

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:40 p.m. on February 15, 2006, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Deb Hollon, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator John Vratil
Pattie Wolters, President, USD 150 Board of Education
Chip Gramke, Wichita Board of Education
Bill Reardon, USD 500 Kansas City, Kansas, Public Schools
Mark Desetti, Kansas National Education Association
(KNEA)
Mark Tallman, Kansas Association of School
Boards (KASB)
Gerry Henderson, United School Administrators

SB 509—School finance; distribution of monies for at-risk education programs

Theresa Kiernan, Revisor of Statues Office, noted that **SB 509** was introduced by the Committee at the request of Senator Vratil. She explained that the bill made several amendments to the school finance law relating to at-risk pupils. The first change was on page 5, Section 3, wherein the definition of an at-risk pupil was changed. She explained that the current definition referred to pupils who are eligible for free meals under the National School Lunch Act and who are enrolled in a school district which maintains an approved at-risk pupil assistance plan. The new definition would be “a pupil who scores below proficient on the mathematics and reading state assessments and who is enrolled in a district which maintains an approved at-risk assistance plan.” The second major amendment, which was in Section 1, concerned the distribution formula for the funds. The bill eliminated the at-risk weighting and provided that the money would be distributed subject to appropriations to the districts based upon the FTE enrollment of at-risk students in each district. To conform to the amendment for the elimination of at-risk weighting, an amendment to the special education formula was in Section 2, page 2, wherein the current subtraction for “at-risk pupil weighting was changed to reduce the “at-risk funding” that each district receives. The definition section of the bill in Section 3 amended the definition of “at-risk pupil.” The definition of “adjusted enrollment” was amended on page 6 to delete at-risk weighting and the definition of at-risk weighting. In the definition section on page 8, “at-risk fund” was deleted from the definition of “Program weighted fund.” Section 5 amended K.S.A. 72-6414a. The money in the at-risk fund is to be used solely for the purpose of funding at-risk programs for at-risk pupils who meet the definition of those students who do not meet proficiency on the math and reading assessments. A provision was added that districts may still provide at-risk programs for those pupils who do not meet the new definition; however, the cost of providing services to those pupils must be paid from a source other than the at-risk fund. Sections 6 and 7 included clean-up amendments.

Senator John Vratil testified in support of **SB 509**. He informed the Committee that, with the help of the State Department of Education, he had been conducting an analysis of the at-risk funding system for at-risk students, and he distributed copies of a spreadsheet showing the results that analysis. (Attachment 1) He pointed out that the school districts were listed from small to large in terms of full-time equivalent enrollment (FTE). The number of students entitled to free meals was shown in the second column, followed by a column showing the percent of students in each school district that are entitled to free meals. A column entitled “2005-06 Total At-Risk Students” showed the number of students for which the school district is actually providing at-risk services. He noted, “You’ll see the first school district there, Decatur (Pawnee Heights), gets funding for five students and provides services to zero students. The last column is the percentage difference, and for Pawnee Heights, that’s 100 percent because they don’t provide services to any of the students, and they get funding for five.”

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He went on to say that the last page of the handout showed that, for the 2005-06 school year, there were 135,000 students who qualified for free lunches, and there were over 200,000 students who were receiving at-risk services. He commented, "If there was ever a correlation between free lunch students and at-risk students, that correlation doesn't exist any longer. We are providing funding for only about two-thirds of the students who are actually receiving at-risk services, and that's not a strong correlation at all. So it occurred to me that we might want to try to develop a system that would result in a closer correlation between the students that we provide funding for and the students who receive the services. This is not a new concept, but one I think is worth revisiting. Just to give you a little idea of the variance, there are only 50 school districts in the state that are within plus or minus 10 percent of the medium. When I talk about percentages, I'm talking about percentages in the far right hand column. There are only 79 school districts in the state out of 300 that are within a plus or minus 20 percent variance. So what that tells me is, we're not doing a very good job of providing at-risk money for the students who are actually in need of at-risk services and are receiving those services. In fact, I'd say we're doing a pretty poor job of it. To be a little more specific, if you look down that far right hand column, you'll see some rather startling figures. What I call positive variance, that is, those school districts that are actually making money off of our at-risk system, and those are the percentages in red, because they are receiving money for more students than they are providing services to. That ranges from zero percent to 85.9 percent. There's one school district that receives almost twice as much money for at-risk students as the number of students it's actually serving. If you look at the negative variance, it's even more dramatic. It ranges from zero to 851.2 percent. So one school district is actually providing at-risk services nine times the number of students it receives funding for. There are a lot of school districts on this list that are providing at-risk services to three and four times the number of students that they are actually receiving funding for. And that's a pretty poor job on the part of the Legislature. So I started thinking about different ways to do a better job, of actually getting the at-risk money to those school districts who have the greatest need and for those students who are actually at risk, and I thought a pretty good measure of that is what we've called the achievement gap. We've focused a lot on closing the achievement gap, and the Kansas Supreme Court has commented on the need to close the achievement gap. Well, the achievement gap is defined by those students who are proficient in reading and math and those students who are not proficient in reading and math. That's the measuring stick we use. So it occurred to me that maybe we would want to redefine an at-risk student, and the definition that I picked, but there's no magic to it, is an at-risk student should be defined as a student who is not proficient in reading and math. Any student who is not proficient in reading in math, their grade level is truly at risk. So that's the definition that is included in **SB 509**. Another way to look at this is, if we were to redefine an at-risk student that way, we could actually use at-risk funds to help us achieve the requirements of No Child Left Behind." As a point of interest, Senator Vratil distributed a spreadsheet page to each Committee member concerning their particular school district.

Senator Vratil commented further, "The bill is several pages long, but it's really pretty simple because it contains mostly current statutory language. If you agree with me that this information identifies a problem, and I think it does factually anyway, then there has to be a way to correct that problem. On page 5 of the bill, in lines 29 through 31, an at-risk pupil is redefined to mean a pupil who scores below proficient on mathematics and reading state assessments and who is enrolled in a district which maintains an approved at-risk pupil assistance plan. That's the new definition of at risk. On page one of the bill, in lines 15 through 17, that's the real operative statement when it says "within the limits of appropriations" because everything is subject to appropriation. The State Board will distribute monies for at-risk education programs based on the full-time equivalent enrollment of at-risk pupils in each district. So this will do away with the weighting factor for at-risk. The Legislature would annually decide how much money we want to appropriate for at-risk programs, and that total appropriation would be divided by the total number of full-time at-risk students in our schools, and then the money will be distributed on that basis. It's a very simple approach to at-risk funding, an approach that I think all of us can understand very easily. What it results in is using the same formula to distribute money as the formula that we use to determine the students who shall receive at-risk services. Right now, we're using one formula to distribute money and a completely different formula to determine which students receive services, and the two don't correlate at all. But I didn't want to unduly restrict school districts either. So if you look at page 9 of the bill, lines 7 through 12, you'll see a provision there that says, in effect, school districts can provide at-risk services to any students they want to, whether they meet the definition of at-risk or not. But if they provide at-risk services to students who are not defined as at-risk, they have to take that money from the general fund. They can only use at-risk money to provide services to at-risk students. Those are the main elements of the bill."

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In response to a question regarding the identification of the number of students who are at or below proficiency in math and reading, Senator Vratil explained, “That’s a question I asked too, and I was told that it would be very difficult and time consuming to provide that information so I have not pushed the Department to provide that information until I see how this committee reacts to the proposal. Obviously, if this committee has a favorable reaction to the proposal, we’re going to need to find out how many students there are in the State of Kansas who are performing below proficient on both reading and math. That can be done. We have the data. It’s objective data; it’s not subject to anybody’s subjective interpretation. I would not ask the Department to extrapolate. I want absolute, accurate figures so I would only look at the at-risk students in the grades where they are tested, and then the Legislature can decide how much money it wants to provide, presumably enough to cover all twelve grades plus kindergarten.”

Pattie Wolters, President, USD 105 Board of Education, testified in opposition to the changes for at-risk funding in **SB 509**. She pointed out that at-risk services are needed before a student fails, at-risk students that are succeeding continue to need services, at-risk weighting provides a safety net of services available to help students and provides continuation of the services, and successful test scores do not mean services are not needed. In conclusion, she noted that, if USD 105 lost at-risk funds, it could no longer afford to maintain its teacher and para professionals dedicated to providing at-risk services. ([Attachment 2](#))

Chip Gramke, Wichita Board of Education, testified in opposition to **SB 509**. He explained that he represented District 4 in southwest Wichita, which has a 75 to 80 percent poverty rate, and a very large percent of the students do not speak English. He pointed out that the students have inherent circumstances that other students do not face, such as their family structure and health services. Many of the students do not know from one day to the next where they will be living so they do not have much security. He observed, “It would be nice to target all students that fail the assessments, but I’d rather we focus on funding the ones that we’ve defined as at-risk now. I’m afraid that we might dilute the funding if we increase the definition. There’s just a big difference in the means that children that live in poverty have and those that don’t.”

Bill Reardon, Kansas City, Kansas Public Schools (USD 500), testified in opposition to **SB 509**. At the outset, he called attention to a copy of USD 500's legislative priorities which was attached to his written testimony. He went on to say that, in his opinion, eliminating the free lunch criteria entirely would be counterintuitive to the data in the Augenblick & Myers study and in the Legislative Post Audit report regarding the nexus between poverty and the need for at-risk services. He noted that a study by the Kansas Legislative Research Department showed that there had been a pattern in many states to transition to funding methods similar to those in the bill, but most of those states had returned to a family income criteria. The Research Department further reported that, in every state, over identification had either diluted the funding or dramatically increased the aggregate costs of the at-risk programs. ([Attachment 3](#))

Mark Desetti, representing KNEA and the School Finance Coalition, testified in opposition to **SB 509** in its current form. He contended that the change in the definition of an at-risk student would greatly increase the number of students determined to be at risk. He pointed out that the establishment of a categorical fund would establish a finite amount of funds for at-risk students each year. The group he represented believes that districts must be assured that, as at-risk students are identified, there will be a flow of resources to meet student needs. In conclusion, he argued that it made no sense to change the law to make more students eligible and then place an artificial cap on the amount of dollars available. ([Attachment 4](#))

Mark Tallman, KASB, testified in opposition to **SB 509**. He stated that both KASB and KNEA supported what could be called “poverty plus” which he defined as continued funding based on the number of students eligible for free lunch and the use of additional criteria to identify other students who need special academic support. He noted that national and local tests have indicated that lower income students are more likely to fail to meet proficiency standards; however, not all low income students are actually at risk of failing to meet standards. Although he supported broadening the criteria for determining at-risk funding to include other factors such as failure to meet proficiency standards, he cautioned, if a district receives funding based on the number of students scoring below proficient and uses the funding to help students reach the standards, they would lose funding the next year because fewer students would be below proficient. Without ongoing support, many students from disadvantaged backgrounds may fall behind. ([Attachment 5](#))

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Gerry Henderson, United School Administrators of Kansas, called the Committee's attention to his written testimony in opposition to **SB 509**, noting that his objections to the bill were similar to those expressed by other conferees. (Attachment 6)

Senator Vratil responded to the testimony in opposition to **SB 509** as follows: "First of all, there is no intention behind this bill of reducing funding for at-risk students. As the members of this committee know, I have been a strong promoter for increasing at-risk funding for as long as I can remember. Secondly, there is no possibility of over identification under this bill because one of the positives is, we know exactly how many students there are in this state who are achieving below proficiency in reading and math, and you cannot possibly over identify under this bill. And the third thing is, if Mr. Tallman thinks that 67.5 percent is a strong correlation, he needs to consult with the statistician." Senator Vratil then responded to questions from the Committee concerning the identification of at-risk students and the proposed distribution of at-risk funds.

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

The next meeting is scheduled for February 16, 2006.