of assessed valuation.

Ms. Kierman indicated that SB 41 was amended to include personal financial literacy in the mathematics curriculum at all grade levels. The goal is to equip students with updated knowledge and skills for making decisions regarding the successful use of personal finances. An additional provision of the bill designates the State Board to develop guidelines in the curriculum for disability history and awareness at all grade levels.

Mr. Dennis commented on the importance of SB 84, which was agreed upon by the conference committee, but has not been approved by either the House or Senate. The bill would amend the current cash-basis law and create exceptions for school districts if expenditures exceed current revenues due to late payment of state aid. The bill also includes an alternative formula for calculation of the local option budget a school district may implement. A school district would be allowed to calculate its local option budget using a base state aid per pupil (BSAPP) of \$4,433 (the amount of BSAPP for the current school year) in any school year in which the BSAPP is less than that amount. The bill also would authorize a school district to calculate its local option budget using an amount equal to the amount appropriated for state aid for special education and related services in school year 2008-2009. (A school district may enact a local option budget up to a maximum of 31 percent of the district's state financial aid, which includes the BSAPP multiplied by a district's adjusted enrollment, and state aid for special education.)

Other bills summarized include SB 161, Sub. for HB 2008, HB 2072, HCR 5015, House Sub. for SB 98, SB 7, SB 40, and the original SB 41.

Mr. Dennis distributed a series of worksheets and charts to help visualize the changes occurring in the Supplemental General Fund Budget for the 2009-2010 school year ([Attachment 2](#)). He further explained the estimated money contained in the American Recovery and Reinvestment Act (ARRA) Program ([Attachment 3](#)). Two other worksheets provide information on the General State Aid and Special Education Services Aid funds ([Attachments 4 and 5](#)). Mr. Dennis said a cut of \$4.5 million for special education services has been made by the Legislature; however, the plan must be approved by federal law.

The amount of money estimated for qualified school construction bonds and qualified zone academy bonds under ARRA is shown in [Attachment 6](#). Mr. Dennis said approval of school bonds purchased in the private sector allows a tax credit and eliminates the school from paying any interest. He indicated there are complications in the plan: (1) the total project must be included; (2) the "Davis-Bacon" pay scale is required for a worker; and (3) the school district must pay the interest if the

contract exceeds the amount of the bid. He noted that a low bid and higher wages cause additional problems.

Audit Report

Brenda Heafey, Legislative Division of Post Audit, reported on “Low-Priority Programs in Kansas,” addressing the costs associated with operation of various programs ([Attachment 7](#)). As a point of information, she referred to the State Board of Education’s FY 2009 Estimated Program Expenditures chart included in the report.

Ms. Heafey explained that the process used to prioritize purchases with state funds for programs and sub-programs centered on a “buy-first, buy-next, buy-last, and don’t-buy” response (see pages 106 and 107). Included in the report is a letter of response from Dale Dennis, Deputy Commissioner of Education (page 111).

Merit Pay for Teachers

Jennifer Horchem, Kansas Legislative Research Department, presented information from seven states that have programs using merit pay ([Attachment 8](#)). Her report revealed that each state is unique in how merit pay and pay for performance of professional service is compensated. Ms. Horchem included in her report information on why some schools choose not to use a system of merit pay: (1) the difficulty of evaluating performance; (2) the creation of competition among teachers; and, (3) the tendency of teachers to assist individual students who excel, ignoring others who need services.

Theresa Kiernan submitted a memorandum containing information on the topic of merit pay considered in HB 2870. The bill has language amending the definition section of the Professional Negotiations Act, KSA 72-5413 ([Attachment 9](#)).

Mr. Dennis provided information on the number of schools in Kansas who are utilizing a four-day school week and indicated additional school districts are considering that option as a way to cut expenses and still maintain current programs. He said many teachers like the four-day concept; however, providing child care for younger students poses a problem for working parents. Included in his testimony is a Supplemental Report of the Salary and Benefits Subcommittee held in 2008 ([Attachment 10](#)). Mr. Dennis pointed out the recommendations made by the Subcommittee are outlined on page 35.

Mr. Dennis submitted data showing the national average salaries of public school teachers for school years 2006-2007 and 2007-2008 ([Attachment 11](#)). He said the statistics reveal that after 20 years of service, teacher salaries are \$40,000 behind the amount of earnings that can be accrued in the business sector.

Mr. Dennis commented on the appendix section (pages 40-44) of the Salary and Benefits Subcommittee Report, which gives information on various compensation systems for teachers. He noted for the Commission members that an Alternative Compensation Study Committee’s report is included with additional pertinent information.

Mark Desetti, Kansas National Education Association (KNEA), provided an excerpt of the history of salary schedules, which began in Kansas in the 1920’s. He noted the goals of Mr. F. L. Schlagle, a classroom teacher in Kansas City, Kansas ([Attachment 12](#)). Mr. Desetti said that any

alternative compensation plan needs to focus on collaboration and collective responsibility among teachers, not on the competition which merit pay promotes.

Mr. Desetti addressed the issues surrounding 2008 HB 2870 and the reasons KNEA opposed the bill ([Attachment 13](#)). He noted a number of reasons why the proposed bonus plan for math and science teachers would be counterproductive. Mr. Desetti stated that teachers often are left out of the decision-making process and that negotiations must be in place regarding salaries and bonuses. He reported the disjuncture between Kansas student achievement being in the top ten percent of every level of the curriculum and Kansas teacher remuneration being in the lower twenty percent nationally. Mr. Desetti said KNEA is not opposed to having bonuses, merit pay or career ladders; the agency is opposed to those programs when they are imposed on teachers rather than being developed collaboratively with teachers. He elaborated on two cities, Denver and Loveland, Colorado, whose citizens devised a program to successfully compensate professional educators.

A white paper report entitled, *Great Teachers for 21st Century Schools*, was distributed. Mr. Desetti encouraged each member to read KNEA's proposal for recruitment and retention of teachers in Kansas ([Attachment 14](#)).

Afternoon Session

Chairperson Chronister suggested meeting on May 28 and 29, 2009, to develop a final report of the 2010 Commission, although the Commission's authority does not expire until December 31, 2010. She commented that one of the purposes for establishing the Commission was to provide a basis of opinion for the court system, should circumstances warrant that. She suggested topics for the Commission's final report: at-risk issues, after school programs, all day kindergarten, early childhood programs, salaries, leadership, mentoring, and professional development.

Dr. Daniels suggested that data regarding English as a Second Language be considered for inclusion in a final report.

Representative Marti Crow spoke about past procedures of the Legislature to formulate an adequate system of funding for education, then diverting those funds to other projects. She said the pattern of holding the local option budget (LOB) to the same level and then cutting state funding per pupil often is the basis for bringing lawsuits because it exacerbates disequalization. Representative Crow indicated the LOB should be eliminated as was intended in 1992. She said inappropriate cuts made by the Legislature are almost a guarantee for intervention by the court system. Representative Crow spoke favorably of having an ongoing Commission to oversee the Legislature's actions.

Dr. Daniels concurred that keeping the 2010 Commission would provide guidelines for legislative action. He indicated that disbanding would cancel the Commission's oversight procedures necessary for any future court cases.

Ms. Emile McGill requested that the impact on Special Education be included for study and future reports. Chairperson Chronister said the special education funding mechanism has not been evaluated and suggested the topic could be pursued at the meeting scheduled for May 28 and 29, 2009.

Regarding the two-part audit of selected school districts entitled "K-12 Education: School District Efficiency Audits," Dennis Jones noted concerns from several school superintendents regarding the requested audit. The Chairperson commented that even though it is an efficiency

audit, it is considered a low-priority. When asked about federal reporting requirements related to the receipt of federal stimulus funds, Scott Frank, Legislative Post Audit, said it is unclear how much data is required to fulfill the federal requirement report. Regarding the efficiency audit, he said the second portion of the audit may be completed in July/August 2009. Chairperson Chronister requested that Mr. Frank assess the data collected to date for the efficiency audit and bring a summary describing the data to the Commission meeting in May. Chairperson Chronister indicated it is not the Commission's intention to create stress among the reporting districts.

Barbara Hinton said that in looking for efficiency, it is imperative for schools to consider looking for ways to accomplish goals with less money. She said that specific outcomes are required in accounting for the federal stimulus monies which will be spent. Ms. Hinton suggested the issue of health insurance plans offered in various school districts could be an area for a future audit.

Dr. Daniels said rather than pursuing individual school districts and asking for data, a statewide survey would be less intrusive and still provide the data needed for study and reporting.

By consensus, the Commission agreed to suspend the second portion of the audit entitled "K-12 Education: School District Efficiency Audits" (*i.e.*, in-depth investigation of selected school districts that are or are not doing selected activities efficiently). The second phase of the audit would be suspended at least until after the May 28-29 Commission meeting, when perhaps more would be known about what the federal government is going to require of the school districts, related to the receipt of federal stimulus funds.

The meeting was adjourned.

Prepared by Florence Deeter
Edited by Martha Dorsey

Approved by Commission on:

May 15, 2009
(Date)