

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on February 10, 2011, in Room 152-S of the Capitol.

All members were present except:
Senator Tim Owens - excused

Committee staff present:
Sharon Wenger, Kansas Legislative Research Department
Laura Younker, Kansas Legislative Research Department
Jason Long, Office of the Revisor of Statutes
Eunice Peters, Office of the Revisor of Statutes
Dorothy Gerhardt, Committee Assistant

Conferees appearing before the Committee:
Senator John Vratil
Mark Tallman, KASB
Tom Trigg, Superintendent, USD #229 (written only)
Mary Sinclair, Shawnee Mission Area Council PTA
Gary George, USD #233
Gene Johnson, USD #512 (written only)
Diane Gjerstad, USD #259
Bill Reardon, USD #500

Others attending:
See attached list.

Hearing on **SB 19 - School districts; finance; KPERS weighting**

Jason Long, Office of the Revisor of Statutes, appeared before the committee with a summary of the provisions in the proposed legislation. **SB 19** adds a weighting to the school finance formula for the contributions to KPERS made by each school district. He stated that to fully enforce the intent of the bill a new Section 1 needs to be amended into the bill (Attachment 1).

SB 19 allows school districts to utilize the KPERS School employer contribution made by the state on behalf of school districts to be used in computing the local option budget. In addition, the bill would make technical changes to the statutes defining the counting of pupils.

According to the fiscal note developed, the technical changes to the statutes defining the counting of pupils would have no fiscal effect. However, enactment of the KPERS School provision would have the effect of increasing the local option budget (LOB), as the KPERS School employer contribution would be added to the base on which the LOB is calculated. The Kansas Department of Education estimates that approximately two-thirds of the amount available for school districts to calculate the LOB would be utilized, which would increase supplemental general state aid by approximately \$21,600,000 from the State General Fund in FY 2012.

Senator John Vratil appeared in support of **SB 19** (Attachment 2). He reiterated the fact that this bill would ensure that the KPERS payment is processed through each school district's general fund which would then increase, by some amount, a school district's local option budget. He also stated this bill received the support of the 2010 Legislative Educational Planning Committee as well as being consistent with the Governor's position that KPERS payments on behalf K-12 school employees should be considered as part of the expenditures of the school district. Following committee questions, he stated he had a hand-out which showed the impact of this change which he would make available to committee members (Attachment 3).

Mark Tallman, KASB, appeared before the committee with conditional support of the measure (Attachment 4). He stated the primary effect would be to expand the school district's general fund budget on which the local option budget is calculated. This would allow school districts to adopt a larger LOB without having to increase the percentage of LOB. He stated that last fall the KASB Board of Directors authorized a special committee to study the funding of public education in the state. A compromise

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position accepted by consensus of this committee was to support an increase in LOB authority if accompanied by an increase in LOB state aid that increases the equalization rate and does not require additional voter approval. They, therefore, can support **SB 19** if coupled with higher LOB state aid funding.

Tom Trigg, Superintendent of Blue Valley USD #229, provided written testimony for the committee in support of **SB 19** (Attachment 5). He stated that in looking for partial solutions to the state's school finance crisis, their district is looking for solutions that are simple to understand, easy to implement, and defensible in their concept. They feel this legislation meets those points.

Others testifying in support of **SB 19** included Mary F. Sinclair, PhD, Legislative Chair Person, Shawnee Mission Area Council PTA (Attachment 6); Gary George, Assistant Superintendent USD #233, Olathe (Attachment 7); and Diane Gjersted, USD #259, Wichita (Attachment 8). Gene Johnson, USD #512, provided written testimony in support (Attachment 9).

Bill Reardon, USD #500, Kansas City, Kansas, provided testimony in opposition to **SB 19** (Attachment 10). He stated that **SB 19** is a back door attempt to increase the percentage of local funding for the financing of public schools in Kansas. He also stated this legislation will allow high wealth districts to dramatically increase their school budgets with relatively low mill levy increases while the cost to taxpayers in low wealth districts will be prohibitively high.

The next meeting is scheduled for February 11, 2011.

The meeting was adjourned at 2:30 p.m.