

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 1:30 P.M. on March 25, 2008 in Room 514-S of the Capitol.

All members were present except:
Lana Gordon- excused

Committee staff present:
Matthew Todd, Revisor of Statutes
Audrey Dunkel, Kansas Legislative Research
Leah Robinson, Kansas Legislative Research
Dee Heideman, Committee Assistant

Conferees appearing before the committee:
John Vratil, Kansas Senator, 11th District
Mark Tallman, Assistant Executive Director, Kansas Association of School Boards
Diane Duffy, VP Finance, Kansas Board of Regents
Jerry Farley, President, Washburn University
J Michael Lamb, VP for Planned Giving and Development Services, Wichita State University
Foundation

Others attending:
See attached list.

SB 425 - Direct investments by school districts

Matthew Todd presented an overview of **SB 425**. (Attachment #1)

John Vratil is a proponent of this bill because it treats Kansas school districts in the same way that cities and counties are treated and it strengthens the ability of Kansas school districts to make the best use of the resources available to them. (Attachment #2)

In support of this bill, Mark Tallman states **SB 425** simply amends the statute to give school districts the same latitude to invest idle funds as governmental entities. He feels this is also a better investment of idle funds. (Attachment #3)

The chairman closed the hearing on **SB 425**.

SB 403 - Partnership for faculty of distinction program; state income earnings equivalent cap, removed

Matthew Todd briefly explained **SB 403**. (Attachment #4)

On behalf of the Board of Regents, Diane Duffy testified in support of **SB 403**. Under this program, a private donor's gift to an institution's endowment association that meets certain statutory qualifications will be matched by the State in the amount of income earnings the donation would have generated if deposited with the State. This bill recommends the earnings cap be raised to \$10 million. (Attachment #5)

Jerry Farley urged passage of this bill because it would raise the limit of the state's earnings equivalent from the current \$5 million to the requested \$10 million. He feels this increase will enable postsecondary educational institutions to continue to use the leverage of the state matching endowment earnings in soliciting endowment gifts in keeping with the statutory dollar magnitude and program limitations. (Attachment #6)

Testifying in support of **SB 403**, J. Michael Lamb stated he appreciated the partnership between the public and private sectors, and the opportunity to advance higher education in our state. He stated the Faculty of Distinction program has been an extraordinarily positive program to leverage private dollars for the purpose of attracting and retaining faculty. (Attachment #7)

The following written only testimony was submitted:

CONTINUATION SHEET

MINUTES OF THE House Education Budget Committee at 1:30 P.M. on March 25, 2008 in Room 514-S of the Capitol.

Sheila Frahm, Executive Director, Kansas Association Community College Trustees. (Attachment #8)

The hearing on **SB 403** was closed by Chairman McLeland.

Presentations were given by:

Scott Frank, Audit Manager, Legislative Division of Post Audit, K-12 Education: Reviewing Issues Related to Special Education Funding. He distributed a Performance Audit Report which can be obtained in the Legislative Post Audit office. A "Summary of Findings" was passed out to the committee. (Attachment #9)

An overview of the Kan-ed network update was presented by Brad Williams, Chief Information Officer, Kansas Board of Regents. No testimony was distributed.

Scott Schneider, Director of Governmental Affairs, Cox Communications, spoke on Kan-ed draft legislation. (Attachment #10)

The Education Budget Committee was adjourned by Chairman McLeland at 3:05 PM.