

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on March 2, 2006, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Carolyn Rampey, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Val DeFever, Schools for Quality Education

Senator Schodorf explained that the Committee would be reviewing current school finance plans. She noted that the Senate Education Plan was recommended favorably for introduction earlier in the day in the Senate Ways and Means Committee. She announced that hearings on the Senate Education Plan would be held in the Senate Education Committee on March 6 and 7, and Senator Morris, Senate President, would describe how the plan was put together at that time. She explained that a bipartisan group, which included herself, Senator Lee, Senator Vratil, Senator Derek Schmidt, and Senator Hensley, worked together to formulate the plan and that it would be up to the Senate Education Committee to come up with the best plan for schools. She then called upon Theresa Kiernan, Revisor of Statutes Office, to review the Senate Education Plan, currently known as **5rs 2248** because it had not yet been introduced in the Senate and assigned a bill number.

Ms. Kiernan informed the Committee that **5rs 2248** had not been drafted in its final form. As she began her review, she called attention to the Department of Education's explanation of the Senate Education Plan (Attachment 1). As she discussed the provisions in **5rs 2248**, she referred to a handout which compared current law with the 2006 school finance bills – **5rs 2248**, **SB 501** (introduced at the request of Senator Barnett), and **HB 2986** (by Select Committee on School Finance). (Attachment 2) Upon completion of the review of **5rs 2248**, she discussed the provisions in **SB 501** and **HB 2986** as shown in the handout and responded to questions from the Committee.

Val DeFever, Schools for Quality Education, presented a school finance funding plan for 2006-2007 developed on behalf of small schools. She discussed suggested increases for per student funding, at-risk funding, special education funding, bilingual education, and all-day kindergarten. (Attachment 3) She explained that the plan was recently developed at a meeting of the members of Schools for Quality Education and the Kansas Education Coalition. The groups did not vote on the plan but came to a consensus. She commented, "As every other plan, it's great for some districts, but not so great for others."

Senator Schodorf distributed copies of a school finance plan she developed at the beginning of legislative discussions on school finance. (Attachment 4) She noted that her plan needed a little tweaking, but it was another variable to consider. She commented, "I just thought I would throw this out to you. It's not for consideration. This is just another combination. I felt strongly about all-day kindergarten, and originally we had talked about high school reform. Probably it's a little much, but that would be in the form of grants to help increase achievement in high schools and decrease the gap."

Committee discussion followed regarding the funding for the proposed plans. Senator Schodorf stated, "We have enough money to pay for year one. And for year two, it would be tight, but there would be enough money in the general fund. It's year three that is the problem. We had the same problem last year, and that's why we backed off to a one-year plan. That was part of the reason. And then the economy improved. But there are no increase in taxes proposed in this plan, and that's as far as we've gotten." Senator Lee added, "We are all hoping for a miracle in terms of revenue growth. We've seen dramatic growth in the last year. That's part of the debate that will go on the rest of this year – how are we going to fund this. But the reason that I believe both the House and the Senate are looking at three-year plans is none of us believe that we can afford to do a four or five hundred million dollar plan in one year, and we are hoping that, with the bipartisan plan and support from the Governor, perhaps we can convince the Court to at least look at a multi-year plan and figure out a way to make that work over those years." Senator Ostmeyer commented, "I guess that was a concern I had. To me, it's disingenuous to have a superintendent plan that he's got a three-year plan, but

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we're really only funding maybe two years, and it's going to depend on the economy to fund the third one." Senator Lee responded, "That's the way we always have done it." Senator Vratil commented, "We need to be honest with our constituents. This is a three-year plan, but there is no guarantee that we will do years two and three. We can change this plan next year or at any time we choose. So even though it is a three-year plan, let there be no mistake, we can change it whenever we want to." Senator Schodorf added, "It's ironic. Last year when we were talking about a three-year plan, the argument was the same about year three – will it go in the red. If we had passed that three-year plan last year, our projections for this year and the next two years would require no tax increase. We could not predict that third year, and the economy improved a lot. We cannot predict the third year now. Right now, the projections are poor for the third year. So I understand what Senator Ostmeyer is saying because it's the responsible thing to ask about that – how to pay for it."

Senator Pine asked if there was data available on projected increases in state revenues. Senator Vratil noted that he had a copy of the projected budget outlook for FY 2005-FY 2009, which was prepared by the Kansas Legislative Research Department. He noted that the figures included \$75.0 million in unanticipated revenues between July 1 and November of 2005, \$125.0 million new money for K-12 schools in FY 2007, \$150.0 million in FY 2008, and \$150.0 million in FY 2009. He commented, "Keep in mind that the Senate Leadership Plan was \$200.0 million, but, when you subtract the \$75.0 million that's already in the Governor's budget, that gets you down to less than \$125.0 million. These budget projections show us finishing the 2007 fiscal year with an ending balance of 7.7 percent or \$420.0 million, which is healthy, but it shows us spending down those reserves to \$25.9 million in 2008 for a one-half percent ending balance. And in 2009, as the Chairman indicated, when the whole system crashes, it shows us going \$450.0 million in the red in the '09 fiscal year, which is a negative 7.4 percent ending balance." As requested by Committee members, copies of the projected budget outlook were distributed. (Attachment 5)

Senator Schodorf called attention to written testimony prepared by Kelli Allen and Karla Trotnic on behalf of SkillsUSA concerning support for technical education in Kansas. (Attachment 6) She explained that the students were from Labette, and they had testified in the subcommittee for the education budget on March 1 but were unable to testify in the Senate Education Committee because there was no meeting that day.

The meeting was adjourned at 2:20 p.m.

The next meeting is scheduled for March 6, 2006.