

MINUTES OF THE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairwoman Lana Gordon at 3:30 pm on Feb. 21, 2011, in Room 159-S of the Capitol.

All members were present except:

Rep. Landwehr and Rep. Spalding - excused

Committee staff present:

Reagan Cussimano, Senior Fiscal Analyst, Ks. Legislative Research Dept.

Jason Long, Asst. Revisor, Revisor of Statutes

Bernadine Lloyd, Committee Assistant

Conferees appearing before the Committee:

Mark Tallman, Associate Executive Director, KASC

Rex E. Bollinger, Superintendent, Doniphan West Schools, USD 111

Mike Newman, Superintendent, USD 114

Dennis Stones, Superintendent, USD 113

Tracy Russell, Schools for Quality Education, Lobbyist

Darrell Kohlman, Superintendent, USD 442

Dale Dennis, Commissioner of Education, Department of Education

Others Attending:

See attached list.

Chairwoman, Lana Gordon, requested the committee make recommendations on previous hearings of the School of the Blind and School of the Deaf.

A motion was made by Rep. Aurand to confer with the Governor's budget for the KSSD and KSSB and seconded by Rep. Cassidy.

A substitute motion was made by Rep. Valdenia Winn to add \$279,449, SIBF for Roth Dormitory at KSSD and seconded by Rep. Feuerborn. The motion was not approved.

A vote was asked for on the original motion made by Rep. Aurand and seconded by Rep. Cassidy. The motion passed.

A motion was made by Rep. Aurand to pass out K-12 budget and postpone payment to KPERS from April 15, 2011, to July 1, 2011 by reducing KPERS budget by \$26 million and adding it to the Special Education Budget July 1, 2011 then take \$26 million from the 2012 budget to pay KPERS in July 1, 2011.

Conferee:

Dale Dennis, Commissioner of Education, Department of Education, made an appeal for extra funding for the FY 2011 budget.

A motion was made by Rep. Aurand to add \$52,000 – total food, to include in the FY 2011 budget. The motion was seconded by Rep. Arpke. The motion passed.

Hearing on:

**HB 2100 - School districts; finance; supplemental general state aid; consolidated districts.**

Jason Long, Revisor, Office of the Revisor of Statutes, gave a short synopsis of the bill.

Proponents:

Mark Tallman, Associate Executive Director, submitted and presented testimony that bill appears to be in the category of incentives, and he support it's passage. (Attachment 1)

Rex E. Bollinger, Superintendent, Doniphan West Schools, USD 111, submitted and presented testimony that the bill would allow districts that have consolidated and utilized the newest set of incentives to benefit from the change. ([Attachment 2](#))

Mike Newman, Superintendent, USD 115, submitted and presented testimony that the bill does not require any new expenditure but would add to the existing incentives which have been so important in the last four consolidations in our state, and if the goal of the legislature is for school consolidations to continue then the passage of the bill will be an added tool in this effort. ([Attachment 3](#))

Tracy Russell, Schools for Quality Education, Lobbyist, presented written testimony only that the bill would not require any new spending in the 2012 or 2013 budget years on any of the current newly consolidated districts; including USD #115, and believes that if the goal of the Legislature was to decrease the number of school districts in Kansas with these incentives the bill would be one more positive addition to current law. ([Attachment 4](#))

Darrell Kohlman, Superintendent, USD 442, presented testimony the bill would not require any new spending in the 2012 or 2013 budget years on any of the current newly consolidated districts; including USD #115. They believe that if the goal of the Legislature was to decrease the number of schools districts in Kansas with these incentives the bill would be one more positive addition to current law. ([Attachment 5](#))

There were no questions from the Committee to the proponents.

This is the last meeting for the first half of the session.

The meeting adjourned 4:40 pm.

# EDUCATION BUDGET COMMITTEE

3:30pm

Room 159S, State Capitol

## GUEST LIST

DATE: 2-21-11

NAME	REPRESENTING
Mike Newman	USD 114
Mark Tallman	MSB
Tracy Russell	SQE
John Martelli	Ks Schools for Deaf & Blind
<del>Steve Lombardi</del>	" " " "
Mike Reecht	GBA / KIZ INC.
Kelly Navinsky-Wenzel	Kearney & Assoc.
Wade Anderson	KNEA
TED HENRY	CS.
Ray Ballwin	USD 111

KANSAS  
ASSOCIATION



OF  
SCHOOL  
BOARDS



1420 SW Arrowhead Road • Topeka, Kansas 66604-4024  
785-273-3600

Testimony before the  
**House Education Budget Committee**  
on  
**HB 2100**

by  
**Mark Tallman, Associate Executive Director for Advocacy**  
Kansas Association of School Boards

**February 21, 2011**

Madam Chair, Members of the Committee:

**HB 2100** amends the statutes concerning supplemental general, or local option budget, state aid for districts that consolidate or disorganize and are attached to other districts. As we understand the intent of the bill, it provides that the new district will receive the higher amount of LOB state aid of the previous districts, and follows the practice of giving a longer period for receiving enhanced state aid to districts that are formed by the consolidation of larger, rather than smaller districts. This practice, adopted for combined general fund budgets of new districts, was designed to encourage districts to consolidate sooner rather than waiting until they are extremely small.

The KASB Delegate Assembly has adopted policies supporting incentives for voluntary consolidation, but opposing state mandates or penalties. While there are both benefits and disadvantages to district consolidation, the evidence is that at some point merging into larger districts becomes both academically and economically necessary. KASB believes local communities should make the final decision. However, because this is often a very difficult and emotional decision, we support incentives from the state.

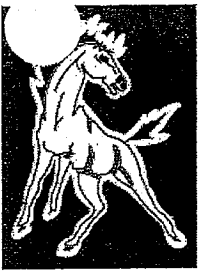
**HB 2100** appears to be in the category of incentives, and we support its passage.

Thank you for your consideration. I would be happy to respond to questions.

House Education Budget Committee

Date: Feb. 21, 2011

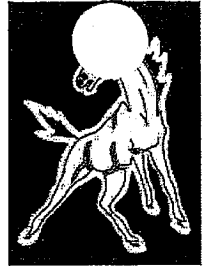
Attachment #: 1



# Doniphan West Schools USD 111

## Home of the Mustangs

P.O. Box 308; 202 W. Illinois; Highland, KS 66035  
785-442-3671 Fax 785-442-3663  
Rex E. Bollinger, Superintendent



February 21, 2011

House Education Budget Committee  
The Honorable Representative Lana Gordon - Chair,  
Kansas State Legislature,  
Room 151-S, State Capital Building  
Topeka, KS 66606

Doniphan West Schools USD 111 is a proponent of House Bill 2100 which extends incentives for the supplemental general state aid for consolidated school districts and would mirror the current consolidation law. Since 2008, four of the six Kansas school district consolidations have come in Northeast Kansas. Although each district had a successful consolidation of schools, consolidation is a difficult process emotionally.

Through the process of consolidation we utilized the incentives passed by the Kansas Legislature in 2008. I believe those changes in the current consolidation law KSA 72-6445a were originally conceived by Representative Aurand. As we were undergoing the process of consolidation we also knew that we needed to seek a change of K.S.A. 72- 6434b to follow the incentives passed by the Legislature in 2008. We support the passage of HB 2100 which would allow school districts that have used the newest set of incentives to benefit from a change in K.S.A 72-6434b. This law allows two consolidating school districts to utilize the higher of the two districts supplemental general state aid while the consolidation incentives are in place.

Previous to 2006, the Kansas Legislature changed the consolidation law in which two schools that were consolidated would have three years of incentives versus the previous two. In the 2006 Legislative session K.S.A. 72-6434b was amended to mirror that consolidation law. When the Legislature in 2008 amended the current consolidation law providing for incentives based upon size of schools, it did not at that time amend 72-6434b to follow those incentives. HB 2100 allows for that change.

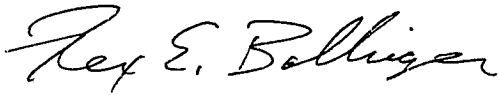
In our consolidation, this bill would help keep the local property taxes on the supplemental general lower for the period of the consolidation as well as prepare us for coming off those incentives. Consolidated school districts are not exempt from cuts to our budgets that have occurred over the last several years, they are delayed, we must also experience these same cuts when we come off of consolidation incentives and deal with the loss of low enrollment weighting.

Fiscally, House Bill 2100 does not propose any new spending in the 2012 or 2013 budget years on any of the current newly consolidated districts.

House Education Budget Committee  
Date: Feb. 21, 2011  
Attachment #: 2

If the ultimate goal of the Legislature is to decrease the number of school districts we believe that incentives are the vehicle to provide for more consolidations. House Bill 2100 would allow districts that have consolidated and utilized the newest set of incentives to benefit from this change. Thank you for your consideration of this bill

Sincerely,

A handwritten signature in cursive script that reads "Rex E. Bollinger". The signature is written in dark ink and is positioned above the printed name and title.

Rex E. Bollinger  
Superintendent  
Doniphan West Schools USD 111

# RIVERSIDE UNIFIED SCHOOL DISTRICT #114

WEST CAMPUS  
Wathena Schools  
705 Jessie  
PO Box 38  
Wathena, KS 66090

Website: [www.usd114.org](http://www.usd114.org)  
MICHAEL NEWMAN, Superintendent

EAST CAMPUS  
Elwood Schools  
203-04 North 12th  
PO Box 368  
Elwood, KS 66024

ELEMENTARY: 785-989-4425  
HIGH SCHOOL: 785-989-4426  
FAX: 785-989-3317  
SUPERINTENDENT &  
TREASURER: 785-989-4427  
FAX: 785-989-4680

ELEMENTARY: 913-365-6735  
HIGH SCHOOL: 913-365-6735  
FAX: 913-365-0012  
SUPERINTENDENT &  
CLERK: 913-365-1838  
FAX: 913-365-3503

February 21, 2011

House Education Budget Committee  
The Honorable Representative Lana Gordon-Chair,  
Kansas Legislature,  
Room 151S, State Capitol  
Topeka, KS 66606

Riverside USD 114 supports the passage of HB 2100, which extends the consolidation incentive on the supplemental fund general state aid to match the incentive given on general fund state aid. We are one of the four newly consolidated districts in Nemaha and Doniphan counties. Our consolidation was successful after a decade of difficult and contentious negotiations between Elwood USD 486 and Wathena USD 406.

The incentives that are contained in K.S.A. 72-6445a were instrumental in our successful consolidation this past June. Without the incentives, our consolidation vote would never have been placed on the ballot.

We were aware at the time of the vote that we would only receive the reimbursement on the higher of our two districts supplemental state aid match for a three year period instead of the five year period guaranteed on our general fund state aid. The difference in our two districts is only four percent and generates a much smaller amount of money than other consolidated districts.

As an educator, I know that experience is an excellent learning tool. We found that it was confusing and hard to explain the difference of the three years guaranteed state funding on the supplemental fund state aid versus the five year guarantee on the general fund state aid. I was asked whether the guarantee on state funding was for three or five years on numerous occasions. HB 2100 would eliminate this problem and make it much easier for the voters to understand.

HB 2100 does not require any new expenditure but would add to the existing incentives which have been so important in the last four consolidations in our state. If the goal of the legislature is for school consolidations to continue then the passage of HB 2100 will be an added tool in this effort. Thank you for your consideration of this bill.

Sincerely,



Mike Newman

Superintendent USD 114

House Education Budget Committee

Date: Feb. 21, 2011

Attachment #: 3



Testimony in Support of HB 2100 (written only)

Tracy Russell, Schools for Quality Education

February 19, 2011

Madam Chair and Members of the Committee:

I am appearing in support of HB 2100 on behalf of Schools for Quality Education (SQE). SQE is a statewide organization representing over 100 of our small, rural Kansas school districts. In the face of declining enrollments and increasing budget pressures, several small districts have opted for reorganization to best serve students and communities. Kansas has a long tradition of valuing local decision-making authority in moving toward reorganization, by keeping this decision voluntary and allowing local policy makers to determine what is best for their communities.

Current law provides incentives for reorganization, recognizing the difficulty of this process and the sacrifices that districts must make to consolidate. Easing the financial impact of consolidation helps build support at a community level for such action. The reality of consolidation is that there is gradually a loss of funding through the loss of low enrollment weighting dollars. Providing some financial incentives that help districts in the short-term may build community support for consolidation and more importantly, give the new district the funding necessary to complete its mission.

The legislature amended the incentives for consolidation during the 2008 session. At that time, the duration for incentives was based on school size. The one incentive that was not changed pertains to the ability of the merged districts to capture supplemental aid based on the district with the highest amount. HB 2100 seeks a change in this provision that applies the duration of the supplemental aid amount on the enrollment of the district. This change mirrors the correlation in district size and duration of incentives that apply to other state incentives for consolidation.

Allowing a higher supplemental aid amount for a potentially longer period of time also could help hold the line on local property taxes and allow the newly-consolidated districts some time to adjust to a reduction in revenues when the consolidation incentives expire.

Thank you for your consideration of this issue and continued support of our schools.

House Education Budget Committee  
Date: Feb. 21, 2011  
Attachment #: 4



# Nemaha Valley Schools

BOARD OF EDUCATION  
Marge Heinen, President  
Gary J. Niehues, Vice-President  
Ilene Enneking  
Katherine Haynie  
Gale Hunninghake  
Duane L. Osborne  
Owen R. Zinke  
Colette Hermesesch, Clerk  
Cindy McWilliams, Treasurer



UNIFIED SCHOOL DISTRICT NO.442  
318 Main Street  
Seneca, KS 66538-1924  
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www.usd442.org

DARREL KOHLMAN, SUPERINTENDENT

February 18, 2011

House Education Budget Committee  
The Honorable Representative Lana Gordon – Chair,  
Kansas State Legislature,  
Room 151-S, State Capital Building  
Topeka, KS 66606

I would like to apologize to the Committee for not being able to present my testimony for my support of House Bill 2100 in person today. Unfortunately, one of the side-effects of consolidation is the addition of Board of Education meetings and today I have to prepare for a meeting of the USD #115 Temporary Board of Education.

The newly formed USD #115 (name to be determined at the Monday, February 21 meeting) is a proponent of House Bill 2100 which extends incentives for the supplemental general state aid for consolidated school districts and would mirror the current consolidation law. In recent years many consolidations have occurred and many have been in the Northeast part of Kansas. The process of consolidation is a difficult one and the incentives that are allowed currently by law help to make that process smoother.

In 2008 the Kansas Legislature passed K.S.A 72-6445a to give incentives to districts to consolidate as well as K.S.A. 72-6434b. During the consolidation process for USD #451 B and B and USD #442 Nemaha Valley both of these statutes was reason for patrons to support the formation of USD #115. But we also know that HB 2100 would add to the current statutes for a smoother transition into the new district over the next four years. If HB 2100 were passed it would allow two consolidating school districts to utilize the higher of the two districts supplemental general state aid while the consolidation incentives are in place. What that means for USD #115 is that currently USD #451 receives 30.3% state aid for supplemental general state aid and USD #442 currently receives 24.29%. In the newly formed district under current law that amount would eventually drop to 0%. That would be a loss of \$276,481 in the budget for USD #115 each year during the incentives.

PRIDE IN EDUCATIONAL EXCELLENCE  
An Equal Employment / Educational Opportunity Agency

NEMAHA VALLEY  
HIGH SCHOOL  
Patrick McKernan, Principal  
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214 North 11<sup>th</sup>, Seneca, KS 66538-1798

MARSHALL-NEMAHA COUNTY  
SPECIAL EDUCATION CO-OP  
Patrick Meier, Director  
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House Education Budget Committee  
Date: Feb 21, 2011  
Attachment #: 5

# Nemaha Valley Schools

BOARD OF EDUCATION  
Margie Heinen, President  
Gary J. Niehues, Vice-President  
Ilene Enneking  
Katherine Haynie  
Gale Hunninghake  
Duane L. Osborne  
Owen R. Zinke  
Colette Hermes, Clerk  
Cindy McWilliams, Treasurer



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Fax: 785-336-2268  
www.usd442.org

DARREL KOHLMAN, SUPERINTENDENT

If HB 2100 were passed it would allow USD #115 to keep local property taxes on the supplemental general lower for the period of the consolidation as well as allow us to prepare for the years coming off those incentives. Consolidation does not exempt districts from the recent cuts in funding it only delays them. One of the ideas to the original consolidation incentives was to give the new district time to prepare and plan for the changes to funding as a result of declining enrollment, low enrollment weighting changes, and cuts to base aid.

House Bill 2100 would not require any new spending in the 2012 or 2013 budget years on any of the current newly consolidated districts; including USD #115. We believe that if the goal of the Legislature was to decrease the number of school districts in Kansas with these incentives House Bill 2100 would be one more positive addition to current law. Thank you for your consideration of House Bill 2100.

Sincerely,

Darrel Kohlman  
Superintendent  
Nemaha Valley Schools USD #442/ Newly Formed USD #115

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An Equal Employment / Educational Opportunity Agency

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NEMAHA VALLEY ELEMENTARY &  
MIDDLE SCHOOL  
Amy Beck, Principal  
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