

Approved: 1/26/94  
Date

## MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by Chairperson Dave Kerr at 1:30 p.m. on January 25, 1994 in Room 123-S of the Capitol.

All members were present.

Committee staff present: Ben Barrett, Legislative Research Department  
Carolyn Rampey, Legislative Research Department  
Avis Swartzman, Revisor of Statutes  
LaVonne Mumert, Committee Secretary

Conferees appearing before the committee:

Craig Grant, Kansas National Education Association  
Mark Tallman, Kansas Association of School Boards, USD 229, USD 259,  
USD 501, School for Quality Education and United School Administrators  
Jim Yonally, Shawnee Mission Schools, Shawnee Mission National Education  
Association

Others attending: See attached list

Senator Walker made a motion that the minutes of the January 20 and 24 , 1994 meetings be approved. Senator Downey seconded the motion, and the motion carried.

A bill request was presented to the Committee. The proposed legislation would disallow the counting of students who are residents of other states for purposes of base state aid per pupil reimbursement. Senator Langworthy made a motion that the Committee introduce such a bill. Senator Oleen seconded the motion, and the motion carried.

### SB 559 - School district finance, local option budget, state prescribed percentage

Staff explained that SB 559 was recommended by the Kansas Committee on School District Finance and Quality Performance and would eliminate the provision in current law that states if the base state aid per pupil increases, the cap amount of the local option budget (LOB) drops by a percentage point for each percentage point increase in the base state aid per pupil. Examples illustrating the effect of increasing the base state aid per pupil in a district using a 25 percent LOB and a district using a 22 percent LOB were provided (Attachment No. 1).

Craig Grant, Kansas National Education Association, testified in support of SB 559 (Attachment No. 2). He said that his organization supported the provision to lower the LOB cap when it was included in the new school finance law and still maintains that the base budget should be increased enough to eliminate the LOB; however, Mr. Grant stated that reality of the base remaining at \$3,600 for two years necessitates that they support SB 559.

Mark Tallman, Kansas Association of School Boards, testified in support of SB 559 and advised that he was also representing: USD 229 - Blue Valley, USD 259 - Wichita, USD 501 - Topeka, Schools for Quality Education and United School Administrators (Attachment No. 3).

Jim Yonally, Shawnee Mission Schools, spoke in favor of the bill and said he was also appearing on behalf of the Shawnee Mission National Education Association.

During Committee discussion of the bill, comments were made about the differences in school districts and their ability to pass a LOB election and the pressures of fixed costs. It was estimated that about four or five districts would be affected by the proposed legislation during the next year, providing there is an increase in

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION, Room 123-S Statehouse, at 1:30 p.m. on January 25, 1994.

the base budget. There was also discussion about the original intent of the provision to reduce the LOB cap as the base rises. The purpose was to reduce the spread between high and low spending districts. No motion was made on the bill.

The Committee was provided with an article describing a recent U. S. Supreme Court decision with regard to special education (Attachment No. 4).

The meeting adjourned at 2:22 p.m. The next meeting is scheduled for January 26, 1994.

SENATE EDUCATION COMMITTEE

TIME: 1:30 PLACE: 123-S DATE: 1/25/94

GUEST LIST

NAME

ADDRESS

ORGANIZATION

Chris Burnett	Topeka	<del>USD</del> USD 501#
Tim Yonally	Overland Park	USD #512
Robert Clements	Wichita	Wichita Public Schools
Kathy Sexton	Topeka	DOB
Nerise Axt	"	KCK Schools
Mark E. Tallman	Topeka	KASB
Helen Stephens		BV USD 229
Connie Huesel	Topeka	SLB of 22
Fing Allen	Topeka	KFLC
Sam Eahr	Topeka	4th Earl Hunt USATs
Sena McFarland	Overland Park	O.P. Chamber of Commerce
Jennifer Lattell	KU	Intern-Senator Jones
B. J. M. A.	KU	INTERN-SEN. KERR
Jon McClenahan	Bendeme	Doniphan Co. Schools
Jim Ludwig	Topeka	WESTERN RESOURCES
Jim Edwards	Topeka	KCCI
Patrick Hurley	Topeka	ARO
Craig Grant	Topeka	KNEA

## ILLUSTRATION

### RE: S.B. 559 -- Recommended by the Kansas Committee on School District Finance and Quality Performance

**District A** uses the full amount of the Local Option Budget authority available to it -- 25 percent of State Financial Aid.

- The district's State Financial Aid is \$3,600,000, the equivalent of 1,000 pupils at \$3,600 per pupil.
- The district's Local Option Budget is \$900,000, or 25 percent of State Financial Aid.
- The total of the district's base budget (State Financial Aid) and Local Option Budget is \$4,500,000.

The next year, the Legislature decides to increase Base State Aid Per Pupil by 3 percent -- to \$3,708. This means that the maximum Local Option Budget spending authority is reduced by 3 percentage points -- to 22 percent. In order to keep things simple, let us assume that **District A** has a constant enrollment, no increase or decrease. What happens to **District A** under this scenario is as follows:

- The district's State Financial Aid is \$3,708,000, the equivalent of 1,000 pupils at \$3,708 (a 3 percent or \$108,000 increase).
- The district's Local Option Budget is \$815,760, or 22 percent of State Financial Aid (an \$84,240 decrease from the preceding year).
- The total of the district's base budget (State Financial Aid) and Local Option Budget is \$4,523,760, an increase over the prior year of just \$23,760 or 0.53 percent.

The bottom line is that the **District A** increase in spending authority is the amount produced by applying the new Local Option Budget percentage limitation (22 percent) to the increased amount State Financial Aid due to the 3 percent increase in Base State Aid Per Pupil (from \$3,600 to \$3,708). \$108,000 times 22 percent equals \$23,760.

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**District B** uses only 22 percent of the Local Option Budget authority available to it -- 22 percent of State Financial Aid.

- The district's State Financial Aid is \$3,600,000, the equivalent of 1,000 pupils at \$3,600 per pupil, the same as **District A**.
- The district's Local Option Budget is \$792,000, or 22 percent of its State Financial Aid.
- The total of the district's base budget (State Financial Aid) and Local Option Budget is \$4,392,000.

Using the 3 percent growth assumption in State Financial Aid for the next year, **District B** again uses Local Option Budget spending authority of 22 percent, the same as in the preceding year which now is the new maximum amount. The following is what happens to **District B**:

- The district's State Financial Aid is \$3,708,000, the equivalent of 1,000 pupils at \$3,708 (a 3 percent or \$108,000 increase).
- The district's Local Option Budget is \$815,760, or 22 percent of State Financial Aid (a \$23,760 increase over the preceding year).
- The total of the district's base budget (State Financial Aid) and Local Option Budget is \$4,523,760 -- at this point, the budgets for **District B** and **District A** are the same -- but **District B** gets an increase over the prior year of \$131,760 (3 percent) as compared to \$23,760 (0.53 percent) for District A.

In other words, **District B** receives the full benefit of the 3 percent Base State Aid Per Pupil increase while **District A** nets only the equivalent of the new (reduced) Local Option Budget percentage rate on the increased base amount.



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony Before  
Senate Education Committee  
Tuesday, January 25, 1994

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas NEA. I appreciate this opportunity to visit with the committee in support of SB 559.

Kansas NEA supports the lowering of reliance on local option budgets. We do believe all children should have access to more funds to provide better educational opportunities. We supported the phrase which would reduce the 25% when the base was increased in the original bill. The reality, however, when we have been frozen at the \$3600 for two years, is that those capped out at 25% will receive no relief if the base budget is increased. Those districts need assistance also.

We talked about the possibility of having the local option budget reduced by 1/3 the increase of the base. For example, if the base were raised 3%, the LOB would be reduced by 1%. This is something we need to look at for future years. We stay by our original philosophy that we need to increase the base budget enough to eliminate the LOB. Reality indicates that this year we should support SB 559.

SB 559 introduces a concept which was a priority for the School Finance Monitoring Committee. The bill is also a vehicle to accomplish the second highest priority of the Monitoring Committee--the increase of the base budget. We would hope that the committee would include this concept in the bill before you. It appears to be a relevant subject connection.

We support SB 559 and hope the committee would add to the bill and pass it favorably. Thank you for listening to our concerns.





**Testimony on S.B. 559  
Before the Senate Committee on Education  
By Mark Tallman, Director of Governmental Relations**

**Also Representing: U.S.D. 229 (Blue Valley)  
U.S.D. 259 (Wichita)  
U.S.D. 501 (Topeka)  
Schools for Quality Education  
United School Administrators**

**January 25, 1995**

Mr. Chairman, Members of the Committee:

We appear today in support of S.B. 559, which was recommended by the Committee on School District Finance and Quality Performance. The bill would remove a portion of current law that narrows the maximum range of the local option budget as the base budget increases. Ultimately, this would mean that no local option budget would be available. (My remarks are limited to the bill before you, but I want to note that many of us have serious concerns about the level of the base budget and other aspects of the local option budget.)

This issue is of the most immediate concern to those districts who are at or near full use of the LOB. These districts are effectively frozen at current budgets per pupil until the base budgets rise 25%. If the LOB is not increased, more and more districts are likely to find themselves in this situation. We believe these districts should be able to adjust their budgets for rising operating costs if the base is increased by less than 25%.

But even if the base budget were increased by 25%, which would bring every district to the same level, we believe that school districts should still have the option to enhance their budgets beyond the base amount to recognize unique needs and circumstances in their districts. Current law is based on the idea that this flexibility should ultimately be eliminated. We believe that it should be maintained.

For these reasons, we urge your support of S.B. 559.

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## \* Court says districts responsible for unaccredited special education

The U.S. Supreme Court handed school districts a costly surprise Nov. 9, saying they may have to pay for the education of disabled children whose parents enroll them in unaccredited private schools.

The justices unanimously affirmed a U.S. Fourth Circuit Court of Appeals ruling in *Florence County v. Carter* that ordered a South Carolina school district to pay nearly \$36,000 for a learning-disabled student's education. The decision could set dangerous precedent by shifting the focus from procedural correctness under the Individuals with Disabilities Education Act to substantive determinations of how well a placement worked.

Shannon Carter's parents withdrew her from public school and enrolled her in Trident Academy, an unaccredited private school focused on students with severe learning disabilities. Carter, who had been described as functionally illiterate, went on to learn to read and to graduate from Trident. Her parents later sued the school district for tuition reimbursement.  
(Source: *Education USA*, 11-23-93)