

No. 15-113,267-S

IN THE SUPREME COURT OF THE STATE OF KANSAS

LUKE GANNON, *et al.*,
Plaintiffs-Appellees,

v.

STATE OF KANSAS, *et al.*,
Defendants-Appellants.

Appeal from Appointed Panel
Presiding in the District Court of Shawnee County, Kansas

Honorable Franklin R. Theis
Honorable Robert J. Fleming
Honorable Jack L. Burr

District Court Case No. 2010-CV-1569

RESPONSE BRIEF OF APPELLANT STATE OF KANSAS

Stephen R. McAllister, #15845
Solicitor General of Kansas
Memorial Bldg., 2nd Floor
120 SW 10th Avenue
Topeka, Kansas 66612-1597
Tel: (785) 296-2215
Fax: (785) 291-3767
Email: steve.mcallister@trqlaw.com
Counsel for Appellant State of Kansas

Oral Argument: One Hour

TABLE OF CONTENTS

Page

ARGUMENT..... 1

I. SB 19 is Reasonably and Deliberately Calculated to Address the Constitutional Violations this Court Identified in *Gannon IV*, Yet the Districts Continue to Focus Exclusively on Base State Aid, a Measure that Has Never Been the Constitutional Standard. 1

Gannon v. State, 305 Kan. 850, 390 P.3d 461 (2017) (*Gannon IV*)..... 1

A. SB 19 raises the at-risk weighting and requires at-risk funding be used to aid underperforming students...... 2

K.S.A. 2014 Supp. 72-6460 3

2017 Senate Bill 19 (“SB 19”)..... 3

B. SB 19 funds all-day kindergarten—an expenditure that all acknowledge helps bridge the gap for at-risk students—and further provides funding for preschool at-risk students...... 4

II. SB 19 Provides an Overall Level of Funding that Is Reasonably Calculated to Comply with *Gannon IV*. 4

Montoy v. State, 282 Kan. 9, 138 P.3d 755 (2006) (*Montoy IV*)..... 5

A. The State Board of Education’s budget request was not based on the *Rose* standards or on the costs of providing a constitutionally adequate education. 6

Gannon v. State, 305 Kan. 850, 390 P.3d 461 (2017) (*Gannon IV*)..... 6

B. SB 19 reflects the Legislature’s intent to work cooperatively with the State Board to improve the State’s schools and help underperforming students...... 8

Kan. Const. Art. 6, § 2 8

Kan. Const. Art. 6, § 6 8

SB 19	9
C. The Districts’ reliance on the cost studies and the BSAPP approved in <i>Montoy IV</i> is misplaced.	9
<i>Gannon v. State</i> , 305 Kan. 850, 390 P.3d 461 (2017) (<i>Gannon IV</i>).....	10
D. That some districts may not receive more money under SB 19 does not render the law unconstitutional.	10
<i>Gannon v. State</i> , 298 Kan. 1107, 319 P.3d 1196 (2014) (<i>Gannon I</i>)	11
<i>Town of Chester v. Laroe Estates, Inc.</i> , 137 S. Ct. 1645, 1650 (2017).....	11
<i>Gannon v. State</i> , 305 Kan. 850, 390 P.3d 461 (2017) (<i>Gannon IV</i>).....	11
E. The Districts’ challenges to funding of special education, professional practices, and parent mentor programs are barred by the law of the case doctrine.	13
K.S.A. 72-978	13
K.S.A. 72-1412 <i>et seq.</i>	13
K.S.A. 72-9601 <i>et seq.</i>	13
<i>State v. Finical</i> , 254 Kan. 529, 867 P.2d 322 (1994).....	14
III. The Districts’ Equity Challenges Are Meritless.	14
Kan. Const. Art. 6, § 5	14
<i>Gannon v. State</i> , 298 Kan. 1107, 319 P.3d 1196 (2014) (<i>Gannon I</i>)	15
IV. The Districts’ Persistent Request to Close Schools Is an Inappropriate Remedy.	17
CONCLUSION	18
CERTIFICATE OF SERVICE	20
Appendix 1	

ARGUMENT

I. SB 19 is Reasonably and Deliberately Calculated to Address the Constitutional Violations this Court Identified in *Gannon IV*, Yet the Districts Continue to Focus Exclusively on Base State Aid, a Measure that Has Never Been the Constitutional Standard.

The Districts' challenges to SB 19 focus almost entirely on base state aid. But in *Gannon IV*, this Court did not find an Article 6 violation based on overall levels of funding. Rather, this Court found an Article 6 violation because particular subgroups of Kansas students were not meeting the *Rose* standards. *Gannon v. State*, 305 Kan. 850, 390 P.3d 461, 469 (2017) (*Gannon IV*). The Legislature heeded this guidance and recognized that increasing base state aid alone did not provide the best mechanism to help underperforming students. Instead, the Legislature cured the violation by providing additional funding deliberately and expressly targeted for underperforming students.

In the House K-12 Education Budget Committee, Representative Aurand introduced a transcript of a question Justice Biles asked the Districts' counsel during oral argument in *Gannon IV*:

[Y]ou may not like what you're asking for. . . . [W]e can't have a solution 1) that gives local districts too much discretion with any new money because we have to target the remedy. We have to make sure the remedy is aimed at the cancer, if you will. And 2) . . . It seems like the Legislature would be within its prerogative to cannibalize money that's going toward the 2/3 of the kids who are already flourishing in order to fund the remedy for the lower levels, because in the end the system just has to [be] able to be reasonably calculated to meet these, for everybody, to meet these low [standards].

Minutes of May 9, 2017, House K-12 Education Budget Committee, Attachment 3 (first and last alterations in original).¹ Thus, the Legislature took to heart the Article 6 violation this Court identified: While most Kansas students are doing very well, some subgroups are underperforming. Notably, in adopting SB 19, the Legislature did not “cannibalize” money; rather, it provided hundreds of millions of dollars in *additional* funding, with much of that new funding precisely targeting the underperforming student subgroups this Court identified in *Gannon IV*. The Districts may want unrestricted access to the educational funds appropriated by the Legislature to provide raises for their administrators and teachers or for other general purposes, but this Court did not identify inadequate salaries across the board as an Article 6 violation. The Legislature carefully listened to and took heed of this Court’s decision in *Gannon IV* and specifically tailored SB 19 to address the constitutional problem the Court identified.

A. SB 19 raises the at-risk weighting and requires at-risk funding be used to aid underperforming students.

SB 19 increases the at-risk weighting from 0.456 to 0.484, the amount the LPA cost study of 2006 recommended. Although the Districts argue that SB 19 provides less funding for at-risk students than the LPA study recommended, the LPA study admittedly and expressly disregarded altogether LOB funding, which this Court has held must be considered in determining compliance with Article 6. *See* March 30, 2017, Minutes of the House K-12 Education Budget Committee at p. 2 and

¹ The legislative committee minutes and attachments cited in this brief are included in Appendix 1.

attachment 4 (memo from Legislative Post Auditor Scott Frank, one of the LPA study's authors). When LOB funding is considered, SB 19 provides roughly \$180 million *more* for FY19 than if the LPA consultant's study's base, adjusted for inflation, were used—and this does not even count *federal* funding. *See* Brief of Appellant State of Kansas at 16.

Thus, all districts now have available for at-risk students more funding than the 2006 LPA study recommended. If in the upcoming school year the Districts decide to spend those funds on other purposes, and thus make the choice to deny at-risk students the funds the Legislature appropriated for them, that can hardly amount to an Article 6 violation *by the State*. Instead, if the Districts share this Court's concern about their at-risk students, they can and should use this additional funding to address the needs of those underperforming students.

In fact, in a notable departure from the prior law, SB 19 *requires* districts to use at-risk funds to help their underperforming students. Under the old formula, districts were permitted to use at-risk funds for any purpose, and many districts used those funds for purposes not directly related to the particular needs of at-risk students. *See* K.S.A. 2014 Supp. 72-6460(a) (allowing districts to “expend the unencumbered balance of moneys held in the at-risk education fund . . . to pay for *general operating expenses* of the district out of the general fund as approved by the board of education of such district.” (emphasis added)). But in direct response to the Article 6 violation this Court identified in *Gannon IV*, the Legislature did not restore this provision of the old formula. Instead, beginning with the 2018-19 school year, SB

19 requires at-risk funds to be spent on best practices for at-risk programs and instruction to be developed by the State Board of Education (BOE).² SB 19, § 25(c).

B. SB 19 funds all-day kindergarten—an expenditure that all acknowledge helps bridge the gap for at-risk students—and further provides funding for preschool at-risk students.

SB 19 also addresses the constitutional violations identified in *Gannon IV* by fully funding all-day kindergarten and providing approximately \$2 million for preschool-aged at-risk students. The Districts argue that this change should be ignored because approximately 90% of students already attend all-day kindergarten. But the additional funding is critical because many districts are currently using at-risk funds to pay for all-day kindergarten. *See* Brief of Appellant State of Kansas at 8-9. By the Districts’ own estimation—which appears to be understated since they ignore the effect of weightings in their calculations—funding all-day kindergarten will free up approximately \$62 million that school districts can use (and, with respect to at-risk funds, *must* use come July 1, 2018) to address the needs of underperforming students in other ways. Districts’ Brief at 35.

II. SB 19 Provides an Overall Level of Funding that Is Reasonably Calculated to Comply with *Gannon IV*.

In addition to targeting funding for at-risk students, the Legislature in SB 19 reasonably calculated overall levels of funding based on the KLRD’s “successful

² The Districts claim that SB 19 is unconstitutional, by its structure, because the BOE is not required to identify “best practices” for delivery of services to at-risk children until July 1, 2018, and so “schools will not even know what these new best practices are while they prepare their budgets and begin school.” *See* Districts’ Brief at 40. But the best practices requirement does not begin until the 2018-19 school year. SB 19, § 25(c). Thus, the timelines for developing and using best practices are in harmony.

schools” approach, a reasonable analytical approach that builds off of school districts’ “predictive effective rates” calculated by the Kansas State Department of Education. See Minutes of May 10, 2017, Senate Select Committee on Education Finance, Attachment 3 (testimony of State Education Commissioner Dr. Randy Watson) (“Watson Testimony”) at 35; Brief of Appellant State of Kansas at 10-11. In their brief, the Districts completely ignore this new and reasonable analytical approach, opting instead for a “pay-no-attention-to-the-man-behind-the-curtain” tactic that frenetically seeks to resurrect an eclectic selection of base state aid figures that made cameo appearances in school finance litigation or policy debates over the past dozen years. In contrast, the successful schools approach estimates funding needed for required inputs and desired outputs based on *current* information and legal standards. Thus, unlike base state aid goals articulated many years ago, SB 19 is actually and reasonably calculated to provide all current students with an opportunity to obtain an education that meets or exceeds that contemplated under the *Rose* standards.

Instead of considering the successful schools approach, the Districts argue that SB 19’s BASE is inadequate because it is less than the base state aid *requested* by the BOE, recommended by cost studies, and approved in *Montoy v. State*, 282 Kan. 9, 17, 138 P.3d 755 (2006) (*Montoy IV*). Their arguments are flawed on all accounts.

A. The State Board of Education’s budget request was not based on the *Rose* standards or on the costs of providing a constitutionally adequate education.

The Districts’ reliance on the BOE’s recent *request* of \$893 million in new funding is unpersuasive because there is no evidence this request was based on any empirical evidence or on compliance with the *Rose* standards. In fact, State Commissioner of Education Dr. Randy Watson testified that the BOE’s request was derived from the funding amounts specified by the panel, which incorrectly assumed LOB and other sources of revenue were not to be considered. Watson Testimony at 42; *see also* Minutes of May 22, 2017, Senate Select Committee on Education Finance at p. 3 (Dr. Watson noted “the State Board’s funding recommendation was . . . derived from funding mandates provided by the three-judge panel in the district court”). This Court already has held that the panel’s guidance, on which the BOE relied, was incorrect and “not complete.” *Gannon IV*, 390 P.3d at 502.

Commissioner Watson’s testimony is confirmed by a recording of the July 12, 2016, meeting at which the BOE adopted their budget recommendation. *See* <http://www.ksde.org/Board/Kansas-State-Board-of-Education/Archived-Board-Media-Streaming> (July 12, 2016 evening session).³ The discussion of the budget recommendation, which occurs at 1:38:28 through 2:10:05 of the recording, demonstrates that the BOE based its recommendations almost entirely on the panel opinion and *never* discussed the *Rose* standards or the actual costs of providing an

³ The recording is also available at <https://www.youtube.com/watch?v=wFmypo4uw&feature=youtu.be>.

adequate education. Notably, prior to calling for the vote, the recommendations are described by then Board Chairman, Jim McNiece, as “pretty aspirational.” As this brief half-hour of BOE discussion demonstrates, the BOE request was not *calculated* at all—much less reasonably calculated—to meet the *Rose* standards.

Further, the BOE’s recommendation had nothing to do with the Article 6 issue that is before this Court. Rather, the BOE’s request was intended to implement a world-class, second-to-none standard—not the adequacy requirement of Article 6. *See* Minutes of May 10, 2017, Senate Select Committee on Education Finance at p. 1 & Attachment 1 at p. 2 (the BOE’s vision, entitled “Kansans Can,” is that “Kansas leads the world in the success of each student”). Commissioner Watson explained, “[w]hen the State Board set forth their budget, they had a premise that school districts would use such funds within the State Board model to help students be successful in line with the State Board’s ‘complex goals,’ *not the Rose standards.*” Minutes of May 22, 2017, Senate Select Committee on Education Finance at p. 3 (emphasis added). Commissioner Watson explained that the desired “outcomes” under the BOE’s “complex goals” *exceed* the *Rose* capacities in many ways. Minutes of May 22, 2017, Senate Select Committee on Education Finance at p. 2. In short, the BOE’s “aspirational” funding request that was intended to *maximize* the overall performance of Kansas public schools, while important for other purposes, is irrelevant to the Article 6 question of what *minimum* levels of funding are required to satisfy this Court’s test for adequacy.

B. SB 19 reflects the Legislature’s intent to work cooperatively with the State Board to improve the State’s schools and help underperforming students.

The Districts’ approach to the State Board’s recommendation would also rewrite the constitutional mandate of that body to usurp much of the Legislature’s school-finance authority and improperly casts those two important actors as antagonists, instead of the partners that they have become through SB 19. The State Board has “general supervision of public schools.” Kan. Const. Art. 6, § 2. By contrast, the Legislature is responsible for “mak[ing] suitable provision for finance of the educational interests of the state” *Id.* at § 6. Constitutionally requiring the Legislature to adopt the school funding level recommended by the State Board, as the Districts desire, would effectively invalidate this constitutional mandate, usurp vital legislative authority, and diminish the very constitutional provision on which this entire lawsuit is based.

The Districts’ claim that the Legislature “wholly ignored” the State Board’s recommendations is patently false. Districts’ Brief at 13. The Legislature carefully considered all State Board recommendations, receiving testimony on those through Commissioner Watson, Board members, and other educational advocates including KASB, KNEA, and individual school districts. *See, e.g.*, Minutes of May 10, 18, 19 & 23, 2017, Senate Select Committee on Education Finance; Minutes of January 23, March 23, 24, & 27 & May 8, 2017, House K-12 Education Budget Committee. The Legislature embraced testimony from Commissioner Watson on the State Board’s “Kansans Can” vision for increasing student performance. The Legislature also

incorporated State Board learnings into SB 19, basing the “successful schools” approach off of the State Board’s “predictive effective rates” accountability model, *see* Watson Testimony at 35, and linking local at-risk expenditures to State Board research and “best practices” for helping those students, *see* SB 19, § 25(c) (requiring adherence to best practices for use of at-risk funds starting in 2018-19); SB 19, § 23(b)(4) (same for high density at-risk). The Legislature also adopted the State Board’s own multi-year timeframe for these performance goals, establishing annual reviews of individual formula components and student success by legislative committees and post audit. *See, e.g.*, Minutes of May 23, 2017, Senate Select Committee on Education Finance at 4. These reviews were specifically created to work in tandem with the State Board’s student performance efforts. *Id.* SB 19 creates a dynamic new approach to school finance focused on improving outcomes for the underperforming students and committed to partnership towards that end with the State Board.

C. The Districts’ reliance on the cost studies and the BSAPP approved in *Montoy IV* is misplaced.

The State already has demonstrated that, when LOB funding is considered, SB 19 provides more money than the LPA study found was necessary to achieve constitutional compliance. *See* Brief of Appellant State of Kansas at 14-16.

Nonetheless, and in spite of this Court’s clear holdings to the contrary, the Districts’ head-in-the-sand arguments continue to ignore any consideration of the substantial funding available to schools other than centrally-allocated state revenue. District’s Brief at 11-14, 21-24, 39-40. The Districts take that position despite basing

their own faulty inflation calculation (a key point in their adequacy argument) on “[t]otal state and local funding in Kansas.” Districts’ Brief at 25, n.8. The Districts’ failure to consider *all* sources of funding in the adequacy calculus makes their objections to SB 19 irrelevant. *See Gannon IV*, 390 P. 3d at 490. Ultimately, the Districts’ reliance on “updated” A&M⁴ and LPA studies is just as misleading as their reliance on the BOE budgetary *requests* to implement a *perfect* school system. *See* Districts’ Brief at 21-23.

The Districts’ reliance on the BSAPP approved in *Montoy IV* is equally misplaced. Contrary to the Districts’ specious argument, the State has never “conceded” that the BSAPP approved in *Montoy IV* constitutes the Article 6 floor for base state aid. Rather, as discussed above, the Article 6 adequacy test can be satisfied by targeting additional aid to the underperforming student groups this Court identified in *Gannon IV*. Indeed, the Districts’ refusal—absolute and defiant—to acknowledge that legal proposition articulated by this Court is central to resolution of this remedial round of the case.

D. That some districts may not receive *more* money under SB 19 does not render the law unconstitutional.

The Districts assert SB 19 is unconstitutional because some local districts may receive less state financial aid in FY18 and FY19 than under CLASS. Districts’ Brief at 27-29.

⁴ As the A&M study used different weightings, thereby requiring its authors to set a higher base aid, and assumed all funding for a foundation education would come state funding, inflating the A&M recommended base aid does not address today’s costs.

The Districts lack standing to raise this argument because none of them will receive less state financial aid in FY18 or FY19. See Districts' Brief, Appx. J and Appx. K-2. Standing is required at each "successive stage[] of the litigation." *Gannon v. State*, 298 Kan. 1107, 1123, 319 P.3d 1196 (2014) (*Gannon I*); see also *Town of Chester v. Laroe Estates, Inc.*, 137 S. Ct. 1645, 1650 (2017) ("[A] plaintiff must demonstrate standing for each claim he seeks to press and for each form of relief that is sought."). Claimed reductions of funding to *other* districts does not implicate the plaintiff Districts' obligations under Article 6, Section 5 to "maintain, develop, and operate the local public school system." Thus, the Districts cannot show any actual or threatened injury in this regard that establishes their standing. See *Gannon I*, 298 Kan. at 1123.

Even if the Districts had standing, their argument has no merit. The reason some districts lose funding compared to what they received under CLASS is because of declining enrollments. In *Gannon IV*, this Court held CLASS structurally *unconstitutional* because in freezing funding it did not take into account changes in enrollment. See *Gannon IV*, 305 Kan. at 488. The Districts seem to accept that the structural aspect of the Article 6 adequacy component requires a formula responsive to changes in enrollment, but in a classic have-their-cake-and-eat-it-too argument they want this Court to *require* increases in funding from rising enrollment but to *reject* decreases in funding from falling enrollment. This Court never has held (and should not hold) that the Constitution acts as a one-way fiscal ratchet, requiring that funding for each and every district only increase year-over-year despite what may

happen with a district's enrollment or other relevant factors. Thus, the fact that some districts may receive less state aid for FY18 and FY19 because of declining enrollments cannot violate any of Article 6's components.

Further, the Districts' calculations are misleading in two respects. First, they report alleged loses in LOB funding (again, based on declining enrollment) without recognizing that many districts can raise their LOB levels to receive steady if not increased LOB revenue. For instance, the Districts claim that the Geary County Schools district will only receive \$16,070,236 in LOB revenue this coming year, down from \$17,546,515 last year. Districts' Brief, Appendix J. But the Geary County Schools district could, subject to a protest petition, raise its LOB to 33% and receive approximately \$17,677,259 in LOB revenue, a slight *increase* from last year. *See* Appendix 3 to Brief of Appellant State of Kansas (column 2 times 33%).

Second, to the extent the Districts attempt to draw a correlation between funding levels and academic achievement, the proper comparison is not between SB 19 and CLASS but between SB 19 and the old formula. After all, the Districts cite achievement test results from the 2015-16 school year, and it is widely recognized that there is a lag time between funding levels and achievement results. *See* Minutes of May 11, 2017, Senate Select Committee on Education Finance at p. 2 (testimony of Mark Tallman of the Kansas Association of School Boards). Thus, to the extent there is a correlation between funding levels and achievement results, the achievement results cited by the Districts are a product of funding levels under the old formula. But according to the Kansas Legislative Research Department, *every* district receives

more funding under SB 19 than they would under the old formula when the phase out of the new school facilities weighting is set aside. Minutes of May 19, 2017, Senate Select Committee on Education Finance at p. 2 (testimony of Eddie Penner, Legislative Research Department) and Attachment 2 (column titled “Difference Estimate Over Old Formula”).

E. The Districts’ challenges to funding of special education, professional practices, and parent mentor programs are barred by the law of the case doctrine.

The Districts ask the Court to order “full” state funding of special education aid, professional practices, and parent mentor funding formulas. Districts’ Brief at 36-39, 50. But by law, the annual funding available for these programs is dependent upon the appropriation made each fiscal year. *See* K.S.A. 72-978 (special education aid); K.S.A. 72-1412 *et seq.* (mentor teacher); K.S.A. 72-9601 *et seq.* (professional development). Nor has this Court declared these programs to present current Article 6 constitutional issues.

The Districts’ argument is also barred by the law of the case doctrine. At the trial in 2012, the Districts unsuccessfully challenged the practice of appropriating less than “full” state funding for these programs. In other words, they *lost* on these challenges at trial. *See* Vol. 14 at 1950-51 (panel rejecting challenge to special education aid funding); Vol. 14 at 1798, 1964-68 (panel acknowledging mentor teacher program was “underfunded” or not funded between FY09 through FY13, but not ordering full funding or finding the practice unconstitutional); Vol. 14 at 1798, 1964-68 (panel acknowledging professional development had not been funded since

2008-09, but not ordering full funding or finding the practice unconstitutional). The Districts did not appeal, so they cannot relitigate the issue now. *See State v. Finical*, 254 Kan. 529, 532, 867 P.2d 322 (1994) (“We repeatedly have held that when an appealable order is not appealed it becomes law of the case.”).

In any event, SB 19 is constitutionally adequate.

III. The Districts’ Equity Challenges Are Meritless.

Finally, the Districts raise a number of equity challenges to SB 19, most of which the State already addressed in its opening brief.

As the State explained, SB 19’s protest petition provision for adopting an LOB over 30% must be constitutional given that this Court has already approved LOB funding with an even more stringent election requirement. Brief of Appellant State of Kansas at 18. This Court has also previously permitted local voters to decide capital improvement expenditures made through the issuance of tax-supported bonds. The Districts’ attempt to deem unconstitutional the will of voters (and by extension elected officials) who disagree with them is misguided and denigrates the importance of Kansas citizens.

Carrying their argument to its logical extension, the Districts would deem unconstitutional any local school board decision that did not maximize its LOB, capital outlay, or bonded indebtedness because “the whim of local taxpayers” elected a body that chooses not to access those funds. Districts’ Brief at 41. This approach would be absurd. The Kansas Constitution ensures that schools “shall be maintained, developed and operated by locally elected boards.” Kan. Const. Art. 6, § 5. Voters

choose school boards and those boards determine how local schools will operate and how local taxes should be levied and spent. The State must only provide sufficient equalization funds to avoid any “unconstitutional, wealth-based disparities,” not craft its legislation to disenfranchise voters—the very citizens who enacted Article 6—on these important decisions. *Gannon I*, 298 Kan. at 1111.

The ability to use capital outlay to fund utilities, property insurance, and casualty insurance also does not violate Article 6. These are not instructional expenses but rather relate to the purposes of capital outlay, and capital outlay equalization aid continues to be fully funded using the formula this Court approved. Brief of Appellant State of Kansas at 19.

The 10% floor for at-risk funding rationally recognizes that districts with extremely few free lunch students have much higher numbers of truly underperforming students than can be calculated by any single measurement or proxy. *Id.* at 21-22. It bears emphasizing that SB 19 provides additional at-risk funding based on the number of free lunch students because the Legislature, after an exhaustive examination, deemed that the best (though imperfect) proxy for underperforming students. As Dr. G.A. Buie, Executive Director of the United School Administrators of Kansas, testified before the Senate Select Committee on Education Finance, “free lunch as a proxy for under-performing students . . . was accurate to within 6-7% on average.” Minutes of May 19, 2017, Senate Select Committee on Education Finance at 3. The primary district below the 10% floor, however, had 4,346 underperforming students with only 1,250 qualifying for free lunch—leading to an

undercounting of such students by 371%. *Id.* at 4 (attachment 23). While the Districts may have political motives for opposing this provision, *see* Districts' Brief at 30-31, the Legislature had the needs of thousands of underperforming students in mind when it adopted the 10% at-risk floor.

The Districts' only remaining equity challenge—their objection to the fact that SB 19 uses the previous year's LOB to calculate LOB equalization aid, *see* Districts' Brief at 46-47 (discussing SB 19, § 17)—is equally meritless. Like the use of an average AVPP, this provision provides predictability. Testimony presented to the Legislature made indisputably clear that school districts desired certainty in funding. Minutes of March 23, 2017, Senate Select Committee on Education Finance at p. 3. This change in the LOB aid formula accomplishes much greater certainty than any other possible calculation.

Using the current year LOB to determine equalization aid poses a timing problem. The legislative session typically concludes in May (and infrequently, June) of each year. Yet local district LOB levies are not set until the districts approve their annual budgets in August. If current year LOB is used, the State cannot calculate the supplemental general state aid it must appropriate until more than a month after the new fiscal year has started, long after the time when the Legislature is in session.

In addition, under earlier formulas there were a number of variables that figured into calculation of supplemental general state aid that were unknowable until after districts were required to publish and then set their school year budgets, an action that typically did not occur until fall at the earliest. These variables included

the current year adjusted enrollment (which could not be known until audits by the KSDE were completed several months after the school year had begun), the current year LOB usage voted on with the district's budget, previous year AVPP rankings (which were known to the districts before their budgets were final, but not available to the Legislature until after its annual provision for school finance was finished), and the 81.2 percentile ranking (which is only capable of being known when AVPP rankings are known). This introduced uncertainty into school districts' budgeting processes.

The predictability that SB 19's use of prior year LOB provides for calculating LOB equalization aid protects districts by avoiding any uncertain reliance on possible future LOB aid that is not justified by the numbers each district eventually provides. Such predictability does not deny districts "reasonably equal access" to funding based on "similar tax effort." Rather, SB 19 (in numerous respects) is reasonably calculated to provide state funding that satisfies both the adequacy and equity components of Article 6.

IV. The Districts' Persistent Request to Close Schools Is an Inappropriate Remedy.

To paraphrase President Reagan: Well, there they go again. Having asserted that SB 19 did not result in a constitutional fix of the school finance system, the Districts have once again called for immediate remedial action and the closure of Kansas schools if their desired changes are not implemented by September 1, 2017. Districts' Brief at 50. Oddly, and indeed inconsistently, the Districts simultaneously ask for an exception to their own requested spending injunction to spend some money

“for the preservation and security of district properties and systems should that be necessary.” *Id.*

As the State has argued at earlier stages of these proceedings, and reasserts here, under no circumstances should this Court invalidate the entire school finance system as such a “remedy” would itself violate the Kansas Constitution, a Kansas statute, federal law, and fundamental principles of equitable relief. *See* State’s Motion for Rehearing or Modification (filed June 10, 2016) and Supplemental Brief of Appellant State of Kansas (filed August 12, 2016).

CONCLUSION

The Legislature has made a good faith, substantial, and carefully calculated response to this Court’s decision in *Gannon IV*. SB 19 fully complies with Article 6 of the Kansas Constitution as this Court has interpreted it. The Plaintiffs’ remaining complaints—and in a large and diverse State with complex education needs there *always* will be remaining complaints and disagreements—are matters of policy, not constitutional law. Respect and good faith among the three important branches of Kansas government are necessary to achieve a functioning governmental system that benefits Kansas public school students, their capable teachers, parents, and taxpayers; indeed, all who have a stake in the system. It is time, with all due respect, to end this contentious litigation so all may focus on making Kansas schools successful and move forward to achieve the shared aspiration of “ad astra per aspera.”

Respectfully submitted,

OFFICE OF ATTORNEY GENERAL
DEREK SCHMIDT

By: /s/ Derek Schmidt
Derek Schmidt, #17781
Attorney General of Kansas
Jeffrey A. Chanay, #12056
Chief Deputy Attorney General
Stephen R. McAllister, #15845
Solicitor General of Kansas
M. J. Willoughby, #14059
Assistant Attorney General
Dwight R. Carswell, #25111
Assistant Solicitor General
Bryan C. Clark, #24717
Assistant Solicitor General

Memorial Bldg., 2nd Floor
120 SW 10th Avenue
Topeka, Kansas 66612-1597
Tel: (785) 296-2215
Fax: (785) 291-3767
Email: jeff.chanay@ag.ks.gov
steve.mcallister@trqlaw.com
mj.willoughby@ag.ks.gov
dwight.carswell@ag.ks.gov
bryan.clark@ag.ks.gov

and

Arthur S. Chalmers, #11088
Jerry D. Hawkins, #18222
HITE, FANNING & HONEYMAN, LLP
100 North Broadway, Suite 950
Wichita, Kansas 67202
Tel: (316) 265-7741
Fax: (316) 267-7803
E-mail: chalmers@hitefanning.com
hawkins@hitefanning.com

Attorneys for the State of Kansas

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 7th day of July 2017, the above brief was electronically filed with the Clerk of the Court using the Court's electronic filing system, which will send a notice of electronic filing to registered participants, and copies were electronically mailed to:

Alan L. Rupe
Jessica L. Skladzien
LEWIS BRISBOIS BISGAARD & SMITH
1605 North Waterfront Parkway, Suite 150
Wichita, KS 67206-6634
Alan.Rupe@lewisbrisbois.com
Jessica.Skladzien@lewisbrisbois.com

John S. Robb
Somers, Robb & Robb
110 East Broadway
Newton, KS 67114-0544
johnrobb@robblaw.com
Attorneys for Plaintiffs

Steve Phillips
Assistant Attorney General
OFFICE OF ATTORNEY GENERAL DEREK SCHMIDT
120 S.W. 10th, 2nd Floor
Topeka, KS 66612
steve.phillips@ag.ks.gov
Attorney for State Treasurer Ron Estes

Philip R. Michael
Daniel J. Carroll
Kansas Department of Administration
1000 SW Jackson, Suite 500
Topeka, KS 66612
philip.michael@da.ks.gov
dan.carroll@da.ks.gov
Attorneys for Secretary of Administration Jim Clark

/s/ Dwight R. Carswell

Index - Appendix 1

Minutes of the Senate Select Committee on Education Finance

Minutes of March 23, 2017..... 1

Minutes of May 10, 2017 5

- Attachment 3, pages 35-37 and 42 (testimony of Dr. Randy Watson)..... 8

Minutes of May 11, 2017 12

Minutes of May 18, 2017 15

Minutes of May 19, 2017 20

- Attachment 2 (KLRD spreadsheet on effect of school finance bill)..... 26

Minutes of May 22, 2017 30

Minutes of May 23, 2017 33

Minutes of the House Committee on K-12 Education Budget

Minutes of January 23, 2017..... 41

Minutes of March 23, 2017..... 43

Minutes of March 24, 2017..... 47

Minutes of March 27, 2017..... 51

Minutes of March 30, 2017..... 55

- Attachment 4 (LPA memo on the LPA cost study and LOB)..... 62

Minutes of May 8, 2017 66

Minutes of May 9, 2017 70

- Attachment 3 (transcription of *Gannon IV* oral argument question)..... 74

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:15 pm on Thursday, March 23, 2017, in room 144-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant
Eddie Penner, Legislative Research Department
J.G. Scott, Legislative Research Department
John Hess, Legislative Research Department
Lauren Mendoza, Legislative Research Department
Nick Myers, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

John Staton, Associate Executive Director and CFO, Greenbush Southeast Kansas Education Service Center
Jim Freeman, Former CFO, Wichita Public Schools
Bill Hammond, Executive Director of Business and Operations, Dodge City Schools

Others in attendance:

See Attached List

Please Note Meeting Time Change

No minutes information to display

Informational hearing:

Chairperson Denning called the meeting to order. He noted that today's agenda would consist of three presentations that have different budget perspectives: Greenbush Southeast Kansas Education Service Center, Wichita USD 259, and Dodge City USD 443.

Chairperson Denning introduced John Staton, associate Executive Director and Chief Financial Officer of Greenbush Southeast Kansas Education Service Center. Mr. Staton presented a handout and discussed the Greenbush organization. (Attachment 1) His handout details how Greenbush specifically works with school districts, as well as detailing the process of their strategic planning. Mr. Staton noted that districts that collaborate with organizations such as Greenbush on strategic planning achieve better results on average than those that do not. He also attached a graph showing a typical budgeting timeline for a district and a budget matrix that is used as a sample tool in determining the impact of

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:15 pm on Thursday, March 23, 2017, in room 144-S of the Capitol.

potential budget cuts.

Senator Pettey requested Mr. Staton detail how a district contracts with Greenbush. A discussion ensued and Mr. Staton noted they are usually contracted for a specific task that could be small or could take time.

Senator Bollier asked for clarification whether Greenbush was a part of our school system or if they are a private organization. Mr. Staton responded that they are organized under an inter-local cooperation agreement that operates as a service center. He noted they are there to serve any school district in Kansas and are paid for by the districts that contract their services. Mr. Staton stated that they currently contract with USD 404, 366, 248, 234, and 101, and these districts make up the local agreement.

Senator Goddard questioned if Greenbush helps districts obtain health insurance. Mr. Staton responded that they do. Senator Goddard noted that he knows districts that Greenbush helps and that their efforts save money for these districts.

Chairperson Denning questioned if Greenbush finalizes their budget in late May or June. Mr. Staton responded that this was their goal and a discussion on their budget process ensued. Chairperson Denning noted that the Legislature isn't in session when Greenbush finalizes their numbers and Mr. Staton noted that the mill levee value is the final dollar amount needed to complete their budget.

Senator Kerschen asked Mr. Staton if Greenbush had made any recommendation so far to the school finance formula. Mr. Staton responded that they had not and that they would welcome being involved in the process.

With no further questions, Chairperson Denning called on the next presenter.

Chairperson Denning introduced Jim Freeman, Former Chief Financial Officer of Wichita Public Schools. Mr. Freeman has 20 years experience as a business official and is providing testimony on the budget building process of a large district. (Attachment 2)

Mr. Freeman discussed basic points in the budget development process such as increased cost projections, changes in revenue, changes in enrollment, changes in federal and state regulations, employee compensation and benefits, and district level initiatives. He noted that district level initiatives are very important. Mr. Freeman also discussed a typical timeline for the budget process, noting the budget matrix provided in Greenbush's testimony is very similar to theirs.

Senator Goddard asked what month they begin the budget process. Mr. Freeman responded that Wichita starts at the beginning of the fiscal year. Senator Goddard asked about any issues they may have with Board Members being elected in the middle of the budget process. Mr. Freeman stated it can

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:15 pm on Thursday, March 23, 2017, in room 144-S of the Capitol.

be an issue and educating the new member is key, as it can be a challenge to get caught up.

Senator Kerschen asked about the hidden cost of the Jason Flatt Act, noting it was supposed to be minimal. The Jason Flatt Act requires the board of education of each school district to provide suicide awareness and prevention programming to all school staff. Mr. Freeman noted costs were partially due to training and unknown expenses that couldn't have been foreseen. Mr. Freeman also noted that the first year of implementation can be hard to predict.

Senator Pettey asked for clarification about schools coming under a state plan for health insurance and asked Mr. Freeman to discuss how Wichita is self-insured. Mr. Freeman discussed Wichita's advisory committee, made up of employees that manage their health plan. He made a point to state that they have leverage due to their large size. Mr. Freeman noted they have also worked with a wellness program, implementing ideas that help keep people healthy and out of hospitals, which saves cost. Mr. Freeman stated he felt it's a very strong plan.

With no further questions for Mr. Freeman, Chairperson Denning called on Executive Director of Business and Operations, USD 443 Dodge City, Bill Hammond to testify. Mr. Hammond presented testimony based on the perspective of a smaller district and testified that his school district needs certainty in funding. (Attachment 3)

He noted that his district has approved a budget calendar, but are unable to complete the budget this year due to the insecurity of this year's state budget. Mr. Hammond stated that his district is an at-risk school district, having one of the highest percentages in Kansas. He also noted that Dodge City has the third highest percentage of English Language Learners in the State and that tools and strategies to address these issues cost resources. He noted the importance of a steady and strong stream of funding for ELL and at-risk student needs in particular, a fact heightened by the difficulty of recruiting and retaining staff to Western Kansas.

Mr. Hammond noted that they are a growing district, which could impact staffing and new facilities needs at some point.

Senator Pettey asked what the average age of their school buildings are. Mr. Hammond responded that they are retrofitting buildings currently and upgrading for safety. They have several facilities they are bringing up to standards as they have several older buildings. Mr. Hammond noted their administration building is 100 years old, adding to increased need for expenditures to increase safety and operational efficiency.

Senator Pettey also asked clarifying questions on any current incentive programs to recruit staff and if any future programs would be beneficial. Mr. Hammond responded that incentive programs are very helpful for recruitment purposes but require funding certainty to work best.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:15 pm on Thursday, March 23, 2017, in room 144-S of the Capitol.

Senator Bollier asked questions on the Dodge City ELL population. Mr. Hammond stated they have several languages. She asked how long students took to become proficient in English. Mr. Hammond stated he couldn't answer as it was not in his area of expertise, but he did note that students come to his district with a range of skill levels and each student takes a different amount of education to learn depending on their circumstances. **Mr. Hammond provided a follow-up document on March 30th.** (Attachment 4)

Senator McGinn asked clarifying questions on the difference between large and small school districts using examples from Dodge City. Mr. Hammond noted that the larger schools are getting students from the city, but he also has small schools that get students based on employment. A discussion ensued on employment opportunities in Western Kansas.

Senator Estes briefly discussed visiting small schools and how he has personally witnessed students progression to speaking English, noting the effectiveness of ELL programs and the importance of quality ELL teachers.

Senator Baumgardner questioned if Dodge City High School students participate in concurrent enrollment with Dodge City Community College or vocational programs such as with 2012 **SB155**. Mr. Hammond responded that they have been working with students on concurrent enrollment with DCCC for some time now. Mr. Hammond noted that there are challenges such as scheduling conflicts, however, they have tried to make it work. Mr. Hammond responded that vocational programs would be beneficial, however they have high costs. He noted that there have been state-wide cuts in that area recently. Mr. Hammond stated that if they had the funding for vocational programs it would benefit their students greatly. The Kansas Legislative Research Department provided a document that shows funding for vocational education since the passage of **SB 155** in 2012. (Attachment 5)

With no further questions Chairperson Denning adjourned the meeting.

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:30 pm on Wednesday, May 10, 2017, in room 548-S of the Capitol.

All members were present except:

Senator Carolyn McGinn – Excused

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant
Eddie Penner, Legislative Research Department
J.G. Scott, Legislative Research Department
John Hess, Legislative Research Department
Lauren Mendoza, Legislative Research Department
Nick Myers, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Dr. Randy Watson, Commissioner, Kansas State Department of Education

Others in attendance:

See Attached List

Informational briefing:

Chairperson Denning called the meeting to order. He reminded the Committee that they would be having an informational briefing by Dr. Randy Watson, Commissioner, Kansas State Department of Education. Dr. Watson presented on the KSDE vision for education. (Attachment 1) (Attachment 2). The transcript of this briefing is included with these minutes. (Attachment 3)

Dr. Watson began by discussing the five categories that KSDE believes make up a successful high school graduate: Academic preparation, cognitive preparation, technical skills, employ-ability skills, and civic engagement. Dr. Watson discussed evidence-based practices and foundational structures known as the *Rose Standards*, which provide educational benchmarks, and come from a landmark 1989 school finance case in Kentucky, *Rose v. The Council for Better Education*, as adopted by the Kansas Supreme Court in *Gannon v. State*.

Dr. Watson discussed the process of establishing a five-year cycle of accountability for school districts and what the Kansas State Board of Education (KSBE) is doing to achieve this. He discussed the Kansas Report Card website that will keep track of information such as data on graduation rates, teacher licensure, demographics, test scores, and more. Dr. Watson noted that after July 1st, 2017, the site will have an upgrade and changes will be made.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Wednesday, May 10, 2017, in room 548-S of the Capitol.

Dr. Watson spent time discussing the data on the Student Report Card website. He noted that users can set many parameters to narrow down information, as well as to create comparisons. Dr. Watson discussed how the website will have data on test scores, such as ACT, and it will only improve as more data each year is added.

Dr. Watson discussed the National Student Clearinghouse Data. He noted this is data that shows where students go after graduation. Dr. Watson provided an additional handout on Post-secondary Enrollment and Progress. (Attachment 4) He spent time explaining the chart and the data it represented.

Dr. Watson discussed risk factors that influence success for students. He noted that KSBE has data for the seven categories. Dr. Watson stated that the scatter-plot chart took into account all the risk factors. He noted that 40% of school performance is based on the risk factors listed, and they are working on understanding the other 60% and obtaining data for other risk factors identified.

Dr. Watson thanked the Kansas State Board Members that attended, Senator Baumgardner for her leadership in Committees, and the Select Committee on Education Finance Chairperson Denning.

Senator Pettey asked for clarification on the Post-secondary Progress chart, and how they are classifying what a graduate is. She also asked about the cost of implementing the State Board's accountability plan.

Senator Baumgardner requested data on demographics for virtual schools, and data on virtual school funding, stating she felt this would be beneficial for the Committee to view.

Senator Goddard asked about chronic absenteeism in schools, noting that there are areas with more foster care children than others. He also asked for clarification on the Early Childhood Development programs, noting that areas with strong programs are showing improvements for children. Dr. Watson agreed that this was an important area to look at, and noted that he felt all-day kindergarten should be funded.

Senator Bollier asked about the effective rate graph, and what type of changes should the Committee be looking at over time. She noted that change doesn't occur over night, and wondered what to look for along the way. Dr. Watson responded that graduation rates should be looked at every year, as well as all five recognized areas of success for high school graduates as discussed earlier in the meeting. A discussion ensued on resources needed to identify these areas, and the shortage of teachers in Kansas. Dr. Watson stated that they need to drive teachers into the profession, and noted that salaries are not the only reason people become teachers.

Senator Kerschen asked about the teacher component, asking what funding will be allocated to teaching positions. Dr. Watson responded that it is local school districts that make those

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Wednesday, May 10, 2017, in room 548-S of the Capitol.

determinations.

Chairperson Denning asked for clarification on math scores being part of the academic preparation. Dr. Watson stated that they were, but this was only one component that measures achievement. Chairperson Denning also asked for clarification that the LPA found different outcomes for virtual students and was it based solely on test scores. Dr. Watson stated they had looked at different information from the LPA to evaluate the progress of virtual students.

Senator Estes questioned the cost factor for Early Childhood Development classes, and the sources of that funding. Dr. Watson responded that the money from the formula only goes to at-risk students, but that these classes can and are receiving money from other programs, companies, as well as parents and private donors.

Chairperson Denning stated that the Committee was out of time for the day, and they would continue in the morning to hear testimony from other individuals. Chairperson Denning adjourned the meeting.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

1 -- there are more boys than girls in your school
2 and you were the state champions in eight-man
3 football this year. I don't think you're looking
4 to go schedule Lawrence High School next year.
5 And why? Because size matters playing football,
6 right? Size of the school matters. Well, risk
7 factors matter. It's more difficult to get a
8 higher post effective rate in Kansas City, Kansas,
9 than it is in Gardner or Edgerton because one has
10 higher risk factors than the other.

11 So we took the risk factors and we did
12 something new. We called it the predictive
13 effective rate for every school and every school
14 district and here it is. There it is. Nice
15 regression analysis, for those that love
16 statistics. We have asked a simple question.
17 Here are the people that are doing really well
18 post-secondary effective rate. Here are the
19 people not doing so well. Here are the people
20 with all kinds of risk factors. They have high
21 numbers of kids that do not speak English. They
22 have high cumulative poverty, they have high
23 special ed. Here are districts that have almost
24 none, their poverty's in the single digits, their
25 -- most of their kids speak English. You



1 following? And we -- there's the line. There's
2 our predictive line.

3 So we wanted to predict that most school
4 districts would fall right upon the line; and
5 indeed, most do. You can see that, right? Go --
6 take a look at this. As you -- we want to get
7 between 70 and 75. So look at this. There's a
8 school district that is achieving right about 60
9 percent post-secondary effective. State average
10 was 44.6, do you remember? They are about at 60.
11 They are not at 70, 75 but you know what they are
12 going to say at their board meeting? We're above
13 the state average. They are. They are well above
14 the state average and they are doing just as we
15 would predict them to do. Does that make sense?
16 Their risk factors are fairly low and they're
17 scoring just as we would predict them to score.
18 They are doing just as we would predict.

19 How about this school district? Which one's
20 scoring higher? The first one or the second? The
21 first one on a factor of 60 percent to 25? I -- I
22 was eight-man champ, but I had to go play Lawrence
23 High School, and we got slaughtered. In fact, the
24 game got called at halftime, it was 55 to nothing.
25 That's how it looks now when you just go



1 compare schools because, one, we're dealing with a
2 whole different set of factors than another.
3 That's what makes Kansas so unique and special.
4 But both of these school districts are performing
5 just as we would expect them to perform, given
6 those seven risk factors. This one just right on
7 the line, right on the line. Completely different
8 communities, completely different types of kids.
9 Both doing well, given the risk factors.

10 Now, here's the magic. Who are these people?
11 These are school districts and schools that are
12 out-performing what we would predict them to do.
13 These are who we love to root for, right? The
14 underachiever that just does well. The one that
15 wasn't predicted to win the Super Bowl but comes
16 out of nowhere to win it. We have some school
17 districts that are up here. Boom, this is -- this
18 is a district has lots of risk factors. This is a
19 district that doesn't have very many but they are
20 still way out-producing what we would expect. And
21 the other side of the coin is who are these
22 districts that are way under-performing what we
23 would predict them to be.

24 Here's what I want to tell you, we don't know
25 the answer to the (inaudible.) We know this, 40



1 didn't drop out. That's a great question,
2 Senator. Thank you.

3 SENATOR PETTY: Thank you. And then my
4 second one is, what is the cost of implementing
5 the state board's accountability plan?

6 RANDY WATSON: That's a great question.
7 The state board wrestled with that. They put
8 together a budget and they looked at two things.
9 As you know, the state board is required by law to
10 submit an annual budget to the Governor and the
11 legislature; and when they looked at that they
12 took this work that they were doing and they took
13 at that time the three judge panel because the
14 Supreme Court had not ruled on the case when they
15 built the budget, and said -- and their message is
16 that it would be about 850 million over two years
17 to accomplish this.

18 SENATOR PETTY: Thank you.

19 CHAIRMAN DENNING: Senator Baumgardner.

20 SENATOR BAUMGARDNER: Thank you, Mr.
21 Chair and thank you so much for your presentation
22 today. I'm going to start with just some -- some
23 data requests and I really want to hone in on the
24 area that I know is of concern to folks and that's
25 (inaudible) the large scale virtual schools.



MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 8:30 am on Thursday, May 11, 2017, in room 548-S of the Capitol.

All members were present except:

Senator Anthony Hensley – Excused

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant

J.G. Scott, Legislative Research Department

John Hess, Legislative Research Department

Lauren Mendoza, Legislative Research Department

Nick Myers, Office of Revisor of Statutes

Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Mark Tallman, Associate Executive Director for Advocacy, Kansas Association of School Boards

Dr. Walt Chappell, President, Educational Management Consultants

Others in attendance:

See Attached List

Informational briefing:

Chairperson Denning called the meeting to order. He reminded the Committee that they would continue to hear testimony on the Kansas accreditation system and evidence-based programs for at-risk students from two individuals.

Chairperson Denning called to the podium Mark Tallman, Associate Executive Director for Advocacy, Kansas Association of School Boards (KASB).

Mr. Tallman started by thanking the Committee, and expressing his excitement for the future. Mr. Tallman presented a handout that includes testimony as well as charts and graphs. (Attachment 1) He started out by discussing a brief history of Kansas schools, referring to the graphs on page two and the tables of data on page three. The data shows percentages of high school and college completion over time. Mr. Tallman discussed the positive relationship between these education completion rates and future student earnings. Mr. Tallman discussed that the data shows Kansas education outcomes (as measured by test results and grades) have continually increased until around five years ago when test scores and grades began to decline.

Mr. Tallman discussed in detail how increased school funding helps at-risk students. He referred to the

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Thursday, May 11, 2017, in room 548-S of the Capitol.

bullets on page six. Mr. Tallman provided data that compares eleven states and Kansas, showing overall outcomes.

Mr. Tallman concluded with discussing the two policies that the KASB has adopted on accreditation and accountability and recognizing the importance of these efforts for improving student performance.

Senator Bollier asked about the KansansCAN program and whether he saw an opportunity for enhanced relationships between local school boards and the Kansas State Board of Education. Mr. Tallman responded that he did see this opportunity for greater student success through this coordination, but noted it would be up to the local boards to be engaged.

Senator Pettey had concerns about the decline in performance Kansas has seen since 2009 and she questioned if seeing improvement within one year was possible. Mr. Tallman noted that there is usually a lag time to see results, so that even for successful programs, improvements may not be seen immediately. A discussion ensued on ways to see improvements more quickly. Senator Pettey also asked about potential federal losses and asked if they could take these potential losses into consideration for funding Kansas schools. Mr. Tallman responded that as policy-makers, the Legislature must take these into account.

With no further questions, Chairperson Denning introduced the second speaker Dr. Walt Chappell, President of Educational Management Consultants. (Attachment 2)

Dr. Chappell discussed his background briefly. He then presented testimony on his view on the *Gannon* decisions, as well as his reasons for believing the Court decision did not mandate increased at-risk funding for school districts.

Dr. Chappell stated that he felt the reason for the decline in Kansas student performance was due to changes to the tests and was less related to how much funding schools received. Dr. Chappell stated that Kansas has tried NCLB, Multi-Tiered System of Support, and Common Core. He noted that he believes there is not a way for the Legislature to hold schools accountable with another increase in funding.

Dr. Chappell finished his testimony by discussing recommendations to develop a school-based finance formula, as well as what he felt were school-based finance issues.

Senator Pettey commented that she did not agree with Dr. Chappell using mainly NAEP scores for Kansas data and she believes the NAEP scores are not representative of Kansas necessarily and do not provide the value that Kansas assessment data does. She instead emphasized the assessment programs that the Legislature directed the Kansas State Board of Education to create the programs that show if our children are career and college ready, and they did this in response to Kansas employers stating

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Thursday, May 11, 2017, in room 548-S of the Capitol.

students were not always ready.

With no further questions, Chairperson Denning adjourned the meeting.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

Page 3

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant
Eddie Penner, Legislative Research Department
J.G. Scott, Legislative Research Department
John Hess, Legislative Research Department
Lauren Mendoza, Legislative Research Department
Nick Myers, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Tamera Lawrence, Office of Revisor of Statutes
Eddie Penner, Legislative Research Department
Jeff King, Legislative Counsel
Dr. Pat All, Superintendent, USD #233
Suzan Patton, Superintendent, USD #382
Tim Danneberg, Director of Communication & Customer Services, City of Olathe
Cassandra Barton, Insight School & Kansas Virtual Academy
Dan Burngardt, Superintendent, USD #204
Mark Tallman, Associate Executive Director, Kansas Association of School Boards
Dave Trabert, President, Kansas Policy Institute
Mark Desetti, Legislative and Political Advocacy, KNEA
Jeremy LaFaver, Alliance for Childhood Education

Others in attendance:

See Attached List

Hearing on: SB251 — Creating the Kansas school equity and enhancement act.

Chairperson Denning called the meeting to order.

Tamera Lawrence, Office of Revisor of Statutes, presented **SB 251**. She noted it is very similar to **HB2410**, and discussed the differences between the two. (Attachment 1)

Senators Estes, McGinn, and Hensley asked clarifying questions regarding the utility fee being proposed. Ms. Lawrence answered questions and a discussion ensued on calculating such fees.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

Senator McGinn ensued discussion on Capital Outlay calculations. Senator Hensley asked for clarification on worksheets to calculate amounts and Mr. Penner responded that it would come from the Department of Revenue.

Senator Pettey asked for clarification on sunset dates in **SB251** and Ms. Lawrence described the sunsets included in the bill and how they differed from those in **HB2410**. Ms. Lawrence noted that Career Technical and Virtual State Aid memorandum had a typo in the date, but that the document would be corrected immediately for distribution and clarification purposes.

Eddie Penner, Legislative Research Department, discussed and answered questions on the reasonable calculation of BASE aid in **SB251** and the use of CPI-U Midwest indexing for BASE aid in that same bill. In his testimony, and through the presented charts, he showed that the methodology and the BASE aid that generated through the "successful schools" method of calculation was identical to the ones that he previously presented to the Committee. (Attachment 2) (Attachment 3) In response to a question from Senator Bollier, Mr. Penner confirmed that even in the "successful schools" used in this methodology, there are students that have not satisfied the *Rose* standards.

Mr. Penner further noted that **SB251** used a three-year rolling average CPI-U Midwest to index future BASE aid increases, as opposed to the non-averaged CPI-U indexing presented in **HB2410** the previous week in Committee.

Chairperson Denning noted the importance of using the "successful schools" reasonable calculation approach in determining BASE aid. Because this calculation mandated increases in BASE aid greater than CPI-U indexing does not begin until school year 2019-20.

Senator Hensley questioned Mr. Penner on the at-risk spending in **SB251** relative to that in **HB2410** and the amount recommended in the Post Audit study. Mr. Penner responded that **SB251** spent roughly \$23 million less on the at-risk weighting than **HB2410**, which used the at-risk weighting recommended by Post Audit.

Chairperson Denning asked Mr. King to assess the legal implication of the "successful schools" approach for reasonably calculating BASE aid. Mr. King testified that this approach followed the Court's request that the Legislature create a funding formula calculated to enhance student performance. Mr. King stated the the "successful schools" approach, combined with the CPI-U indexing "shows the Legislature's work" and illustrates the considerable effort taken and evidence considered by the Legislature in responding to *Gannon's* overall K-12 funding concerns. He further testified that this approach provided a viable method of trying to discern what BASE aid reasonably should be to increase student success and it shows the Committee's work far more than what occurred in past school finance cases.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

Chairperson Denning asked Mr. King if the Committee was adequately responding to *Gannon* in other areas such as at-risk/under-performing students, full funding all-day kindergarten school accountability, and producing measurable student performance standards. Mr. King responded that the more you can: (1) target money to at-risk and bilingual funding; (2) insure that this at-risk funding goes to help under-performing students; (3) target these funds to programs and initiatives that best help under-performing students; and (4) properly account for these at-risk funds, the better the school funding formula will likely be viewed by the Court. Mr. King noted that both **SB251** and **HB2410** make many positive steps towards these four goals.

Senators Baumgardner, Goddard, McGinn, and Pettey asked Mr. Penner clarifying questions about KPERs costs associated with **SB251** and the proposed utility fee and related discussions ensued.

With no further questions, Chairperson Denning asked for Testimony to start.

The following conferees were welcomed by Chairperson Denning to present oral testimony for **SB251**:

Dr. Pat All, Superintendent, USD #233 ([Attachment 4](#)) - Dr. All testified about the importance of excellence above the adequacy requirements of the *Rose* standards and beyond funding levels required by the Kansas Supreme court in *Gannon*. She also stated the importance of raising at-risk weighting to 0.484 as recommended by the Post Audit study and included in **HB2410**. She emphasized her desire, and that of her district, to have BASE aid at higher levels than in **SB251** in order to achieve the excellence about which she had previously spoken. She further discussed the increased infrastructure, technology and maintenance costs that supports increased capital outlay funding.

Dr. Suzan Patton, Superintendent, USD #382 ([Attachment 5](#)) - Dr. Patton highlighted the increase in the number of students with social and emotional issues that, at least in her district, warrants a heightened focus on at-risk funding. She stated that she is opposed to **SBS251** because she feels that more BASE aid is needed than contained in this bill in order to achieve excellence for every student, especially given rising costs in health insurance and utilities. She urged the Committee to focus on the funding necessary to help the average student to succeed, not only underprivileged and gifted students.

Tim Danneberg, Director of Communication & Customer Services, City of Olathe ([Attachment 6](#))

Cassandra Barton, Insight School & Kansas Virtual Academy ([Attachment 7](#)) ([Attachment 8](#))

Dr. Dan Burngardt, Superintendent, USD #204 ([Attachment 9](#)) - Dr. Burngardt testified against the sunset for CTE and at-risk funding in **SB251** because, in his opinion, it would discourage districts from making long-term investments that would help students in both categories.

Mark Tallman, Associate Executive Director, Kansas Association of School Boards ([Attachment 10](#))

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

(Attachment 11) - In addition to providing detailed testimony on the KASB official position and relating that position to the tenets of **SB251**, Mr. Tallman stated that all accounting requirements in **SB251** need to consider the demographic differences between districts. He further stated his belief that keeping the formula in line with inflation is the most important aspect of ensuring adequate funding for schools. He also discussed the positives and negatives of increased uses for capital outlay funds, admitting that his members are divided on the issue.

In response to these capital outlay concerns and a question on the subject by Senator Bollier, Mr. King noted that because equalized increases in capital outlay raises overall funding available to schools, that provision **SB251** likely enhances the overall funding amount for purposes of the Court's adequacy determination. On equity, while Mr. King acknowledged that certain items (such as teacher salaries) could not be included under *Gannon* in capital outlay expenditures, the acknowledged link between a district's capital resources and utility expenses should allay any equity concerns from **SB251**'s capital outlay provision.

Dave Trabert, President, Kansas Policy Institute (Attachment 12)

Mark Desetti, Legislative and Political Advocacy, KNEA (Attachment 13) - Mr. Desetti testified that the targeting of resources in **HB2410** towards under-performing students would be helpful for increasing student performance and responding favorably to *Gannon*. These specific provisions, according to Mr. Desetti, include: raising at-risk weighting to 0.484, fully funding all-day kindergarten (which frees up at-risk funds for other efforts to help under-performing students), increasing bilingual funding and new money for teacher development.

Jeremy LaFaver, Alliance for Childhood Education (Attachment 14)

The following conferees presented written testimony for **SB251**:

Terry Collins, Ed.S. Director of Special Education, Doniphan County Special Ed Coop #616 (Attachment 15)

Dr. Wayne Burke, Superintendent, USD #230 (Attachment 16)

Dr. Cory Gibson, Superintendent of Valley Center, USD #262 (Attachment 17)

Dr. Perry McCabe, Business Manager, Buhler USD 313 (Attachment 18) (Attachment 19) (Attachment 20) (Attachment 21)

Steve Splichal, Superintendent, USD #491 (Attachment 22)

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

Chairperson Denning adjourned the meeting until Friday, May 19th, 2017 at 8:30am.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant
Eddie Penner, Legislative Research Department
J.G. Scott, Legislative Research Department
John Hess, Legislative Research Department
Lauren Mendoza, Legislative Research Department
Nick Myers, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Shawn Sullivan, Director, Ks Division of the Budget
Senator Mike Peterson, State of Kansas
Senator Bruce Givens, State of Kansas
John Allison, Superintendent, Wichita Schools
Dr. Jamie Finkeldei, Catholic Diocese of Wichita
Adrienne Runnebaum, Catholic Education Foundation
Tom Krebs, Education Consultant
G.A. Buie, United School of Administrators Association
David Smith, Kansas City, Chief Public Affairs
Beth Johnson, Overland Park Chamber of Commerce and Economic Development Council
James P. Zakoura, Esq. Smithyman & Zakoura, Chartered
Erik Sartorius, League of Municipalities
Mick Urban, Kansas Gas Service
Trent Armbrust, Kansas Economic Development Alliance Board of Directors
Aaron M. Popelka, Kansas Livestock Association
Darci Meese, WaterOne
Dorothy Barnett, Climate & Energy Project
Judy Bellome, AARP
John Donely, State Farm Bureau

Others in attendance:

See Attached List

Hearing on: SB251 — Creating the Kansas school equity and enhancement act.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

Chairperson Denning called the meeting to order.

Tamera Lawrence, Office of Revisor of Statutes, presented the Committee with a revised memorandum including the edits discussed in the previous meeting. ([Attachment 1](#))

Eddie Penner, Legislative Research Department, presented further information on the reasonably calculated BASE aid in **SB251**. Mr. Penner went over the various columns for these runs and how they are used to compare previous totals to the current estimated totals, noting that once new facilities weighting is included, all districts should receive increased funding under **SB251**. ([Attachment 2](#))

Senator Baumgardner asked for clarification on the calculation used for kindergarten weightings with Mr. Penner noting that only kindergarten students who attend all-day kindergarten will be counted as a full FTE for school funding purposes. Senator Pettey asked for further clarification on expenditures regarding **SB521** and what BASE aid was used in that bill.

Senator Bollier asked for clarification on BASE aid and its impact on State KPERS cost. Mr. Penner responded by describing the process used for estimating future state payments for KPERS. Because the State pays for the districts' employers contributions for KPERS, every fall Legislative Research, the Department of Education and the Division of Budget reviews the actual amount of KPERS-covered salary submitted by the districts along with short-term and historical trends to estimate total KPERS contributions needed. In the spring of 2017, this same group met to determine how much school funding increases as pondered in **SB251** and **HB2410** would increase the requisite KPERS employment contributions. Relying on historical data and district testimony regarding the amount of any school funding increase that would be applied to staffing and salary increases, the group estimates a roughly \$22 million increase in required KPERS payments in 2018 alone from the funding increases suggested in **SB251**.

With no further questions, Chairperson Denning began hearing oral testimony on **SB251**:

Senator Mike Peterson, Kansas Senate ([Attachment 3](#))

Senator Bruce Givens, Kansas Senate ([Attachment 4](#)) ([Attachment 5](#))

Dr. John Allison, Superintendent, Wichita Schools ([Attachment 6](#)) - Dr. Allison emphasized the impact in his school districts of funding levels over the past few years. He applauded the increased at-risk and bilingual, pre-K, and all-day kindergarten funding in the legislative proposals, highlighting the increased ESL and under-performing student challenges faced in Wichita. He also noted the impact to teachers, students, staff and local vendors that would derive from schools closing on June 30th, urging the Legislature to take action to avoid that outcome. In response to a question from Chairperson Denning, Dr. Allison testified that the Wichita Board of Education did not go from 30% to 33% LOB

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

usage because his Board did not feel that voters would approve such a move. Dr. Allison did testify, in response to a question from Senator Hensley, that he would support an overall K-12 funding increase of \$894 million.

Dr. Jamie Finkeldei, Associate Superintendent, Catholic Diocese of Wichita ([Attachment 7](#))

Adrienne Runnebaum, Catholic Education Foundation ([Attachment 8](#))

Tom Krebs, Education Consultant ([Attachment 9](#))

Dr. G.A. Buie, United School of Administrators Association ([Attachment 10](#)) - Dr. Buie applauded the Legislature for its efforts in **SB251** and **HB2410** to increase funding for under-performing students and to work with the Kansas State Board of Education's efforts to increase student performance. He testified as the need to increase funding above the level proved in **SB251** in order to hire new counselors, social workers, and other staff to address the social and emotional needs of many students, as well as new teachers to reduce class sizes for under-performing students. He further emphasized the need to finalize the school finance formula and resolve at least this phase of the *Gannon* lawsuit as quickly as possible.

In response to a question from Senator Bollier, he testified that the standards articulated by the State Board exceed the *Rose* standards. He said that his committee that worked on school finance reform felt the *Rose* standards were minimal ones, while the State Board guidelines required excellence. In response to a question from Senator Pettey, he expressed concern about expanding the use of capital outlay funds for utility expenditures, fearing that such use would reduce funds available for anticipated emergencies. In response to a question from Senator Baumgardner, he discussed their examination of free lunch as a proxy for under-performing students and, while acknowledging that it was not a perfect proxy, revealed that it was accurate to within 6-7% on average. In response to a question from Senator Hensley, Dr. Buie agreed that the election requirement to exceed 30% utilization for the LOB likely kept many districts from exceeding this amount of spending.

Shawn Sullivan, Director, Kansas Division of the Budget ([Attachment 11](#))

David Smith, Kansas City Public Schools, Chief Public Affairs ([Attachment 12](#))

Beth Johnson, Overland Park Chamber of Commerce and Economic Development Council ([Attachment 13](#))

James P. Zakoura, Esq. Smithyman & Zakoura, Chartered ([Attachment 14](#))

Erik Satorius, Executive Director, League of Municipalities ([Attachment 15](#))

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

Mich Urban, Kansas Gas Service ([Attachment 16](#))

Trent Armbrust, Kansas Economic Development Alliance Board of Directors ([Attachment 17](#))

Aaron M. Popelka, Kansas Livestock Association ([Attachment 18](#))

Darci Meese, Manager Legal/Government Relations, WaterOne ([Attachment 19](#))

Dorothy Barnett, Executive Director, Climate & Energy Project ([Attachment 20](#))

Judy Bellome, AARP ([Attachment 21](#))

John Donely, State Farm Bureau ([Attachment 22](#))

Chairperson Denning thanked the conferees. He noted that Dodie Welshire, a representative of Blue Valley, had additional information to provide at the Committee's request regarding the number of at-risk and underachieving students in Blue Valley schools and her perceived rationale for the minimum 10% at-risk student count in **SB251**. ([Attachment 23](#)) In 2015-16 school year, Blue Valley had 1215 students on free lunch and 4346 under-performing students that qualified for at-risk services. Her perception is that free lunch qualification is a good proxy for most districts when measuring under-performing students but fails to work as effectively for districts with extremely low numbers of free lunch students.

Senator Hensley submitted a letter for the record from Representative Ward and himself that was written to the Speaker and the President of the Senate. ([Attachment 24](#)) Senator Hensley also submitted a document from Dale Dennis, KSDE, for the record. ([Attachment 25](#))

Chairperson Denning stated that Monday the Committee will start working the bill.

Senator Baumgardner cautioned that each set of runs is a draft and does not always include everything and should be used as a guide and not a bottom line. She noted that Monday they will have a new set of numbers with changes. Senator Hensley concurred with Senator Baumgardner and noted even though things change, they were provided as a starting point.

Senator Hensley asked the Chairperson how long testimony could be submitted for. Chairperson Denning responded that the Committee would be taking testimony up until Monday.

The following conferees presented written testimony for **SB251**:

Stuart Little, Shawnee Mission School District ([Attachment 26](#))

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

Michael Schuttloffel, Kansas Catholic Conference ([Attachment 27](#))

Denise Sultz, Kansas Parent Teacher Association ([Attachment 28](#))

Dr. Kelly Arnberger, Superintendent, USD 482 ([Attachment 29](#))

Kenneth Harshberger, Superintendent, Meade USD #226 ([Attachment 30](#))

Zeke Rash, Principal of Kansas Connections Academy ([Attachment 31](#))

Ashely Sherard, Lenexa Chamber of Commerce ([Attachment 32](#))

Dr. Mike Slagle, Deputy Superintendent, USD 229 Blue Valley Schools ([Attachment 33](#))

Douglas Powers, Assistant Superintendent of Business & Public Relations, USD 202 ([Attachment 34](#))

David Bleakley, Colt Energy ([Attachment 35](#))

Brandi Fisher, Executive Director, Main Stream Coalition ([Attachment 36](#))

Ken Evans, Strategic Communications Director, City of Wichita ([Attachment 37](#))

Jeff Glendenning, Americans for Prosperity ([Attachment 38](#))

Jason Watkins, Wichita Regional Chamber of Commerce ([Attachment 39](#))

Phil Frick, Eastern Kansas Oil & Gas Association ([Attachment 40](#))

Don Henry, Public Works & Utilities, City of Wichita ([Attachment 41](#))

John Donely, Kansas Corn Growers Association ([Attachment 42](#))

Pam Stranathan, Superintendent, USD 231 ([Attachment 43](#))

Patrick Vogelsberg, Kansas Association of Realtors ([Attachment 44](#))

Gary Harshberger, Kansas Water Authority ([Attachment 45](#))

Damon Ward, Director of Tax, Spirit Aerosystems ([Attachment 46](#))

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

Donald Roberts, Mayor, City of Edgerton ([Attachment 47](#))

Michael Webb, City Manager, City of Edwardsville ([Attachment 48](#))

Daron Hall, City Manager, City of Pittsburg ([Attachment 49](#))

Edward Cross, President, Ks Independent Oil & Gas Association ([Attachment 50](#))

Bill Brady, Schools For Fair Funding ([Attachment 51](#))

Kirk Heger, President, Southwest Kansas Irrigation Association ([Attachment 52](#))

Doug Smith, City of Garden City, Smith & Associates, Inc. ([Attachment 53](#))

Matt Allen, City Manager, City of Garden City ([Attachment 54](#))

Bishop Wade Moore, Jr., President, Success for Kansas Students ([Attachment 55](#))

Chairperson Denning adjourned the meeting until Monday, May 22nd, 2017 at 1:30pm.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

			2017-18 Est.	2015-16	Difference	Old Formula \$3,852	Difference
			General Fund	General Fund	Estimate Over	General Fund	Estimate Over
USD #	County	District Name	(incl Sped)	(incl Sped)	Block Grant	(incl Sped)	Old Formula
Total	STATE TOTALS		3,223,363,851	3,067,980,584	155,383,267	3,074,867,214	148,496,637
256	Allen	Marmaton Valley	2,542,877	2,447,564	95,313	2,450,148	92,729
257	Allen	Iola	9,433,229	9,124,956	308,273	9,044,484	388,745
258	Allen	Humboldt	5,295,414	5,183,213	112,201	5,081,018	214,396
365	Anderson	Garnett	7,106,142	7,152,727	-46,585	6,808,874	297,268
479	Anderson	Crest	2,101,639	1,924,702	176,937	2,002,648	98,991
377	Atchison	Atchison Co Comm Schools	4,812,984	4,892,821	-79,837	4,624,076	188,908
409	Atchison	Atchison Public Schools	11,475,263	10,568,499	906,764	10,903,045	572,218
254	Barber	Barber County North	3,868,254	3,421,747	446,507	3,678,416	189,838
255	Barber	South Barber	2,214,871	1,839,903	374,968	2,105,451	109,420
355	Barton	Ellinwood Public Schools	3,522,476	3,200,929	321,547	3,299,289	223,187
428	Barton	Great Bend	19,650,294	18,939,062	711,232	18,715,727	934,567
431	Barton	Hoisington	5,658,589	5,102,525	556,064	5,387,954	270,635
234	Bourbon	Fort Scott	11,735,410	11,126,312	609,098	11,128,042	607,368
235	Bourbon	Uniontown	3,757,576	3,604,816	152,760	3,584,903	172,673
415	Brown	Hiawatha	7,017,725	6,400,881	616,844	6,702,328	315,397
430	Brown	South Brown County	5,046,241	4,848,522	197,719	4,792,572	253,669
205	Butler	Bluestem	4,143,707	4,118,843	24,864	3,984,367	159,340
206	Butler	Remington-Whitewater	4,158,563	4,190,969	-32,406	3,964,351	194,212
375	Butler	Circle	11,025,474	10,902,291	123,183	10,940,620	84,854
385	Butler	Andover	31,245,347	29,089,742	2,155,605	30,232,290	1,013,057
394	Butler	Rose Hill Public Schools	9,194,127	9,109,830	84,297	8,859,431	334,696
396	Butler	Douglass Public Schools	5,212,169	4,839,163	373,006	4,965,527	246,642
402	Butler	Augusta	12,659,562	12,118,537	541,025	12,094,122	565,440
490	Butler	El Dorado	12,034,237	11,822,625	211,612	11,465,511	568,726
492	Butler	Flinthills	2,417,205	2,209,019	208,186	2,327,852	89,353
284	Chase	Chase County	2,920,404	2,889,212	31,192	2,778,362	142,042
285	Chautauqua	Cedar Vale	1,796,458	1,590,416	206,042	1,711,730	84,728
286	Chautauqua	Chautauqua Co Community	3,227,436	3,036,991	190,445	3,090,433	137,003
404	Cherokee	Riverton	5,541,079	5,450,546	90,533	5,298,389	242,690
493	Cherokee	Columbus	7,379,941	7,194,930	185,011	7,103,433	276,508
499	Cherokee	Galena	6,205,304	6,101,523	103,781	5,917,053	288,251
508	Cherokee	Baxter Springs	7,544,207	7,187,359	356,848	7,186,673	357,534
103	Cheyenne	Cheylin	1,483,496	1,379,512	103,984	1,415,420	68,076
297	Cheyenne	St Francis Comm Sch	2,238,749	2,111,293	127,456	2,138,376	100,373
219	Clark	Minneola	2,129,091	2,015,571	113,520	2,041,782	87,309
220	Clark	Ashland	1,788,672	1,695,496	93,176	1,698,152	90,520
379	Clay	Clay Center	8,780,852	8,466,673	314,179	8,433,958	346,894
333	Cloud	Concordia	7,203,973	6,757,682	446,291	6,896,246	307,727
334	Cloud	Southern Cloud	1,965,793	2,097,190	-131,397	1,905,843	59,950
243	Coffey	Lebo-Waverly	3,438,120	3,578,852	-140,732	3,303,405	134,715
244	Coffey	Burlington	6,443,142	5,977,592	465,550	6,165,363	277,779
245	Coffey	LeRoy-Gridley	1,987,363	1,978,797	8,566	1,902,731	84,632
300	Comanche	Comanche County	2,865,843	2,653,255	212,588	2,723,306	142,537
462	Cowley	Central	2,727,675	2,625,668	102,007	2,609,882	117,793
463	Cowley	Udall	2,729,741	2,672,480	57,261	2,602,025	127,716
465	Cowley	Winfield	14,513,577	14,020,364	493,213	13,861,953	651,624
470	Cowley	Arkansas City	19,791,923	18,555,486	1,236,437	18,763,163	1,028,760
471	Cowley	Dexter	1,386,869	1,393,225	-6,356	1,333,967	52,902
246	Crawford	Northeast	4,088,479	4,050,607	37,872	3,949,068	139,411
247	Crawford	Cherokee	4,461,123	4,845,318	-384,195	4,282,820	178,303
248	Crawford	Girard	7,265,706	6,865,540	400,166	7,126,894	138,812
249	Crawford	Frontenac Public Schools	6,297,133	5,943,802	353,331	5,974,944	322,189
250	Crawford	Pittsburg	20,205,129	18,623,611	1,581,518	19,135,046	1,070,083
294	Decatur	Oberlin	2,697,139	2,753,050	-55,911	2,546,696	150,443
393	Dickinson	Solomon	2,545,312	2,489,495	55,817	2,429,087	116,225
435	Dickinson	Abilene	9,668,889	9,026,307	642,582	9,612,302	56,587
473	Dickinson	Chapman	7,496,907	7,208,388	288,519	7,152,592	344,315
481	Dickinson	Rural Vista	2,467,977	2,522,462	-54,485	2,342,077	125,900
487	Dickinson	Herington	3,530,168	3,547,042	-16,874	3,372,353	157,815
111	Doniphan	Doniphan West Schools	2,834,713	2,683,491	151,222	2,669,882	164,831
114	Doniphan	Riverside	5,033,916	5,115,339	-81,423	4,861,754	172,162
429	Doniphan	Troy Public Schools	2,532,170	2,401,270	130,900	2,409,336	122,834
348	Douglas	Baldwin City	8,823,523	8,276,226	547,297	8,485,751	337,772
491	Douglas	Eudora	9,965,610	9,232,417	733,193	9,437,284	528,326
497	Douglas	Lawrence	73,077,251	69,255,890	3,821,361	69,542,698	3,534,553
347	Edwards	Kinsley-Offlerle	3,051,578	3,066,215	-14,637	2,995,793	55,785
502	Edwards	Lewis	1,271,295	1,115,568	155,727	1,205,156	66,139
282	Elk	West Elk	3,181,246	2,988,700	192,546	3,045,014	136,232
283	Elk	Elk Valley	1,413,694	1,632,725	-219,031	1,412,391	1,303
388	Ellis	Ellis	3,153,113	2,856,998	296,115	2,972,271	180,842
432	Ellis	Victoria	2,171,283	2,082,864	88,419	2,077,950	93,333
489	Ellis	Hays	18,132,951	16,396,380	1,736,571	17,277,892	855,059
112	Ellsworth	Central Plains	4,127,089	3,771,223	355,866	3,938,672	188,417

			2017-18 Est.	2015-16	Difference	Old Formula \$3,852	Difference
			General Fund	General Fund	Estimate Over	General Fund	Estimate Over
USD #	County	District Name	(incl Sped)	(incl Sped)	Block Grant	(incl Sped)	Old Formula
Total	STATE TOTALS		3,223,363,851	3,067,980,584	155,383,267	3,074,867,214	148,496,637
327	Ellsworth	Ellsworth	4,679,373	4,301,196	378,177	4,436,810	242,563
363	Finney	Holcomb	6,780,036	6,220,034	560,002	6,450,390	329,646
457	Finney	Garden City	52,178,174	47,821,311	4,356,863	49,338,325	2,839,849
381	Ford	Spearville	2,649,264	2,460,894	188,370	2,508,051	141,213
443	Ford	Dodge City	50,403,220	46,407,914	3,995,306	48,080,615	2,322,605
459	Ford	Bucklin	2,050,557	1,946,245	104,312	1,958,070	92,487
287	Franklin	West Franklin	5,052,449	4,776,428	276,021	4,836,638	215,811
288	Franklin	Central Heights	4,711,084	4,563,453	147,631	4,504,484	206,600
289	Franklin	Wellsville	5,518,299	5,309,486	208,813	5,285,424	232,875
290	Franklin	Ottawa	15,306,419	15,090,251	216,168	14,515,030	791,389
475	Geary	Geary County Schools	48,398,693	51,727,921	-3,329,228	46,969,292	1,429,401
291	Gove	Grinnell Public Schools	922,803	888,893	33,910	870,432	52,371
292	Gove	Wheatland	1,192,328	1,132,282	60,046	1,137,943	54,385
293	Gove	Quinter Public Schools	2,374,332	2,202,171	172,161	2,276,039	98,293
281	Graham	Graham County	2,914,236	2,746,307	167,929	2,775,431	138,805
214	Grant	Ulysses	11,080,109	10,483,646	596,463	10,446,283	633,826
102	Gray	Cimmaron-Ensign	4,792,707	4,747,331	45,376	4,565,310	227,397
371	Gray	Montezuma	1,953,297	2,083,340	-130,043	1,870,952	82,345
476	Gray	Copeland	1,032,927	1,243,863	-210,936	990,173	42,754
477	Gray	Ingalls	1,962,332	1,888,480	73,852	1,866,037	96,295
200	Greeley	Greeley County Schools	2,139,452	2,092,775	46,677	2,029,787	109,665
386	Greenwood	Madison-Virgil	2,152,291	2,137,073	15,218	2,068,708	83,583
389	Greenwood	Eureka	5,196,624	4,962,883	233,741	4,965,396	231,228
390	Greenwood	Hamilton	863,721	986,887	-123,166	830,855	32,866
494	Hamilton	Syracuse	4,211,802	4,061,165	150,637	3,991,824	219,978
361	Harper	Anthony-Harper	7,023,101	6,467,709	555,392	6,754,306	268,795
511	Harper	Attica	1,588,984	1,391,941	197,043	1,525,515	63,469
369	Harvey	Burrton	2,149,493	2,014,898	134,595	2,063,508	85,985
373	Harvey	Newton	20,863,973	19,953,045	910,928	19,766,726	1,097,247
439	Harvey	Sedgwick Public Schools	3,619,219	3,551,172	68,047	3,456,003	163,216
440	Harvey	Halstead	5,638,445	5,459,754	178,691	5,409,905	228,540
460	Harvey	Hesston	5,335,845	5,147,171	188,674	5,075,727	260,118
374	Haskell	Sublette	3,755,592	3,771,933	-16,341	3,613,059	142,533
507	Haskell	Satanta	2,733,390	2,417,081	316,309	2,601,857	131,533
227	Hodgeman	Hodgeman County Schools	2,365,929	2,296,269	69,660	2,259,410	106,519
335	Jackson	North Jackson	3,005,846	3,016,379	-10,533	2,884,669	121,177
336	Jackson	Holton	7,518,447	7,546,509	-28,062	7,707,858	-189,411
337	Jackson	Royal Valley	6,454,036	6,575,424	-121,388	6,249,466	204,570
338	Jefferson	Valley Falls	3,065,924	3,101,407	-35,483	2,946,347	119,577
339	Jefferson	Jefferson County North	3,703,870	3,461,384	242,486	3,516,816	187,054
340	Jefferson	Jefferson West	6,237,943	6,009,462	228,481	5,965,448	272,495
341	Jefferson	Oskaloosa Public Schools	5,113,888	4,751,816	362,072	4,911,139	202,749
342	Jefferson	McLouth	3,955,325	3,952,933	2,392	3,851,771	103,554
343	Jefferson	Perry Public Schools	5,960,720	5,951,585	9,135	5,717,772	242,948
107	Jewell	Rock Hills	2,686,862	2,533,116	153,746	2,573,351	113,511
229	Johnson	Blue Valley	140,589,381	131,898,165	8,691,216	131,793,132	8,796,249
230	Johnson	Spring Hill	23,973,084	20,992,010	2,981,074	21,544,109	2,428,975
231	Johnson	Gardner Edgerton	35,174,140	32,402,238	2,771,902	33,373,331	1,800,809
232	Johnson	De Soto	39,393,924	36,639,685	2,754,239	37,542,662	1,851,262
233	Johnson	Olathe	181,314,170	171,561,092	9,753,078	172,103,726	9,210,444
512	Johnson	Shawnee Mission Pub Sch	161,513,497	151,260,227	10,253,270	153,594,491	7,919,006
215	Kearny	Lakin	4,720,867	4,634,325	86,542	4,528,020	192,847
216	Kearny	Deerfield	2,032,130	2,025,730	6,400	1,935,190	96,940
331	Kingman	Kingman - Norwich	7,123,611	6,982,710	140,901	6,881,818	241,793
332	Kingman	Cunningham	1,615,071	1,537,406	77,665	1,543,497	71,574
422	Kiowa	Kiowa County	2,704,653	3,578,497	-873,844	2,510,755	193,898
474	Kiowa	Haviland	1,111,717	1,075,537	36,180	1,051,075	60,642
503	Labette	Parsons	8,956,353	8,385,716	570,637	8,528,498	427,855
504	Labette	Oswego	3,611,886	3,538,395	73,491	3,442,477	169,409
505	Labette	Chetopa-St. Paul	3,492,986	3,480,503	12,483	3,338,331	154,655
506	Labette	Labette County	10,609,523	9,905,123	704,400	10,198,370	411,153
468	Lane	Healy Public Schools	798,120	783,445	14,675	748,581	49,539
482	Lane	Dighton	1,936,979	1,898,442	38,537	1,862,608	74,371
207	Leavenworth	Ft Leavenworth	8,845,013	9,368,637	-523,624	8,813,481	31,532
449	Leavenworth	Easton	4,869,551	4,888,061	-18,510	4,690,975	178,576
453	Leavenworth	Leavenworth	24,308,909	23,185,084	1,123,825	22,951,322	1,357,587
458	Leavenworth	Basehor-Linwood	13,901,263	12,446,000	1,455,263	13,063,209	838,054
464	Leavenworth	Tonganoxie	11,410,071	11,526,430	-116,359	11,665,868	-255,797
469	Leavenworth	Lansing	15,727,500	15,448,049	279,451	15,887,892	-160,392
298	Lincoln	Lincoln	3,028,575	2,976,777	51,798	2,873,330	155,245
299	Lincoln	Sylvan Grove	2,230,826	2,063,188	167,638	2,140,529	90,297
344	Linn	Pleasanton	2,811,000	2,899,813	-88,813	2,710,019	100,981
346	Linn	Jayhawk	4,692,143	4,494,378	197,765	4,480,574	211,569

			2017-18 Est.	2015-16	Difference	Old Formula \$3,852	Difference
			General Fund	General Fund	Estimate Over	General Fund	Estimate Over
USD #	County	District Name	(incl Sped)	(incl Sped)	Block Grant	(incl Sped)	Old Formula
Total	STATE TOTALS		3,223,363,851	3,067,980,584	155,383,267	3,074,867,214	148,496,637
362	Linn	Prairie View	7,285,292	7,082,674	202,618	6,989,501	295,791
274	Logan	Oakley	3,167,625	2,788,374	379,251	2,993,816	173,809
275	Logan	Triplains	777,432	772,176	5,256	747,708	29,724
251	Lyon	North Lyon County	3,559,986	3,504,542	55,444	3,421,065	138,921
252	Lyon	Southern Lyon County	4,047,151	3,915,865	131,286	3,851,539	195,612
253	Lyon	Emporia	29,196,263	27,754,159	1,442,104	27,938,115	1,258,148
397	Marion	Centre	2,787,331	2,677,761	109,570	2,664,775	122,556
398	Marion	Peabody-Burns	2,434,798	2,357,251	77,547	2,353,054	81,744
408	Marion	Marion-Florence	4,238,689	3,901,980	336,709	4,024,128	214,561
410	Marion	Durham-Hillsboro-Lehigh	4,629,973	4,292,729	337,244	4,367,250	262,723
411	Marion	Goessel	2,390,264	2,319,724	70,540	2,322,385	67,879
364	Marshall	Marysville	5,249,195	5,067,244	181,951	5,034,269	214,926
380	Marshall	Vermillion	4,039,324	3,810,780	228,544	3,805,012	234,312
498	Marshall	Valley Heights	3,235,959	3,259,081	-23,122	3,105,464	130,495
400	McPherson	Smoky Valley	7,099,578	6,867,471	232,107	6,909,512	190,066
418	McPherson	McPherson	14,316,986	13,537,641	779,345	13,699,716	617,270
419	McPherson	Canton-Galva	3,025,580	3,032,076	-6,496	2,880,319	145,261
423	McPherson	Moundridge	3,070,858	3,057,321	13,537	2,966,751	104,107
448	McPherson	Inman	3,348,389	3,176,859	171,530	3,203,071	145,318
225	Meade	Fowler	1,367,886	1,476,642	-108,756	1,318,590	49,296
226	Meade	Meade	2,921,089	2,890,796	30,293	2,774,165	146,924
367	Miami	Osawatomie	9,081,412	8,988,119	93,293	8,738,018	343,394
368	Miami	Paola	12,159,079	11,438,203	720,876	11,683,182	475,897
416	Miami	Louisburg	9,569,821	9,383,383	186,438	9,055,312	514,509
272	Mitchell	Waconda	2,654,729	2,494,841	159,888	2,525,040	129,689
273	Mitchell	Beloit	5,937,852	5,436,986	500,866	5,659,760	278,092
436	Montgomery	Caney Valley	5,517,315	5,257,103	260,212	5,253,444	263,871
445	Montgomery	Coffeyville	11,834,978	11,325,018	509,960	11,161,193	673,785
446	Montgomery	Independence	12,618,735	11,860,707	758,028	11,893,627	725,108
447	Montgomery	Cherryvale	6,282,780	5,963,251	319,529	5,970,118	312,662
417	Morris	Morris County	5,448,501	5,102,106	346,395	5,164,273	284,228
217	Morton	Rolla	1,518,918	1,617,836	-98,918	1,458,624	60,294
218	Morton	Elkhart	6,832,090	6,499,462	332,628	6,056,404	775,686
113	Nemaha	Prairie Hills	7,535,556	7,038,459	497,097	7,201,596	333,960
115	Nemaha	Nemaha Central	4,280,269	4,006,523	273,746	4,097,406	182,863
101	Neosho	Erie-Galesburg	4,560,535	4,381,582	178,953	4,396,667	163,868
413	Neosho	Chanute Public Schools	12,477,503	11,827,741	649,762	11,908,811	568,692
106	Ness	Western Plains	1,201,107	1,324,391	-123,284	1,143,365	57,742
303	Ness	Ness City	2,373,552	2,160,620	212,932	2,261,686	111,866
211	Norton	Norton Community Schools	5,305,565	5,215,978	89,587	5,047,247	258,318
212	Norton	Northern Valley	1,670,990	1,666,815	4,175	1,610,912	60,078
420	Osage	Osage City	4,988,812	4,707,743	281,069	4,771,728	217,084
421	Osage	Lyndon	3,364,513	3,180,152	184,361	3,196,011	168,502
434	Osage	Santa Fe Trail	7,839,077	7,548,064	291,013	7,587,504	251,573
454	Osage	Burlingame Public School	2,419,175	2,432,518	-13,343	2,326,521	92,654
456	Osage	Marais Des Cygnes Valley	2,261,656	2,427,350	-165,694	2,181,849	79,807
392	Osborne	Osborne County	2,421,694	2,411,464	10,230	2,320,951	100,743
239	Ottawa	North Ottawa County	4,656,766	4,457,347	199,419	4,437,899	218,867
240	Ottawa	Twin Valley	4,476,882	4,240,165	236,717	4,278,629	198,253
495	Pawnee	Ft Larned	6,953,605	6,734,102	219,503	6,650,646	302,959
496	Pawnee	Pawnee Heights	1,422,199	1,449,729	-27,530	1,335,154	87,045
110	Phillips	Thunder Ridge Schools	2,248,305	2,188,013	60,292	2,167,606	80,699
325	Phillips	Phillipsburg	4,704,339	4,420,371	283,968	4,478,105	226,234
326	Phillips	Logan	1,516,401	1,601,672	-85,271	1,440,358	76,043
320	Pottawatomie	Wamego	9,259,311	8,686,620	572,691	8,842,504	416,807
321	Pottawatomie	Kaw Valley	7,975,564	7,598,382	377,182	7,644,132	331,432
322	Pottawatomie	Onaga-Havensville-Wheaton	2,467,842	2,465,408	2,434	2,371,076	96,766
323	Pottawatomie	Rock Creek	7,016,174	6,507,088	509,086	6,664,070	352,104
382	Pratt	Pratt	8,292,001	7,820,670	471,331	7,817,037	474,964
438	Pratt	Skyline Schools	3,293,637	3,064,160	229,477	3,122,510	171,127
105	Rawlins	Rawlins County	2,815,380	2,574,583	240,797	2,659,132	156,248
308	Reno	Hutchinson Public Schools	30,859,074	30,538,022	321,052	29,338,260	1,520,814
309	Reno	Nickerson	8,292,274	7,969,174	323,100	7,941,623	350,651
310	Reno	Fairfield	2,788,545	2,602,052	186,493	2,685,114	103,431
311	Reno	Pretty Prairie	2,168,355	2,206,276	-37,921	2,087,501	80,854
312	Reno	Haven Public Schools	6,661,874	6,576,688	85,186	6,409,860	252,014
313	Reno	Buhler	13,843,417	13,360,139	483,278	13,163,417	680,000
109	Republic	Republic County	4,023,494	3,606,090	417,404	3,853,546	169,948
426	Republic	Pike Valley	2,010,774	1,889,836	120,938	1,904,819	105,955
376	Rice	Sterling	4,078,770	3,904,628	174,142	3,880,861	197,909
401	Rice	Chase-Raymond	1,727,714	1,665,314	62,400	1,649,148	78,566
405	Rice	Lyons	6,570,932	6,184,858	386,074	6,435,069	135,863
444	Rice	Little River	2,643,491	2,640,106	3,385	2,526,835	116,656

			2017-18 Est.	2015-16	Difference	Old Formula \$3,852	Difference
			General Fund	General Fund	Estimate Over	General Fund	Estimate Over
USD #	County	District Name	(incl Sped)	(incl Sped)	Block Grant	(incl Sped)	Old Formula
Total		STATE TOTALS	3,223,363,851	3,067,980,584	155,383,267	3,074,867,214	148,496,637
378	Riley	Riley County	5,116,168	4,887,860	228,308	4,891,961	224,207
383	Riley	Manhattan-Ogden	38,803,884	36,683,300	2,120,584	36,509,864	2,294,020
384	Riley	Blue Valley	2,044,293	1,802,237	242,056	1,953,991	90,302
269	Rooks	Palco	1,119,338	1,193,889	-74,551	1,082,009	37,329
270	Rooks	Plainville	2,765,164	2,778,018	-12,854	2,706,798	58,366
271	Rooks	Stockton	2,757,643	2,393,863	363,780	2,607,663	149,980
395	Rush	LaCrosse	2,363,477	2,319,352	44,125	2,274,722	88,755
403	Rush	Otis-Bison	2,191,480	2,092,304	99,176	2,104,268	87,212
399	Russell	Paradise	1,194,469	1,245,918	-51,449	1,149,576	44,893
407	Russell	Russell County	6,082,592	5,432,998	649,594	5,781,441	301,151
305	Saline	Salina	45,911,353	43,704,006	2,207,347	43,852,782	2,058,571
306	Saline	Southeast Of Saline	5,082,266	4,982,097	100,169	4,869,508	212,758
307	Saline	Ell-Saline	3,558,199	3,556,529	1,670	3,395,807	162,392
466	Scott	Scott County	6,707,902	6,036,154	671,748	6,304,564	403,338
259	Sedgwick	Wichita	344,883,850	327,995,113	16,888,737	329,719,386	15,164,464
260	Sedgwick	Derby	40,287,062	38,452,930	1,834,132	38,956,077	1,330,985
261	Sedgwick	Haysville	35,255,815	32,449,018	2,806,797	33,634,722	1,621,093
262	Sedgwick	Valley Center Pub Sch	17,001,107	15,737,525	1,263,582	16,096,020	905,087
263	Sedgwick	Mulvane	10,431,453	9,990,377	441,076	9,961,580	469,873
264	Sedgwick	Clearwater	7,522,754	7,375,409	147,345	7,236,593	286,161
265	Sedgwick	Goddard	33,013,018	29,987,061	3,025,957	31,165,480	1,847,538
266	Sedgwick	Maize	41,075,696	38,227,866	2,847,830	38,601,556	2,474,140
267	Sedgwick	Renwick	10,748,069	10,363,693	384,376	10,185,902	562,167
268	Sedgwick	Cheney	5,569,406	5,278,271	291,135	5,678,498	-109,092
480	Seward	Liberal	33,745,243	31,605,086	2,140,157	33,177,521	567,722
483	Seward	Kismet-Plains	6,647,277	6,422,846	224,431	6,430,947	216,330
345	Shawnee	Seaman	22,899,877	22,490,108	409,769	22,973,665	-73,788
372	Shawnee	Silver Lake	4,789,071	4,558,626	230,445	4,554,399	234,672
437	Shawnee	Auburn Washburn	37,469,253	34,895,522	2,573,731	35,253,427	2,215,826
450	Shawnee	Shawnee Heights	21,323,811	21,026,744	297,067	20,287,362	1,036,449
501	Shawnee	Topeka Public Schools	95,332,673	92,886,189	2,446,484	90,336,781	4,995,892
412	Sheridan	Hoxie Community Schools	2,877,537	2,503,020	374,517	2,746,098	131,439
352	Sherman	Goodland	6,764,257	7,080,957	-316,700	6,647,559	116,698
237	Smith	Smith Center	3,345,565	3,126,302	219,263	3,188,306	157,259
349	Stafford	Stafford	2,276,956	2,242,180	34,776	2,191,095	85,861
350	Stafford	St John-Hudson	2,826,093	2,766,265	59,828	2,693,709	132,384
351	Stafford	Macksville	2,295,934	2,323,295	-27,361	2,205,513	90,421
452	Stanton	Stanton County	3,553,543	3,387,164	166,379	3,389,976	163,567
209	Stevens	Moscow Public Schools	1,737,245	1,688,160	49,085	1,683,580	53,665
210	Stevens	Hugoton Public Schools	7,673,926	7,171,716	502,210	7,320,007	353,919
353	Sumner	Wellington	10,838,422	10,303,079	535,343	10,705,854	132,568
356	Sumner	Conway Springs	3,677,533	3,587,833	89,700	3,494,272	183,261
357	Sumner	Belle Plaine	4,766,961	4,560,577	206,384	4,572,692	194,269
358	Sumner	Oxford	2,978,574	3,019,795	-41,221	2,873,826	104,748
359	Sumner	Argonia Public Schools	1,825,116	1,557,776	267,340	1,742,530	82,586
360	Sumner	Caldwell	2,148,568	2,123,901	24,667	2,069,761	78,807
509	Sumner	South Haven	1,984,455	1,824,241	160,214	1,894,537	89,918
314	Thomas	Brewster	1,429,887	1,207,261	222,626	1,360,114	69,773
315	Thomas	Colby Public Schools	6,077,126	5,977,559	99,567	5,771,762	305,364
316	Thomas	Golden Plains	1,938,776	1,813,814	124,962	1,852,955	85,821
208	Trego	Wakeeney	3,061,529	2,836,790	224,739	2,922,801	138,728
329	Wabaunsee	Mill Creek Valley	3,566,203	3,618,448	-52,245	3,438,964	127,239
330	Wabaunsee	Mission Valley	4,340,735	4,026,806	313,929	4,145,895	194,840
241	Wallace	Wallace County Schools	1,783,239	1,626,860	156,379	1,691,301	91,938
242	Wallace	Weskan	1,065,277	953,667	111,610	986,684	78,593
108	Washington	Washington Co. Schools	2,832,260	2,724,711	107,549	2,689,123	143,137
223	Washington	Barnes	3,039,161	3,125,405	-86,244	2,880,850	158,311
224	Washington	Clifton-Clyde	2,580,967	2,415,680	165,287	2,459,043	121,924
467	Wichita	Leoti	3,242,863	3,230,196	12,667	3,098,457	144,406
387	Wilson	Altoona-Midway	1,878,022	2,005,422	-127,400	1,827,224	50,798
461	Wilson	Neodesha	5,287,583	4,975,751	311,832	5,089,685	197,898
484	Wilson	Fredonia	5,052,380	4,844,575	207,805	4,813,128	239,252
366	Woodson	Woodson	3,908,841	3,624,306	284,535	3,722,254	186,587
202	Wyandotte	Turner-Kansas City	27,800,502	26,618,544	1,181,958	26,554,907	1,245,595
203	Wyandotte	Piper-Kansas City	12,653,850	10,887,529	1,766,321	11,870,208	783,642
204	Wyandotte	Bonner Springs	17,593,376	16,499,498	1,093,878	16,659,320	934,056
500	Wyandotte	Kansas City	153,151,163	144,769,419	8,381,744	145,554,753	7,596,410

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:30 pm on Monday, May 22, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant
Eddie Penner, Legislative Research Department
J.G. Scott, Legislative Research Department
John Hess, Legislative Research Department
Lauren Mendoza, Legislative Research Department
Nick Myers, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Tamera Lawrence, Office of Revisor of Statutes
Jason Long, Office of Revisor of Statutes
Jeff King, Legislative Counsel
Dr. Randy Watson, Commissioner, Kansas State Department of Education
Dale Dennis, Deputy Commissioner, Kansas State Department of Education

Others in attendance:

See Attached List

Possible action on bills previously heard SB251 — Creating the Kansas school equity and enhancement act.

Chairperson Denning called the meeting to order. He noted that today the Committee will be asking questions to staff and when there are no more questions they would look at amendments.

Tamera Lawrence testified regarding her document presented to the Committee outlining the components of **SB251** and took questions from the Committee on those components. (Attachment 1)

Senator Bollier asked for clarification on out-of-state Students totals and funding for **SB251**. Senator Goddard expressed his concern, commented that one school in his district has 40 students that come from other states, most of which are students of district employees or local landowners.

Senators McGinn, Hensley, and Pettey asked for clarification on transportation of out-of-state students and about the 2.5 mile rule. Mr. Dale Dennis, KSDE, answered these questions on how these students are counted, noting that there are 624 out-of-state students attending Kansas schools. Senator

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Monday, May 22, 2017, in room 548-S of the Capitol.

Baumgardner discussed these students and their weightings, clarifying that Kansas does not send money for children to get to school outside of the state. She stated the Committee should be mindful that Kansas taxpayers are paying for these students.

Senator Pettey asked for clarification on excellence scholarships, kindergarten enrollment counts, the 20 mill tax levy, and the proposed surcharge on utility fees. She also raised questions on bilingual funds, leading Ms. Lawrence to note that **SB251** requires bilingual weighting to be used for ESL instruction in various new sections of **SB251**.

A discussion on transportation weighting ensued. Mr. Long noted that under the CLASS Act, transportation weighting was repealed, but with the re-implementation of a transportation weighting in **SB251**, the language from the prior formula is being reinstated.

Senator Estes asked for clarification on the process of what happens to the bill if it's found unconstitutional. Mr. King addressed Senator Estes' questions by discussing the potential for the Court to sever disfavored portions of the bill (as it did at least temporarily in *Montoy*) and retain the rest of the bill if it chose to do so.

Senator Hensley asked Mr. Penner to provide calculations similar to what he did for the House K-12 Budget Committee regarding the impact of **SB251** on BASE aid over the next five years with an assumed 1.5% CPI-U Midwest during that time. Mr. Penner agreed to do so.

Senator Baumgardner asked Dr. Randy Watson, Commissioner of KSDE, to the podium to answer questions. In response to her question, he testified that **SB251** would add \$2 million to 4-year old at-risk pre-K funding, which would be used to increase the number of students who could participate in that program. He emphasized that through the statewide listening initiative undertaken by the State Board, Kansans supported a variety of approaches for addressing community pre-K needs with the opportunities provided by 4-year old at-risk pre-K being just one of these possibilities.

Responding to another question from Senator Baumgardner, Dr. Watson stated that regarding federal funds, the Title programs, special education dollars and accreditation monies could be placed in jeopardy if schools closed on June 30th, while conceding that he was not a legal expert in this area.

Senator Baumgardner asked how the KSDE is going to quantify the *Rose* standards. Dr. Watson discussed *Rose* as "the underpinnings of the accreditation system." The five areas on which the State Board focuses for student success are: academic skills, cognitive, technical, employ-ability and civic engagement. The State Board has also concluded that social/emotional growth is a valuable component of student growth. He continued that these State Board outcomes were "built on the foundation of the *Rose* capacities," but exceed them in many ways. He noted that failure to meet these *Rose* capacities could lead to loss of school accreditation under new State Board outcome standards. Dr. Watson also

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Monday, May 22, 2017, in room 548-S of the Capitol.

referenced his presentation in previous Committee meetings. ([Attachment 2](#)) ([Attachment 3](#))

Senator Baumgardner further questioned Dr. Watson on the disadvantages of large one-time increases in K-12 funding as opposed to a multi-year phase-in approach. He answered that the most significant disadvantage of a large single-year funding increase is that the most pressing need of most schools is to hire new personnel, many of which would not be available in such a short period of time regardless of new funding. Dr. Watson further noted that the State Board's funding recommendation was not based off of the most recent *Gannon* ruling from the Kansas Supreme Court, but rather derived from the funding mandates provided by the three-judge panel in the district court. When the State Board set forth their budget, they had a premise that school districts would use such funds within the State Board model to help students be successful in line with the State Board's "complex goals," not the *Rose* standards.

Senator Bollier lauded the efforts of the State Board to measure student success and inquired about the State Board's role in encouraging student success. Dr. Watson testified that the State Board looked beyond high school to measure success, with a goal to raise participation post-secondary education to 75%. He further commented that the system's focus over the last 15 years almost exclusively on reading and math scores has not contributed to long-term student success because such life success is based on far more than such test scores.

Chairperson Denning adjourned the meeting until May 23rd, 2017, at 9AM.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant
J.G. Scott, Legislative Research Department
John Hess, Legislative Research Department
Lauren Mendoza, Legislative Research Department
Nick Myers, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Eddie Penner, Legislative Research Department
Jeff King, Legislative Counsel
Dave Trabert, President, Kansas Policy Institute
Dale Dennis, Deputy Commissioner, Kansas State Department of Education

Others in attendance:

See Attached List

MEETING 1 of 3: 9am-10am SB251 — Creating the Kansas school equity and enhancement act.

Chairperson Denning opened the meeting up to discuss **SB251**.

Eddie Penner, Legislative Research Department, briefed the Committee on three holdover items from yesterday's meeting. First, he presented a document that lists aid amounts by category and district for 2017-18. (Attachment 1)

Mr. Penner went over the specifics of these categories and answered questions from Chairperson Denning and Senator Pettey on specific dollar amounts in various categories and how the document compares the results of **SB251** with current block grant funding.

Mr. Penner also presented a graph, in response to a question from Senator Hensley, on the impact of CPI-U Midwest indexing on BASE aid in future years. (Attachment 2) Senator Baumgardner asked clarifying questions from Mr. Penner on this inflation index and if there is any correlation on predicted future enrollment presented on the graph. Mr. Penner stated that there was not.

Senator Bollier asked Mr. King if the Legislature should consider LOB funding in meeting the *Gannon*

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

Court's adequacy requirements. Mr. King stated that this analysis has changed in *Gannon* as what existed in *Montoy*, since the Court in the latter case refused to consider LOB in the adequacy analysis, while the *Gannon* Court considers all spending that is reasonably calculated to improve K-12 student performance. Senator Bollier further asked how the Court considers LOB authorization given by the Legislature versus that actually used by local districts. Mr. King answered that the spending that matters to the *Gannon* Court (i.e. spending that improves K-12 performance) is more than that listed on Mr. Penner's chart or included in the school finance formula (i.e. pre-K and social services spending that helps under-performing students). Mr. King further answered that the Court will likely consider increased LOB spending for adequacy purposes and estimate utilization of increased LOB authority (as provided by Mr. Penner) to determine how increased LOB authority will impact actual LOB spending.

Senator Baumgardner asked which fund has higher cash reserves, LOB or State General Fund. Mr. Penner was unsure, but later learned that they were \$16 million and \$128 million respectively. Senator Baumgardner asked Mr. King if the Courts are looking at what funding they have or what fund they expend, asking whether reserves are considered K-12 funding for adequacy purposes. Mr. King acknowledged that this question had received little, if any, consideration by the Court, but felt comfortable in saying that the Court focuses on actual expenditures that help students not the size of district bank accounts.

Chairperson Denning asked Mark Tallman, KASB, to answer Committee questions on a 2014 report examining public school systems finances by states. (Attachment 3)

A discussion ensued on successful states (that surpass Kansas on a number of key performance metrics) and the source of education funds in Kansas compared to other states. Mr. Tallman noted the data is from a report showing that Kansas spends more state dollars and fewer local dollars on K-12 education than most states. Chairperson Denning discussed timely payments and noted that one bump in SGF levels could greatly harm payment timeliness.

Senator Pettey asked Mr. Penner if the districts that would lose funds over **SB251** suffer that fate due to loss of enrollment. He answered that he believes that observation was accurate.

During the Committee meeting on May 22nd, Senator Hensley had requested information concerning what the State Aid and property tax would be if all school districts used their maximum authority for Cost of Living, Capital Outlay, and Local Option Budget. Senator Hensley passed out a document from Dale Dennis, KSBE, that presents a table with the information requested. (Attachment 4) Senator Bollier questioned why there is a difference between the KLRD totals and KSBE totals. Mr. Penner and Mr. Dennis addressed the differences.

With no further questions the Committee adjourned for a break.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

MEETING 2 of 3: Upon Recess of Senate A.M. Session-12pm SB251 — Creating the Kansas school equity and enhancement act.

Chairperson Denning called the meeting to order at 11:15am.

Chairperson Denning asked Dave Trabert to testify on BASE aid. Mr. Trabert recommended amending the bill to at a minimum establish that the math, as explained in his written testimony, only requires BASE aid of \$3,956. (Attachment 5) Chairperson Denning noted that Mr. Trabert's points provided another comprehensive way to reasonably calculate BASE aid at \$3,956 as the threshold for meeting the BASE aid adequacy requirements of *Gannon*.

Senators Pettey and Estes asked clarifying questions from materials presented earlier in day from Mr. Tallman, and a discussion ensued comparing data from different states.

Senator Bollier introduced her first amendment. Amendment #10 addresses High-Density At-Risk counts, allowing districts to have their "high-density" status measured by school building, while also increasing district accountability on the use of these funds by requiring adherence to best practices as determined by the Kansas State Board of Education unless the local district shows improvement on state assessment scores within three years.

The Committee discussed the amendment in detail with Mr. Penner stating that the amendment would likely increase at-risk funding by about \$4 million annually. The Committee supported this additional at-risk funding and agreed that these provisions would add accountability to the bill. Discussion ensued on language and accountability timelines, noting several changes that may need to be included. Senator Bollier asked if the amendment should be withdrawn until changes could be made. Chairperson Denning agreed that it should.

Senator Bollier withdrew amendment #10.

Senator McGinn discussed the career technical education weighting on page 41, noting that the study is at the same time it expires, she would like to move the sunset date out a year later to allow the Legislature the opportunity to consider the study and implement its suggestions before the sunset goes into effect.

Senator McGinn made a motion to adopt a conceptual amendment that places the sunset date of the career technical weighting out a year. Senator Baumgardner seconded the motion. The amendment passed.

Senator McGinn made a motion to adopt a conceptual amendment that adds language on page 53 that pertains to demographics. Senator Pettey seconded the motion.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

Senator Pettey asked for clarification on what specific demographics would be used. Senator McGinn stated it would come from KDHE, but did not have specifics. Senator McGinn stated she would supply more details after the Committee returned from recess.

Chairperson Denning adjourned the meeting for a break and asked the Committee to return at 1:30pm.

MEETING 3 of 3: 1:30pm-3:00pm SB251 — Creating the Kansas school equity and enhancement act.

Senator Estes has several amendments on the utility fee language, however, he feels that it may be best to strike the whole part.

Senator Estes moved for the utility fee language to be stricken from the bill. Senator McGinn seconded the motion. The amendment passed.

Senator Bollier discussed reintroducing her previous amendment, and the changes that were made during the break.

Senator Bollier motioned to adopt amendment #10A, and Senator Baumgardner seconded the motion. (Attachment 6)

The Committee had questions and asked Jim McNiece, State Board of Education, to help clarify reasons for changing from three to five years the amount of time for schools to show achievement test improvement. He stated that the State Board has established a five-year accreditation cycle that would lend itself well to a five-year review. Under this review, local district's must show either that they have used best practices or provide acceptable reasons for not using them. Discussion ensued about changing the rolling process to a 5-year review. Senator Bollier offered a conceptual amendment that would change the 3-year review process to one occurring with the 5-year accreditation model.

Senator Bollier motioned to amend amendment #10A. Senator Baumgardner seconded the motion.

Senator Pettey asked for further clarification on how the districts make the choice to base high-density at-risk weighting on individual schools rather than districts. Senator Baumgardner asked about the specifics of the list of accountability. Senator Hensley stated he would like to have a better understanding of the financial implications of the amendment as it relates to overall spending and impact. Senator Baumgardner asked Scott Frank, Legislative Post Audit, to help explain their review of the additional challenges of urban-poverty versus poverty in rural areas. Mr. Frank discussed laws and how they applied to high-density and free lunch counts. Senator McGinn asked if high-density was the same as high poverty. Mr. Frank noted that high density at-risk refers to a high concentration of students living in poverty and that high poverty (and the qualifications for high-density at-risk) is not limited to urban areas.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

Senator Kerschen asked how many schools would be included in this proposal. Mr. Penner responded that 15 buildings would be able to use the funding that would otherwise not qualify for high-density at-risk weighting. Senator Kerschen stated that he was unsure of the funding because there may be more than the 4 schools that would utilize this change. Senator Baumgardner noted that 148 districts today are eligible for some type of this funding, and is in favor of the amendment. She stated that the Committee heard Randy Watson, KSDE, discuss the problems of not empowering educators and administrators to solve problems at the building level and that this amendment provides more resources and accountability with which to do that. Senator Baumgardner believes this amendment will help individual schools to determine their needs based on the individual school and help them foster programs to help at-risk students.

Senator Bollier moved her amendment. The amendment passed.

Senator McGinn motioned to remove the expiration date for Bilingual and At-Risk Weightings. Senator Hensley seconded the motion.

Discussion ensued on date changes, the reason behind them, and the possibility of providing certainty for this funding by avoiding sunset dates. Chairperson Denning and Senator Baumgardner discussed the need to review components of the bill such as these. Mr. King discussed reasoning behind targeting these sunset dates after the time when the State Board completes studies regarding the optimal programs for helping under-performing students. The Committee discussed making a one-year change as opposed to eliminating it all together.

Senator Pettey discussed having a similar amendment that addresses the date change of the bilingual weighting. Her amendment removes sunsets on the at-risk, bilingual and career technical education (CTE) weighting sections and instead adding a new section requiring that the Legislature review them. Senator Pettey then noted that the previous amendment addressed the Career Technical Education, so that portion of her amendment would not be relevant.

Senator Pettey made a substitute motion to adopt amendment #8. Senator Hensley seconded the motion. The amendment failed. (Attachment 7)

Discussion ensued regarding Senator McGinn's previous conceptual amendment to change sunset dates.

Senator McGinn made a motion to withdraw her previous conceptual amendment. Senator Hensley withdrew his previous second to the motion.

Senator McGinn made a motion to delay the sunset date until after the audit and have a review occur by both House and the Senate Education Committees. Senator Hensley seconded the motion.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

Senator Baumgardner discussed the difference between having sunset dates verses including language that calls for a review that includes hearings. Tamera Lawrence discussed that there is already language in the bill to require reviews and more review could be added into the already existing language. Senator Hensley clarified that language would be added for both House and Senate Education Committees to have hearings and review.

Senator McGinn moved her amendment. Senator Baumgardner seconded. The amendment passed.

Senator Pettey motioned to adopt amendment #9. Senator Bollier seconded the motion. (Attachment 8)

This amendment addresses language for counting kindergarten in the current year. Discussion ensued on kindergarten counts. Senator Baumgardner noted that kindergarten is different in many schools, but in talking with the Commissioner of Education, she believed that having a different count for just kindergarten was unnecessary. Mr. Dennis clarified that he recommends only doing the separate date of a kindergarten count for one year and that it would be unnecessary to do it for longer than that. Senator Baumgardner stated she had a balloon amendment that would work.

Senator Pettey withdrew her amendment. Senator Bollier withdrew her second.

Senator Baumgardner motioned to adopt amendment #14. Senator Pettey seconded the motion. (Attachment 9)

Nick Myers gave a brief explanation of the amendment, noting the balloon would count kindergarten as current year if a district had started all-day kindergarten in the current year. Senator Baumgardner stated that her goal was that if kindergarten students go all day, they would use the head count, and it addressed those that were converting to full day from half day. Senator Baumgardner clarified that this was not only for one year, it would be for future years if school districts convert to full-day kindergarten.

Chairperson Denning stated that due to the many revisions on this amendment the Committee would take a small break while the Revisor of Statues come up with the revisions.

MEETING CONTINUED: 3:30pm - adjournment SB251 — Creating the Kansas school equity and enhancement act.

Baumgardner presented a clarification document for amendment #14. (Attachment 10)

Senator Baumgardner motioned to move the previously discussed amendment as revised. Senator Pettey seconded the motion. The amendment passed.

Senator Bollier motioned to adopt amendment #19. Senator Baumgardner seconded the motion.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

(Attachment 11)

Senator Bollier discussed her amendment that requires a Legislative review of certain reports and analysis of weightings and the formula for reasonableness and changes dates on LPA studies. Tamera Lawrence addressed dates and dates that were associated with the LPA report. Senator Baumgardner had a concern with the at-risk review date and questioned if they would have adequate information by then. Senator Baumgardner discussed her concerns with virtual dates, noting she would like the Legislature to address virtual schools sooner rather than later. Senator Pettey concurred with Senator Baumgardner. Senator Bollier discussed her intent of switching the date.

Discussion ensued. Senator Bollier stated she would like to strike the dates on the amendment and change the date back to 2020. Senator Baumgardner requested the Committee adopt the bilingual date as 2018 and stated that LPA noted they would be willing to switch the dates between transportation and bilingual, so as to accommodate the change and not have more than one audit at a time. Tamera Lawrence summarized the changes to the amendment and discussion ensued. Chairperson Denning stated the Revisors would make the changes agreed upon.

Senator Bollier moved the amendment as revised. The amendment passed.

Senator Goddard motioned to adopt amendment #24. Seconded by Senator Estes. (Attachment 12)

Senator Goddard offered an amendment that removes out-of-state student exclusion and who shall be counted and not counted as a student. Senator Goddard stated that this mainly addresses students that live along the borders and noted that these families generally pay taxes in Kansas. He commented that it would be detrimental to school districts and employers to exclude these students. Senator Pettey asked for clarification on the cost of these students. Mr. Penner responded that, based on comments from Dale Dennis, he believed it to be a high of \$3.5 million. Senator Pettey asked if this continues to allow school districts to make decisions about whether to accept such students and it was clarified that they could. Senator Baumgardner discussed weightings and how they address what is required by the Court to adequately address funding for Kansas. She noted that a district can allow out-of-state students, but that Kansas should not fund them through the formula, noting that, for students who are children of employees, this can be a benefit provided by distinct-employers. Discussion ensued on the dollar amounts pertaining to these out-of-state students.

Senator Goddard moved amendment #24. A vote by show of hands was requested. The amendment passed by a vote of 4-2.

Senator Estes motioned to adopt amendment #7. Seconded by Senator Pettey. (Attachment 13)

This amendment is to change language of the tax credit scholarship program to say that on and after

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

July 1st, 2020 a qualified school should be accredited by the State Board or a national or regional accrediting agency. Mr. Myers summarized these changes and a discussion ensued. Senator Pettey asked if this would be taking away accountability from the State Board of Education. She questioned if the KSBE needs to evaluate outside accreditation agencies to ensure they are a reputable nationally recognized accreditation agency. Senator Baumgardner stated that the KSBE has a list of nationally accredited organizations that can be found on their website. Discussion ensued to clarify language and dates of accreditation, as well as what is classified as a recognized accreditation. Mr. Myers stated the new language after discussion would read on or after July 1st, 2020, a qualified school shall be accredited by the State Board or a national or regional accrediting agency that is recognized by the State Board.

Senator Bollier motioned to adopt a substitute amendment to amendment #7 to change the date to July 1st, 2018. Seconded by Senator Pettey.

Senator Baumgardner and Senator Goddard questioned if accreditation can be accomplished in a year. A discussion ensued on the work and position of the House K-12 Budget Committee.

Senator Bollier moved her amendment. The amendment failed.

Senator Estes moved his amendment. The amendment passed.

Senator Pettey motioned to adopt a conceptual amendment that gives schools 3 years to be accredited. Seconded by Senator Bollier.

This amendment would reverse Senator Estes' amendment. It addresses the tax credit scholarship grandfather schools and would require that these schools be accredited by 2020 by the Kansas State Board of Education. Mr. Myers gave a summary of the amendment. Senator Pettey noted the difference in her amendment and Senator Estes' amendment, stating that who the school is accredited by is different. Senator Estes commented that private schools that want to become certified should not be limited, and he stated he will not vote yes on this amendment. Senator Pettey stated her amendment addresses non-public schools that are not accredited.

Senator Pettey moved to adopt the amendment. The amendment failed.

Chairperson Denning adjourned the meeting until 9am Wednesday morning.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 1:30 pm on Monday, January 23, 2017, in room 346-S of the Capitol.

All members were present except:

Representative Tom Sawyer – Excused
Representative Scott Schwab – Excused

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant
Edward Penner, Legislative Research Department
Jason Long, Office of Revisor of Statutes
Sharon Wenger, Legislative Research Department

Conferees appearing before the Committee:

Dr. Randy Watson, Commissioner, Kansas State Department of Education

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting and welcomed Committee members and guests.

Bill introductions

Chairperson Campbell asked for bill introductions from Committee members and the audience.

Chairperson Campbell introduced two bills. The first bill has to do with the health care benefit programs for USD's and the second with centralized procurement for USD's. Both bills were introduced without objection.

Informational briefing:

Chairperson Campbell recognized Dr. Randy Watson, Commissioner, Kansas State Department of Education. Dr. Watson introduced three State Board of Education members who were present today: Mr. Jim Porter, District 9; Mr. Jim McNiece, District 10; and Deena Horst, District 6.

Each member of the Committee received a copy of the 2015-2016 Annual Report: Kansans Can. (Attachment 1)

Informational briefing:

Dr. Watson highlighted information in his PowerPoint presentation (Attachment 2) and responded to questions from Representatives Rooker, Huebert, Winn, Karleskint, Hoffman, Jones, Lusk, and Chairperson Campbell. At times, Dr. Watson called upon one of the Board members to assist him in

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Monday, January 23, 2017, in room 346-S of the Capitol.

answering questions.

Chairperson Campbell thanked everyone for attending the meeting and announced that tomorrow there would be an overview of Special Education.

The next meeting of the K-12 Education Budget Committee will be Tuesday, January 24, 2017.

The meeting adjourned at 2:38 p.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

All members were present except:

Representative Tom Sawyer – Excused

Substitute members:

Representative Steven Crum, appointed substitute member to the committee

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant

Edward Penner, Legislative Research Department

Jason Long, Office of Revisor of Statutes

Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Mark Tallman, Associate Executive Director for Advocacy, Kansas Association of School Boards

John Bergin, Kansas Association of Career and Technical Education Member and Agricultural Educator, Mission Valley

Dr. Cory Gibson, Superintendent, Valley Center Schools, USD 262

Richard Proffitt, Superintendent, Chanute, USD 413

Destry Brown, Superintendent, Pittsburg, USD 250

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting and welcomed everyone to the House K-12 Education Budget Committee and asked the media to not walk behind the Committee members. He also stated that he would try and accommodate the conferees today by hearing first from those who came from out of town or who needed to leave early.

Chairperson Campbell reminded everyone that we are streaming live and are recording the sessions.

We will have a hearing on **HB 2410** on Monday and may begin working the bill on the same day. Conferees may be more limited in time to present their testimony on Monday and are encouraged to attend the Friday meeting.

Chairperson Campbell made opening remarks regarding his desire to us **HB2410** to increase K-12 funding, address the Court's concerns, and help students (especially those under-performing ones)

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

better succeed. He highlighted many parts of HB2410 that he felt best accomplished this goal including increased base state aid per pupil, heightened at-risk funding and greater focus on money that helps under-performing students succeed. ([Attachment 1](#)) He stated the Committee would hear from many experts on these issues and others and he would like for their work, and the input from the Committee, to make **HB2410** into a consensus product.

Hearing on: HB2410 — Creating the Kansas school equity and enhancement act

Chairperson Campbell called upon Jason Long, Senior Assistant Revisor, Office of Revisor of Statutes, to review **HB 2410**. An updated memo, not as broad in nature as the one presented to the Committee at the last meeting, was distributed. ([Attachment 2](#))

Representative Huebert made comments and asked questions about future spending increases beyond the first two years of the proposal. Representative Rooker cited there was an incorrect number either in the memo or the bill itself. Revisor, Jason Long, stated the error was in the memo and he will provide a corrected memo. A corrected memo was distributed by e-mail to Committee member and is attached. ([Attachment 3](#)) Representative Rooker also asked questions about the timing and longevity of LOB elections under **HB2410**.

Representative Trimmer asked about the \$4 million decrease in transportation spending under **HB2410** and clarification on the way state foundational aid would operate under HB2410. Representative Schwab, Karleskint, Winn, and Helgerson also had questions and comments for Revisor Long and Researcher Penner regarding specific provisions of **HB2410**.

Chairperson Campbell requested Mr. Dale Dennis, Deputy Commissioner, Kansas State Department of Education, to provide information on student attendance losses. Those runs are available online and printed copies will be available tomorrow.

Representative Aurand presented, for clarification, a new graph illustrating the division of the proposed Local Foundation Funding. ([Attachment 4](#))

Chairperson Campbell opened the hearing on **HB 2410**. There were no oral proponents and one written-only proponent, Mr. Zeke Rash, Principal, Kansas Connections Academy, whose testimony is attached. ([Attachment 5](#))

Appearing as an oral neutral conferee was Mark Tallman, Associate Executive Director for Advocacy, Kansas Association of School Boards. ([Attachment 6](#)) Mr. Tallman stated that the focus of helping underperforming students should be on those specific students and not just on specific districts. Following this point, Representatives Rooker asked about the recent US Supreme Court ruling on special education, to which Mr. Tallman noted that special education student rights under federal law are not linked to federal funding. Representative Schwab noted that Mr. Tallman had presented few, if

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

any, objections to the structure of HB2410, just its overall funding. Mr. Tallman, in response to his question, noted that KASB finds reinstating the former COLA weighting acceptable.

There were no other neutral oral or written-only neutral testimony provided.

Presenting oral opponent testimony was John Bergin, a Kansas Association of Career and Technical Education Member and Agricultural Educator, Mission Valley, USD 330. ([Attachment 7](#)) Representative Aurand asked a question.

Chairperson Campbell asked the Committee to hold their questions until all the remaining conferees had finished with their testimonies.

Dr. Cory Gibson, Superintendent of Valley Center School District, USD 262, was also an oral opponent to **HB 2410**. ([Attachment 8](#))

Another oral opponent was Richard Proffitt, Superintendent, Chanute, USD 413. ([Attachment 9](#))

Appearing as an oral opponent was Destry Brown, Superintendent, Pittsburg, USD 250. ([Attachment 10](#))

Chairperson Campbell allotted time for questions to the conferees. Representative Huebert asked Dr. Gibson about ways to reduce capital expenditures, especially for small districts. Representative Rooker asked Mr. Proffitt about the unique situation facing Chanute and asked Mr. Dennis from the State Department of Education if he would provide a comparison report of those districts that applied for extraordinary needs grants. Representative Aurand asked a follow-up question to Mr. Dennis.

There were three written-only opponent testimonies submitted from the following:

Dr. Shelly Kiblinger, Superintendent, Hutchinson, USD 308 ([Attachment 11](#))

Travis Riebel, Hutchinson Career and Technical Education Academy Director, USD 308 ([Attachment 12](#))

Tracy Bourne, Superintendent, Renwick, USD 267 ([Attachment 13](#))

Chairperson Campbell thanked all the conferees for appearing before the Committee.

The hearing on **HB 2410** will continue tomorrow.

Representative Aurand announced that the House Education Committee will meet 15 minutes after the

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

House K-12 Education Budget Committee adjourns.

The next meeting of the House K-12 Education Budget Committee will be Friday, March 24, 2017.

The meeting adjourned at 3:32 p.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 1:30 pm on Friday, March 24, 2017, in room 346-S of the Capitol.

All members were present except:

Representative Tom Sawyer – Excused

Substitute members:

Representative Steven Crum, appointed substitute member to the committee

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant

Edward Penner, Legislative Research Department

Jason Long, Office of Revisor of Statutes

Nick Myers, Office of Revisor of Statutes

Tamara Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Cassandra Barton, Insight School & Kansas Virtual Academy

Mary Sinclair, Kansas PTA

Steve Splichal, Superintendent, Eudora Schools, USD 491

Judith Deedy, Game On for Kansas Schools

Tom Krebs, Public School Advocate

Suzan Patton, Superintendent, Pratt, USD 382

Brian Spencer, Superintendent, Central Heights, USD 288

Liz Meitl, MainStream Coalition

Dr. Patricia All, Superintendent, Olathe, USD 233

Mark Desetti, Kansas National Education Association

David Dorsey, Senior Education Analyst, Kansas Policy Institute

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting of the House K-12 Education Budget Committee and welcomed everyone. He introduced Steve Crum who is replacing Tom Sawyer on the Committee.

Chairperson Campbell indicated that Dale Dennis, Deputy Commissioner, Kansas State Board of Education, is now distributing to the Committee an updated run that has two technical changes in it. (Attachment 1)

Representative Aurand suggested after the meeting today some of the members might want to

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Friday, March 24, 2017, in room 346-S of the Capitol.

collaborate on known issues to develop amendments to save preparation time for the Revisor.

Starting next week, we will meet after adjournment of the House and may work late. We will continue the hearing on **HB 2410** on Monday and will have lunch here if it is lunch time.

Chairperson Campbell stated we are streaming live and he would hear testimony today in no particular order as some of the conferees have other obligations and he is going to accommodate them so they can appear.

Chairperson Campbell reminded the media to not set up cameras behind the Committee members and that the Committee would continue hearing testimony on **HB 2410** today.

Hearing continuation on: HB2410 — Creating the Kansas school equity and enhancement act

Chairperson Campbell recognized Cassandra Barton, Insight School & Kansas Virtual Academy, who was an oral proponent for **HB 2410**. ([Attachment 2](#))

There were no other oral proponents or written-only proponents.

Mary Sinclair, Kansas PTA, was an oral opponent. ([Attachment 3](#))

Another oral opponent was Steve Splichal, Superintendent, Eudora, USD 491. ([Attachment 4](#))

Appearing as an oral opponent was Judith Deedy, Game On for Kansas Schools. ([Attachment 5](#))

Tom Krebs, a public school advocate, also appeared as an oral opponent. ([Attachment 6](#))

Chairperson Campbell introduced Suzan Patton, Superintendent, Pratt, USD 382, who gave oral testimony in opposition to **HB 2410**. ([Attachment 7](#))

Addressing the Committee as an oral opponent was Brian Spencer, Central Heights, USD 288. ([Attachment 8](#))

Liz Meitl, representing Brandi Fisher, MainStream Coalition, spoke in opposition to this bill. ([Attachment 9](#))

Questions for opponents:

Representative Rooker had a question for Suzan Patton. The question was also answered by Steve

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Friday, March 24, 2017, in room 346-S of the Capitol.

Splichal and Brian Spencer.

There was written-only testimony in opposition to this bill submitted from:

Katherine Kersenbrock-Ostmeyer, Director of Special Education, Northwest Kansas Educational Service Center. ([Attachment 10](#))

Marge Ahrens and Carole Neal, Co-Presidents, League of Women Voters of Kansas. ([Attachment 11](#))

Jeremy LaFaver, Alliance for Childhood Education, ([Attachment 12](#)) Mr. LaFaver verbally indicated he would support the bill if provisions for all-day kindergarden and \$9 million for early childhood education were included.

Dr. Patricia All, Superintendent, Olathe, USD 233, appeared before the Committee as an oral neutral conferee. ([Attachment 13](#))

Another oral neutral conferee was Mark Desetti, Kansas National Education Association. ([Attachment 14](#))

Also appearing as an oral neutral conferee was David Dorsey, Senior Education Analyst, Kansas Policy Institute. ([Attachment 15](#)), ([Attachment 16](#))

Revisor Long gave a clarification on the career/technical education piece of **HB 2410**. Representative Aurand made a statement about the intent and what actually is in the bill.

Questions directed to Dr. All were asked by Representative Schwab and Representative Winn.

Representative Karleskint asked for clarification on technical education fundings which were answered by Eddie Penner, Fiscal Analyst, Legislative Research Department.

Representative Lusk asked for clarification from Chairperson Campbell and Representative Aurand on technical education amounts.

Comments and questions in regard to weightings on technical education were made by several other representatives.

There was written-only neutral testimony from:

Pam Stranathan, Superintendent, Gardner Edgerton, USD 231. ([Attachment 17](#))

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Friday, March 24, 2017, in room 346-S of the Capitol.

Dr. Wayne Burke, Superintendent, Spring Hill, USD 230. (Attachment 18)

Comments in regard to making amendments were made by several representatives and responded to by Revisor Long.

Representative Aurand distributed to the Committee a run with a proposed amendment. (Attachment 19)

The hearing on **HB 2410** will continue in the House K-12 Education Committee meeting on Monday, March 27, 2017, upon adjournment of the House. Meeting time will be announced from the Well.

The meeting adjourned at 3:28 p.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 12:15 pm on Monday, March 27, 2017, in room 346-S of the Capitol.

All members were present

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant
Edward Penner, Legislative Research Department
Jason Long, Office of Revisor of Statutes
Nick Myers, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Dr. Cynthia Lane, Superintendent, Kansas City, Kansas Public Schools
Jim Freeman, Wichita Public Schools
Jamie Rumford, Superintendent, Scott County, USD 466
Adrian Howie, Superintendent, Hugoton, USD 210
Jean Rush, Superintendent, Holcomb, USD 363
Steven R. Karlin, Superintendent, USD 457
Dr. Mike Slagle, Deputy Superintendent, Blue Valley, USD 229

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting and welcomed everyone to the K-12 Education Budget Committee.

Chairperson Campbell introduced Dale Dennis, Deputy Commissioner, Kansas State Board of Education, who distributed and explained his handouts. (Attachment 1), (Attachment 2), (Attachment 3) Representatives Rooker and Landwehr requested additional information from Mr. Dennis.

Chairperson Campbell stated that the Committee will need to listen to announcements from the Well for future meeting dates and times and lunches will be served if we meet during the lunch hour. He reminded everyone that the meeting was being streamed live.

Upon Adjournment of the House:

The continuation of hearings on **HB 2410** was initiated by Chairperson Campbell. He stated that there were no oral proponents appearing today and there were no written-only proponents.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 12:15 pm on Monday, March 27, 2017, in room 346-S of the Capitol.

Dr. Cynthia Lane, Superintendent, Kansas City, Kansas Public Schools, oral opponent, appeared before the Committee. (Attachment 4) Dr. Lane promoted the assessment tools and guidepost expressed in the Kansas CAN effort of the State Board and the need to target the weightings of the formula at those students who need the most help. She testified further about a desire to have base state aid per pupil at a level above that reached in 2009. She also testified about the need for higher transportation and bilingual funding and of her concern about the tax credit program for private schools.

Jim Freeman, on behalf of Wichita Public Schools, was an oral opponent to **HB 2410**. (Attachment 5) Freeman testified about the administrative burden and complexity that derives from second student counts in the spring semester, noting the need for budgeting certainty that results from knowing the exact number of students counted for funding purposes when the year starts. He further noted the importance of maintaining a focus on funding simplicity that leads to the best student performance while providing maximum flexibility to local districts.

Another oral opponent was Jamie Rumford, Superintendent, Scott County, USD 466. (Attachment 6) Dr. Rumford noted his approval for the increase in base state aid, at-risk funding, and the full funding of all-day kindergarten. He noted his concern about CTE funding under the bill and the complexity of the LOB formula under the bill.

Also appearing before the Committee as an oral opponent was Adrian Howie, Superintendent, Hugoton, USD 210. (Attachment 7)

Conferee Jean Rush, Superintendent, Holcomb, USD 363, was an oral opponent. (Attachment 8)

HB 2410 was also opposed orally by Steven Karlin, Superintendent, USD 457. (Attachment 9)

At this time, Chairperson Campbell, invited the Committee members to ask questions of the conferees. Representative Vickrey asked Dr. Lane about materials that she discussed previously regarding challenges with public funding for private schools.

Representative Aurand asked Dr. Freeman about Wichita's level of LOB funding and its reliance on the "false base" of \$4492, which Dr. Freeman cited as an important part of Wichita's overall operational funding, including the use of some LOB funds for at-risk programs. When Representative Aurand asked him about the targeting of \$99 million in new money from the LOB towards at-risk spending, Dr. Freeman said that the money should not be targeted and instead left in general spending for local districts to use as they deemed best because such flexibility is preferable to money placed specifically in the at-risk fund. Representative Schwab inquired to Dr. Freeman about the tension between the expanded local spending flexibility that he advocates and the Court's direction to target more funds to under-performing/at-risk students. Dr. Freeman responded that he would argue that such targeted funds (such as at-risk and bilingual spending) should only be allocated after full funding for general

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 12:15 pm on Monday, March 27, 2017, in room 346-S of the Capitol.

operational needs. Representative Trimmer continued this discussion, noting his concern with moving funds from one part of the formula to at-risk spending.

Representative Smith asked questions of Mr. Smith and Mr. Rumford regarding their preference for a single student account at the beginning of the year. Both individuals emphasized the need for a predictable enrollment number for both the Legislature and local districts, thus advocating for using either prior-year enrollment or a three-year rolling average as preferable for local districts.

Written-only testimony in opposition was submitted by:

Brad Miner, Superintendent, Southeast Cherokee, USD 247 ([Attachment 10](#))

Dr. Steve Noble, Superintendent, Seaman, USD 345 ([Attachment 11](#))

Chad Higgins, Superintendent, Maize, USD 266 ([Attachment 12](#))

Alan Cunningham, Superintendent, Dodge City, USD 443 ([Attachment 13](#))

Bill Brady, Schools for Fair Funding ([Attachment 14](#))

Chairperson Campbell introduced Dr. Mike Slagle, Deputy Superintendent, Blue Valley, USD 229, who spoke as an oral neutral conferee. ([Attachment 15](#))

Questions for Dr. Slagle were asked by Representatives Schwab, Winn, and Aurand.

There were two written-only neutral testimonies provided:

Tom Robinett, Vice President of Public Policy and Advocacy, Overland Park Chamber of Commerce ([Attachment 16](#))

Stuart J. Little, on behalf of Shawnee Mission School District ([Attachment 17](#))

Chairperson Campbell thanked all the conferees for their testimony and for appearing before the Committee.

There being no other oral or written-only neutral testimony, Chairperson Campbell closed the hearing on **HB 2410**.

The next meeting of the House K-12 Education Budget Committee will be announced from the floor.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 12:15 pm on Monday, March 27, 2017, in room 346-S of the Capitol.

The meeting adjourned at 1:30 p.m.

Following the meeting, Dr. Lane gave the committee assistant a copy of the material that was requested by Representative Vickrey. The committee assistant e-mailed the information to the Committee members and a copy is attached. (Attachment 18)

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 1:15 pm on Thursday, March 30, 2017, in room 346-S of the Capitol.

All members were present except:

Representative Scott Schwab – Excused

Substitute members:

Representative Erin Davis, appointed substitute member to the committee

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant

Edward Penner, Legislative Research Department

Jason Long, Office of Revisor of Statutes

Nick Myers, Office of Revisor of Statutes

Tamera Lawrence, Office of Revisor of Statutes

Lauren Mendoza, Research Analyst, Legislative Research Department

J.G. Scott, Assistant Director for Fiscal Affairs, Legislative Research Department

Conferees appearing before the Committee:

No conferees present

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting and welcomed everyone to the K-12 Education Budget Committee. He reminded everyone that the meeting was being streamed live. Several individuals were invited to be present in the audience today to assist the Committee in getting answers to their questions.

Chairperson Campbell made remarks, thanked and complimented the Committee members for their willingness to meet, and their stamina to pore through countless data to put together a school finance plan. (Attachment 1) He thanked the Kansas State Board of Education members and other stakeholders for their input.

Chairperson Campbell stated that he would follow an organized, open, and fair process in conducting today's meeting. He would allow Committee members to make motions, seconds, amendments, and substitute motions, and he will vote only in case of a tie.

Work on: HB2410 — Creating the Kansas school equity and enhancement act

Chairperson Campbell made a conceptual motion to eliminate the second count date of February 20 for school districts, Representative Patton seconded. Discussion ensued.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:15 pm on Thursday, March 30, 2017, in room 346-S of the Capitol.

A substitute motion was made by Representative Smith, seconded by Representative Trimmer, to adopt a balloon amendment concerning headcount. (Attachment 2) Discussion ensued after which Representative Smith closed on his motion.

The substitute motion passed.

Chairperson Campbell moved to adopt a balloon amendment that would strike the bilingual weighting five-year limit, Representative Smith seconded. (Attachment 3) Discussion ensued.

Representative Karleskint offered a substitute motion and then retracted his substitute motion.

Chairperson Campbell's motion passed.

Representative Aurand distributed a memo prepared by Scott Frank, Legislative Post Auditor, in regard to the LPA Treatment of the Local Option Budget in the 2006 Cost Study. (Attachment 4) Mr. Franks answered questions from Committee members discussing the fact that the LPA did not consider LOB funding when performing its 2006 study because the Kansas Supreme Court did not consider LOB spending in its adequacy analysis. Since the Gannon Court has taken a different approach, Mr. Franks stated that the LPA would consider LOB and all other forms of spending done to improve the performance of K-12 students if tasked with performing another cost study.

Representative Aurand moved to adopt a balloon amendment which would remove the mandatory parts of the local foundation budget, Representative Huebert seconded. (Attachment 5) Discussion ensued.

A substitute motion was made by Representative Patton, and seconded by Representative Rooker, to adopt a balloon amendment where the Local Option Budget, Local Activity Budget, and Local Foundation Budget would be replaced with LOB Provisions from HB 2270. (Attachment 6) Discussion ensued.

Representative Aurand moved to divide the amendment, seconded by Representative Landwehr. Discussion ensued. The motion passed.

Discussion ensued on Part A of the division, to strike the Local Foundation Budget portion from **HB 2410**.

Representative Jones moved to reconsider the motion to divide the amendment, seconded by Representative Trimmer. Discussion ensued, and a division vote was called: 10 yes, 6 no. Motion passed.

Going back to Representative Patton's substitute motion, discussion ensued, and a division vote was

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:15 pm on Thursday, March 30, 2017, in room 346-S of the Capitol.

called: 9 yes, 7 no. The substitute motion passed.

The Committee recessed.

Chairperson Campbell brought the meeting back to order.

Representative Helgerson did not offer any amendments.

Representative Landwehr moved to adopt a balloon amendment on reporting expenditures, seconded by Representative Vickrey. (Attachment 7)

Discussion ensued and a division vote was called: 7 yes, 9 no. The motion failed.

Representative Vickrey did not offer any amendments.

Representative Trimmer moved to adopt a balloon amendment dealing with the formula for high density at-risk, seconded by Representative Rooker. Discussion ensued during which Committee members lauded the importance of targeting money in the formula towards under-performing students and raised the need to place additional funding in districts with high concentrations of students eligible for free lunch. (Attachment 8) A division vote was called: 10 yes, 6 no. The motion passed.

Representative Trimmer moved to adopt a balloon amendment adding a high enrollment weighting, Representative Winn seconded. (Attachment 9) Discussion ensued, and a division vote was called: 9 yes, 7 no. The motion passed.

Representative Hoffman moved to adopt a balloon amendment for a clarification on curriculum and standards, seconded by Representative Rooker, and the motion was approved. (Attachment 10)

Representative Hoffman proposed a balloon amendment to implement a system for determining unencumbered funds, seconded by Representative Landwehr. (Attachment 11) Discussion ensued regarding the importance of reserve funds for district operations and the optimal level of such reserves. A division vote was called: 7 yes, 9 no. Motion failed.

The Committee recessed.

Chairperson Campbell brought the meeting back to order.

Chairperson Campbell moved to raise the kindergarten 0.8 weighting in the bill to 0.9, and Representative Aurand seconded.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:15 pm on Thursday, March 30, 2017, in room 346-S of the Capitol.

Representative Aurand made a substitute motion with a balloon amendment to fully fund all-day kindergarten. Chairperson Campbell seconded. (Attachment 12) Discussion ensued regarding the importance of all-day kindergarten in helping student performance and the benefits derived from freeing up the large amount of at-risk funds currently used for this purpose for other programs directly benefiting under-performing students. The substitute motion was approved.

Representative Aurand distributed a vocational education handout from the report by Augenblick and Myers, Inc., May 2002, *Calculation of the Cost of a suitable education in Kansas in 2000-2001 using Two Different Analytic Approaches*, excerpts from pages VII - 16, 17. (Attachment 13)

Representative Aurand moved to adopt a balloon amendment regarding career technical education state aid. Representative Huebert seconded. (Attachment 14) Discussion ensued.

Representative Karleskint moved to adopt a substitute balloon amendment in regard to career technical education weighting, seconded by Representative Helgerson. (Attachment 15) Discussion ensued. The substitute motion passed.

Representative Jones did not offer any amendments.

Representative Rooker moved to adopt a balloon amendment to establish a preschool-aged at-risk education fund, seconded by Representative Lusk. (Attachment 16) She discussed the importance of early childhood education for helping enhance at-risk student performance.

Representative Rooker made a motion to divide the question into Part A (pages 2 and 10) and Part B. (page 41). Representative Lusk seconded. The motion passed.

Representative Rooker moved to amend her balloon amendment from 5 million to 2 million additional funds for each fiscal year. Representative Lusk seconded. Discussion ensued, Representative Rooker closed. The motion passed.

Representative Rooker moved to adopt the language in Part B of her balloon amendment. Representative Helgerson seconded. Representative Rooker closed on her motion. The motion passed.

Representative Rooker moved to adopt a balloon amendment mandating a series of Legislative Post Audits regarding student performance and various weightings. Representative Trimmer seconded. (Attachment 17)

Scott Frank, Legislative Post Auditor, Legislative Division of Post Audit, explained the amendment and answered questions for Committee members. Representative Rooker closed on her motion. The motion passed.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:15 pm on Thursday, March 30, 2017, in room 346-S of the Capitol.

The Committee recessed for 30 minutes.

Chairperson Campbell brought the meeting back to order.

Representative Rooker moved to adopt a balloon amendment excluding Capital Outlay Levy from Tax Increment Finance (TIF) and Neighborhood Revitalization, seconded by Representative Helgerson. (Attachment 18) Discussion ensued. Representative Rooker closed on her motion, and a division vote was called: 7 yes, 9 no. The motion failed.

Representative Rooker moved to adopt a balloon amendment where a school district would not receive less than 10% of at-risk funding, Representative Helgerson seconded. (Attachment 19)

Representative Karleskint entertained an oral substitute motion so that Representative Rooker's amendment would only apply to K-12 school districts, Representative Rooker seconded. Discussion ensued, Representative Rooker approved, Representative Karleskint closed on his motion. The motion passed.

Representative Rooker made a conceptual motion for full-time virtual students to be reduced from \$5,000 to 1.0 Full Time Equivalent, (which is shown on page 72 of a prepared balloon amendment). Representative Helgerson seconded. (Attachment 20) Discussion ensued. Post Auditor, Scott Frank; Dr. Randy Watson, Commissioner of Education, Kansas State Department of Education; and Dale Dennis, Deputy Commissioner, Kansas State Department of Education made comments. Mr. Frank discussed the portion of the LPA study devoted to virtual weighting. Dr. Watson and Mr. Dennis discussed some of the challenges of virtual education and the State Board's analysis of test results from virtual students around the state.

Representative Rooker closed on her conceptual motion, and a division vote was called: 7 yes, 9 no. Motion failed.

The Committee recessed. Chairperson Campbell thanked the Blue Valley and Olathe School Districts for providing dinner.

Chairperson Campbell brought the meeting back to order.

Representative Patton moved to adopt a balloon amendment on ancillary school facilities weighting, Representative Karleskint seconded. (Attachment 21) Discussion ensued. Mr. Dennis made comments and answered questions. Representative Patton closed on his motion. Motion passed.

Representative Lusk moved to adopt a balloon amendment on bilingual weighting, Representative Helgerson seconded. (Attachment 22) Discussion ensued. Mr. Dennis made comments and answered

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:15 pm on Thursday, March 30, 2017, in room 346-S of the Capitol.

questions.

Representative Aurand made a substitute motion to make the amendment revenue neutral, seconded by Representative Hoffman. Discussion ensued, and a division vote was called: 9 yes, 7 no. Motion passed.

Representative Karleskint moved to adopt a balloon amendment to add funding for mentoring teachers, seconded by Representative Helgerson. (Attachment 23) Discussion ensued, Mr. Dennis and Dr. Watson made comments about the importance of mentoring teachers to improve their skills, increase their retention rate and enhance student performance.

Representative Karleskint closed on his motion. The motion passed.

Representative Karleskint moved to adopt a balloon amendment for professional development funding, seconded by Representative Rooker. (Attachment 24) Discussion ensued, after which, Representative Karleskint closed on his motion. The motion carried.

Representative Smith moved to adopt a balloon amendment in regard to the transportation weighting, Representative Trimmer seconded. (Attachment 25) Discussion ensued and Representative Aurand handed out a revised transportation cost allocation formula showing algebra changes. (Attachment 26)

Representative Trimmer moved to table the motion until Monday, Representative Smith seconded. Motion carried.

Chairperson Campbell made a conceptual motion to add the cost of utilities to capital outlay, Representative Trimmer seconded. The Committee discussed the link between utilities and capital expenditures. Mr. Dennis made comments regarding the overall utility costs facing districts. Chairperson Campbell closed on his motion. Motion carried.

Representative Trimmer moved to adopt a balloon amendment that contained amendments to expiration of the Tax Credit Scholarship Program, Representative Helgerson seconded. (Attachment 27) Discussion ensued and Mr. Dennis made comments.

Representative Aurand made a substitute motion to remove from the bill the expansion of the program with the exception of the part that demands accreditation starting in July of 2018 and requiring students to be directly certified as eligible for free lunch. Representative Landwehr seconded. Discussion ensued. Representative Aurand closed on his motion. The substitute motion passed.

During the meeting, Jason Long, Senior Assistant Revisor, Office of Revisor of Statutes, explained amendments, and Eddie Penner, Fiscal Analyst, Legislative Research Department answered monetary

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:15 pm on Thursday, March 30, 2017, in room 346-S of the Capitol.

questions.

Chairperson Campbell thanked Committee members for their diligence and said he would be announcing from the Well the time of the next meeting.

There being no other amendments brought before the Committee, Chairperson Campbell announced the K-12 Education Budget Committee would recess until Monday, April 3, 2017.

The meeting adjourned at 8:42 p.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.



MEMORANDUM

Legislative Division of Post Audit
800 SW Jackson, Suite 1200
Topeka, KS 66612-2212
voice: 785.296.3792
fax: 785.296.4482
web: www.kslna.org

TO: Representative Clay Aurand
FROM: Scott Frank, Legislative Post Auditor
DATE: March 17, 2017
SUBJECT: Question Regarding LPA Treatment of the Local Option Budget in the 2006 Cost Study

This is in response to your request for clarification on how our office treated school districts' local option budgets (LOB) in our 2006 cost study and former Post Auditor Barb Hinton's April 21, 2006 memo to all legislators. Specifically, you would like to know if school districts had been mandated to utilize their LOBs to their full authority, would our office have counted both the state and local share of the LOB as covering part of the overall cost of achieving performance outcome standards.

Before I answer the question, I must first clarify that this memo is not a legal opinion. Rather, I am explaining how we would have considered the LOB in our comparisons between the cost of meeting outcomes and the funding provided by the (then) current formula, and how we might handle this issue today. This does not indicate how the Kansas State Supreme Court would or should rule on any questions regarding the LOB.

Regarding your question, the simple answer is yes. We would have considered both the local property tax and supplemental state aid portions of the LOB as sources of funding available to cover the costs we estimated as part of cost study, had districts been mandated to use them.

However, given the current purpose of the LOB, I would take this a step further if the analysis were repeated today. At the time of our 2006 cost study, the prevailing interpretation of the state's school finance formula was that districts' general fund budgets (set by formula) was supposed to cover the cost of meeting all requirements. Their LOBs (set at their discretion) was to cover enhancements the districts might optionally choose to fund. Excluding the LOB from our comparison was a logical choice, given its purpose at the time.

Since then, the purpose of the LOB has clearly changed. The idea that the LOB is only to pay for extras has been abandoned, and it is commonly used to pay for a share a district's basic operating costs. Because the LOB is now viewed as a component of basic operating funding, if we were to repeat the comparison from our 2006 cost study, we would include both the state and local share of the LOB, whether it was mandatory or not.

I hope this adequately addresses your questions and concerns. Please let me know if you have any further questions, or if you need anything else.



TOPEKA

HOUSE OF REPRESENTATIVES

COMMITTEE ASSIGNMENTS
CHAIR: EDUCATION
K-12 BUDGET
RULES AND JOURNAL

CLAY AURAND
106TH DISTRICT
810 SHADY LN.
BELLEVILLE, KANSAS 66801

STATE CAPITOL, ROOM 286-N
TOPEKA, KANSAS 66612
(785) 296-7637
clay.aurand@house.ks.gov

March 24, 2017

Scott Frank
Legislative Division of Post Audit
800 SW Jackson, Suite 1200
Topeka, Kansas

Dear Mr. Frank,

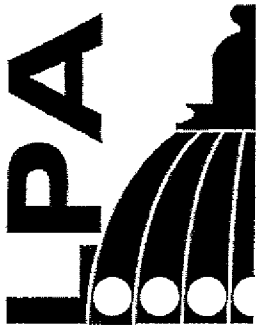
This is a follow-up to your memo dated March 17, 2017 regarding the LPA treatment of the Local Options Budget (LOB) in the 2006 Cost Study. Thank you for clarifying the Post Audit interpretation of that issue. My question now concerns looking at current proposed school funding formula and trying to determine what comparisons might be appropriate.

HB2410 contemplates foundation funding that is derived from a base dollar amount of \$5212. This is made up of two components, *State Foundation Funding* which is 80% of the total and the *Local Foundation Funding* which is 20% of the total foundation funding. It appears that this total foundation funding would be very similar in structure to the old formula's General Fund budget and Supplemental General budget.

Considering the comments in your memo, it seems that the new Foundation Funding might very well be looked at as covering most, if not all, of the costs required to fund at a level that was identified in the Cost Study. My question is this: What additional components do we need to consider as we try to draw parallels between the 2006 Cost Study and the formula in HB2410 when evaluating how it comports with a constitutionally adequate education?

Thanks,

Representative Clay Aurand



MEMORANDUM

Legislative Division of Post Audit
800 SW Jackson, Suite 1200
Topeka, KS 66612-2212
voice: 785.296.3792
fax: 785.296.4482
web: www.ksipa.org

TO: Representative Clay Aurand
FROM: Scott Frank, Legislative Post Auditor
DATE: March 28, 2017
SUBJECT: Comparing Foundation Funding in HB 2410 to Cost Estimates in 2006 LPA Study

This is in response to your question regarding how the foundation funding envisioned in HB 2410 matches up with the cost estimates we developed in our 2006 LPA cost study.

In answering this question, here is a list of the funding elements (or near equivalents) from the SDFQPA formula that were included in our analysis. Together they formed a district's general fund budget:

- Base Funding
- Enrollment Weighting (Low/Correlation)
- At-Risk (Regular/High-Density)
- Bilingual
- Special Education
- Vocational
- Transportation
- New Facilities
- Ancillary Facilities
- Declining Enrollment
- Cost of Living

Our analysis did not include the following significant sources of school district funding:

- Local Option Budget – As discussed in my memo to you dated March 17, 2017, at the time of the cost study the consensus opinion was that the LOB was not intended to be a source of core funding for districts. That opinion has changed and we would now count the LOB in any comparisons.
- KPERS – We did not include the state's KPERS contribution as part of the core funding in our analysis. Had we included it, all our cost estimates would have been significantly greater (about \$175 million to \$210 million statewide).
- Capital Funding – We excluded capital outlay and bond repayment funds from our analysis.

HB 2410 would essentially make a share of the local option budget mandatory for all school districts. This would clearly make it part of a district's core funding, and it would seem appropriate to include it in comparisons against the cost estimates from our 2006 study. On the

other hand, including the district's capital outlay and bond repayment funds, as well as the state's KPERs payments would not match up with our 2006 estimates and we would exclude them from any comparisons.

I hope this adequately addresses your questions and concerns. Please let me know if you have any further questions, or if you need anything else.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 11:00 am on Monday, May 08, 2017, in room 346-S of the Capitol.

All members were present

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant
Edward Penner, Legislative Research Department
Jason Long, Office of Revisor of Statutes
Nick Myers, Office of Revisor of Statutes
Lauren Mendoza, Legal Research Department
Tamera Lawrence, Office of Revisor of Statutes
Jeff King, Legal Counsel

Conferees appearing before the Committee:

Dr. Randy Watson, Commissioner, State Department of Education
Mr. Dale Dennis, Deputy Commissioner, State Department of Education
Mr. Scott Frank, Post Auditor, Legislative Division of Post Audit

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting at 11:00 a.m. and welcomed everyone. He reminded the Committee and guests that we are streaming live. He stated that today the Committee will be working policy issues and Dr. Randy Watson, Mr. Dale Dennis, Mr. Scott Frank, and Mr. Jeff King are present to answer questions.

If we meet at the same time tomorrow, lunch will be provided.

Discussion on:

PROPOSED Substitute for HOUSE BILL NO. 2410

Chairperson Campbell introduced Jason Long, Senior Assistant Revisor of Statutes, presented to the Committee the technical changes on the proposed substitute bill. (Attachment 1) There were no questions for Mr. Long.

Representative Huebert moved and Representative Helgerson seconded to adopt the balloon amendment with the Revisor's technical changes. Motion passed.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 11:00 am on Monday, May 08, 2017, in room 346-S of the Capitol.

Dr. Randy Watson, Commissioner, State Department of Education, was asked by Chairperson Campbell to update the Committee on the new school accreditation model. Dr. Watson stated the State Board of Education takes accreditation and accountability very seriously and, given their considerable work on this issue, they will be able to be implement this new accreditation for all school districts July 1, 2017. He also noted that this method will be much more comprehensive, and focus more broadly on many non-test score indices of student performance, than ever before.

Dr. Watson stated the answered questions from Representatives Schwab regarding the limited options for the State Board to hold failing schools accountable, especially those in otherwise successful districts. Dr. Watson noted that the lowest performing 5% of Kansas schools exist in only three districts. These districts and schools are not failing and that the State Board's accountability plan is tailored to address those districts and their most challenging schools.

Representative Rooker noted the new three-year improvement plan with State Board intervention to help districts will improve student performance levels, while the series of legislative audits will monitor outcomes and the adequacy of specific parts of the funding formula. Dr. Watson noted that the new accreditation cycle is a five-year one with annual analysis. School districts that are not improving will have visitation and oversight teams to help develop improvement plans and ensure that districts stick to these plans. If districts refuse repeatedly to adopt or follow these plans, the State Board could threaten or revoke their accreditation.

Representative Karleskint asked asked about the importance of comparing student performance to those in other schools with similar risk factors.

Representative Landwehr expressed her concerns with the past failure (and possible future refusal) to strip accreditation from a failing district.

Chairperson Campbell indicated there were several issues that were going to be addressed today.

Chairperson Campbell moved to adopt the balloon amendment limiting the transportation weighting, which included a grandfather provision that sunsets in five years, Representative Trimmer seconded. (Attachment 2)

Discussion ensued. *The motion passed.*

Representative Rooker previously offered to Dana Rooney, Committee Assistant, two documents on evidence-based strategies for improving performance levels. Those documents were forwarded by e-mail to the Committee members and contain links to studies on specific topics the Committee has been discussing. Those documents were also distributed to the Committee today. *(Attachment 3) & (Attachment 4)* Representative Rooker also presented to the Committee a handout on the Kansas At-

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 11:00 am on Monday, May 08, 2017, in room 346-S of the Capitol.

Risk Pupil Assistant Program prepared by the Kansas State Department of Education. (Attachment 5)

Representative Rooker moved to adopt a balloon amendment to credit interest earned on the investment of monies to the at-risk education fund and allow at-risk funds to be used for assistance or programs provided for at-risk students pursuant to policies and procedures adopted by the State Board of Education, seconded by Representative Trimmer. (Attachment 6)

Discussion and comments were made by Representatives Landwehr, Schwab, Trimmer, Vickrey, Jones, Karleskint, and Aurand. These comments focused on the importance of directing at-risk funds to under-performing students and expressed concerns with language used to effectuate this purpose in the amendment.

In response to these comments, Revisor Long suggested changing the "and" to an "or" in the box on page 57 preceding (4) of the balloon amendment.

Representative Schwab called for a point of order.

Representative Rooker and the second, Representative Trimmer, were in agreement to substitute the "and" to an "or" as suggested by Revisor Long.

Representative Rooker closed and moved on her amendment as amended. Motion passed.

Representative Rooker moved to adopt a balloon amendment that would count eligible 4 year old at-risk programs who are enrolled in the current school year. Representative Lusk seconded. (Attachment 7)

Representatives Hoffman, Huebert, Winn, Landwehr, and Aurand, asked questions of Revisor Jason Long and Mr. Dale Dennis, Deputy Commissioner, State Department of Education.

Representative Rooker moved her motion to amend the 4 year old at-risk section. Motion passed.

Chairperson Campbell moved to adopt a balloon amendment reconciling bond and interest state aid amendments and striking language that would have excluded virtual school students from the Assessed Valuation Per Pupil, seconded by Representative Trimmer. (Attachment 8)

Mr. Dennis made comments on this amendment.

During explanation of the amendment by Revisor Jason Long, he stated he neglected to put in page 81, subsection F of the bill that would also strike virtual school student language. Discussion ensued.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 11:00 am on Monday, May 08, 2017, in room 346-S of the Capitol.

Chairperson Campbell closed on his motion. Motion passed.

Representative Landwehr passed out a handout of a Mockup District - State Assessment Performance Report. (Attachment 9)

Representative Landwehr discussed the concept. Questions were asked by Representatives Trimmer and Karleskint. Representative Rooker asked questions of Mr. Dennis, Revisor Long, and Fiscal Analyst Eddie Penner.

Representative Landwehr made a conceptual motion to adopt this mock-up report to the Committee's proposed bill, Representative Jones seconded.

Discussion ensued and with approval of the second, Representative Landwehr withdrew her motion.

Chairperson Campbell thanked those stakeholders who assisted in answering questions from the Committee members.

The next meeting of the K-12 Education Budget Committee will be May 9, 2017 upon first recess or adjournment of the House.

Chairperson Campbell adjourned the meeting at 1:12 p.m.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 10:45 am on Tuesday, May 09, 2017, in room 346-S of the Capitol.

All members were present

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant
Edward Penner, Legislative Research Department
Jason Long, Office of Revisor of Statutes
Nick Myers, Office of Revisor of Statutes
Lauren Mendoza, Legislative Research Department
Tamera Lawrence, Office of Revisor of Statutes
Jeff King, Legal Counsel

Conferees appearing before the Committee:

Scott Frank, Legislative Post Auditor, Legislative Division of Post Audit
Dale Dennis, Deputy Commissioner, State Department of Education

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting at 10:45 a.m. and welcomed everyone. He stated that the meeting was being streamed live and would need to end by 1:30 p.m. today.

Senior Assistant Revisor, Jason Long, gave a recap of the amendments approved yesterday.

Discussion on:

PROPOSED Substitute for HOUSE BILL NO. 2410

Chairperson Campbell recognized Representative Rooker.

Representative Rooker moved to adopt a balloon amendment for a study of statewide virtual school programs administered in other states, seconded by Representative Helgerson. (Attachment 1)

Questions were asked to Representative Rooker by Representatives Landwehr, Lusk, Aurand, and Huebert.

Chairperson Campbell asked a question of Mr. Scott Frank, Post Auditor, Legislative Division of Post

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 10:45 am on Tuesday, May 09, 2017, in room 346-S of the Capitol.

Audit. Others who posed questions and made comments to Mr. Frank and Representative Rooker were Representatives Landwehr, Aurand, and Trimmer.

Representative Rooker closed on her motion. *Motion passed.*

Chairperson Campbell recognized Representative Schwab.

Representative Schwab moved to adopt a balloon amendment that upon the request of a parent or legal guardian of a student who has been diagnosed with an autism spectrum disorder, would require a school district to provide applied behavior analysis therapy, seconded by Representative Vickrey. (Attachment 2)

Questions and comments were asked and made by Representatives Lusk, Trimmer, Karleskint, and Rooker. Mr. Dale Dennis, Deputy Commissioner, State Department of Education answered a question on cost, and Mr. Eddie Penner, Fiscal Analyst, Legislative Research Department will look into the matter.

Representative Schwab closed on his motion. *Motion passed.*

Chairperson Campbell recognized Representative Aurand.

Representative Aurand distributed a handout of Justice Biles' discussion of targeted at-risk funding. (Attachment 3)

Jason Long, Senior Assistant Revisor, explained Representative Aurand's amendment and answered questions from Representatives Landwehr, Winn, and Karleskint. Chairperson Campbell asked Mr. King, Legal Counsel, to make comments on at-risk funding. Mr. King commented that the Court had emphasized the need to target funding in the manner that would best help under-performing students meet the *Rose* standards. Representative Rooker asked him about the ability to target these funds through increases in at-risk weighting and linking this funding to guidance and assessments provided by the State Board. Mr. King responded that he believed the Kansas Supreme Court would look favorably on both of these approaches based on its recent *Gannon* opinion.

Representative Aurand moved to adopt a balloon amendment targeting Local Foundation Budget funds for at-risk and bilingual education programs, seconded by Representative Schwab. (Attachment 4)

Questions were asked by Representative Sawyer and answered by Representative Aurand and Mr. King.

The Committee recessed for lunch.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 10:45 am on Tuesday, May 09, 2017, in room 346-S of the Capitol.

Chairperson Campbell brought the meeting back to order.

Returning to discussion on Representative Aurand's balloon amendment, questions were asked by Representatives Trimmer, Rooker, Karleskint, Lusk and Sawyer concerning the impact that this amendment could have on districts with a high percentage of at-risk students. These questions addressed their concerns that the amendment, by more severely limiting flexibility for LOB spending in high at-risk districts would run afoul of constitutional equity requirements and would leave those districts with insufficient funds to pay for their non-at-risk operations. Representatives Schwab, Vickrey, Landwehr, and Smith spoke on the importance of targeting funds to under-performing students and accounting for all dollars spent specifically to help those students. They also asked question about the legal importance of targeting these funds, even if doing so ran contrary to local control of LOB dollars. Assisting Representative Aurand in answering questions were Mr. Dennis, Mr. Penner, and Mr. King.

Representative Aurand closed on his motion. A voice vote was taken, division was called by show of hands. Motion passed 9 - 8, with Chairperson voting yes to break a tie.

Chairperson Campbell recognized Representative Aurand. Representative Aurand asked Revisor Long to explain the balloon amendment. (Attachment 5)

Representative Aurand moved to adopt the balloon amendment concerning low enrollment and high enrollment weightings, seconded by Representative Hoffman.

Representative Aurand closed on his motion. Motion passed.

Chairperson Campbell recognized Representative Aurand.

Representative Aurand proposed a conceptual amendment concerning the tax credit for low-income students scholarship program. Revisor Long, explained the proposed amendment and questions and comments were asked and made by Representative Rooker and Chairperson Campbell. Representative Aurand withdrew his conceptual amendment. Revisor Long will prepare a balloon amendment for a later meeting.

Chairperson Campbell recognized Representative Karleskint.

Representative Karleskint moved to adopt a balloon amendment that would refine the definition of "public school" for the purpose of the tax credit for low-income student scholarship program, seconded by Representative Rooker. (Attachment 6)

The amendment was explained by Revisor Long, and questions from Representatives Huebert, Aurand,

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 10:45 am on Tuesday, May 09, 2017, in room 346-S of the Capitol.

Landwehr, Trimmer, and Jones were answered by Revisor Long, Mr. Dennis, and Representative Karleskint.

Representative Karleskint closed on his motion. *The motion passed.*

Chairperson Campbell recognized Representative Rooker.

Representative Rooker moved to adopt a balloon amendment concerning pilot programs for Communities in Schools, seconded by Representative Karleskint. (Attachment 7)

Revisor Long explained the amendment. Representative Landwehr asked questions that were answered by Representative Rooker, Revisor Long, and Mr. Dennis.

Chairperson Campbell adjourned the meeting at 1:39 p.m. without resolving the motion.

The next meeting of the House K-12 Education Budget Committee will be Wednesday, May 10, 2017, upon the first recess or adjournment of the House.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

From: [Lauren Mendoza](#)
To: [Clay Aurand](#); caurand109@yahoo.com
Subject: Biles discussion of targeted at-risk funding
Date: Monday, May 08, 2017 10:12:06 AM

Representative Aurand,

The archived video can be accessed at: https://www.youtube.com/embed/FzX5-8_2kU8?autoplay=1&rel=0

At around the 1:05 mark, Justice Biles begins a dialogue with the plaintiff's attorney about the remedy targeting the 1/3 of students who are underperforming, rather than simply increasing the base as the Plaintiffs and the district court recommend. At 1:08 he begins to ask a question, stating: "[Y]ou may not like what you're asking for. . . . [w]e can't have a solution 1) that gives local districts too much discretion with any new money because we have to target the remedy. We have to make sure the remedy is aimed at the cancer, if you will. And 2) It doesn't seem to me like the Legis... It seems like the Legislature would be within its prerogative to cannibalize money that's going toward the 2/3 of the kids who are already flourishing in order to fund the remedy for the lower levels, because in the end the system just has to be able to be reasonably calculated to meet these, for everybody, to meet these low [standards]. So for example, you could take the money away from the gifted program, if you could do that politically. So, so how do you respond to that. It really seems like there are a lot of problems with us trying to target too deeply what's going on, but it seems like there's a lot of problems for your clients, too."

The plaintiff's attorney responds saying the school districts have a constitutional obligation to educate all their students. He argues *USD 229* and *Gannon* state that funding can be so low that it becomes unconstitutional, and the legislative response must provide additional funding. He continues that the school districts know how to spend the money and would say all of the cannibalizing of funds that can be done has been done.

For more context for this discussion, the plaintiff's arguments begin at 52:46.

I hope that's helpful, however, please feel free to contact me with any additional questions.

Sincerely,

Lauren Mendoza, Principal Research Analyst
Education, Judiciary, Corrections and Juvenile Matters
Kansas Legislative Research Department - www.kslegresearch.org
Room 68-W State Capitol Building
300 SW 10th Avenue
Topeka, Kansas 66612-1504
Phone: (785) 296-3181
Fax: (785) 296-3824
E-Mail: Lauren.Mendoza@klrd.ks.gov

Please note my name and email address have changed. You can reach me at Lauren.Mendoza@kird.ks.gov. My other contact information remains the same.