

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on March 16, 2011, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Sharon Wenger, Kansas Legislative Research Department
Laura Younker, Kansas Legislative Research Department
Jason Long, Office of the Revisor of Statutes
Dale Dennis, Deputy Commissioner, Kansas Department of Education
Dorothy Gerhardt, Committee Assistant

Conferees appearing before the Committee:

Gary George, USD #233
Stuart J. Little, Shawnee Mission School District
Mark Tallman, KASB
Diane Gjerstad, USD #259
Scott Frank, Legislative Post Audit
Bill Reardon, USD #500

Others attending:

See attached list.

The meeting was opened with Dale Dennis, Deputy Commissioner, Kansas Department of Education, providing the information requested in the meeting held March 15, 2011, regarding out-of-state students attending school in Kansas (Attachment 1). The number of students from out-of-state attending schools in Kansas include the following:

Nebraska	37
Missouri	442
Colorado	25
Oklahoma	220

Mr. Dennis reported that none of the bordering states collect data on the number of Kansas students attending school in their respective states.

Hearing on **SB 228 - Continuation of statewide tax levy for public schools**

Jason Long, Office of the Revisor of Statutes, provided a summary of the provisions of **SB 228**. Under current law, all school districts must levy a general fund tax of 20 mills on the district's assessed valuation. In the application of the uniform property tax levy, \$20,000 of the appraised valuation of residential property is excluded. **SB 228** reauthorizes the school district property tax mill levy for the 2011-2012 and 2012-2013 school years. The bill also extends the deadline for repeal of the \$20,000 residential property tax exemption to the end of tax year 2012.

The Governor's budget recommendations for the Department of Education assume continuation of both the uniform 20-mill property tax levy and \$20,000 residential property tax exemption for school finance purposes. If the law is not extended, local effort for support of school districts would decrease statewide by an estimated \$562.0 million in FY 2012, requiring additional State General Fund monies to make up the difference.

Following a brief committee discussion, the hearing on **SB 228** was closed.

Hearing on **HB 2015 - School districts; removing the expiration provision in K.S.A. 72-6433d**

Jason Long, Office of the Revisor of Statutes, provided a summary of the provisions of **HB 2015**. **HB 2015** would extend the sunset date to June 30, 2014, for the current method of calculating the local option budget of a school district. Under current law, when the base state aid per pupil (BSAPP) is \$4,433 or less, a school board may calculate the local option budget based on a BSAPP of \$4,433, or an amount that

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Minutes of the Senate Education Committee at 1:30 p.m. on March 16, 2011, in Room 152-S of the Capitol.

does not exceed an amount of 30.0 percent of its general fund budget, whichever is greater; plus the amount received in special education state aid in school year 2008-09, or the current appropriation, whichever is higher. The bill was recommended by the Legislative Educational Planning Committee.

The House Education Committee amended the bill by adding the June 30, 2014, sunset date. The Division of the Budget fiscal note stated that if the current method of calculating the local option budget is allowed to expire on June 30, 2012, the Kansas Department of Education estimated that the local option budget state aid would be reduced by approximately \$42.5 million in FY 2013, as school districts would no longer be able to use a BSAPP of \$4,433 for its local option budget calculation. The fiscal note continues by stating that state aid would not change from amounts included in *The FY 2012 Governor's Budget Report*, for FY 2011 and FY 2012 as the Governor's recommendation for local option budget state aid is based on current law.

Dr. Gary George, Assistant Superintendent of Schools, Olathe, presented testimony in support of **HB 2015** (Attachment 2). Dr. George stated that if this law is allowed to sunset, most districts will incur a significant loss of revenue after many years of budget challenges. With state funding levels for education in question for some years, it is imperative that districts be allowed to maintain the LOB provision beyond June, 2012.

Also appearing as a proponent of the legislation was Stuart Little, Shawnee Mission School District (Attachment 3). He stated that **HB 2015** is one measure that can help their school district manage the current budget crisis.

Mark Tallman, Associate Executive Director for Advocacy, Kansas Association of School Boards, also appeared to provide testimony on **HB 2015** (Attachment 4). He stated the KASB was appearing as a proponent of the bill; however, they would prefer the original version of the bill which removed the sunset entirely.

Diane Gjerstad, USD #259, Wichita also provided testimony in support of **HB 2015** (Attachment 5); however, with the removal of the sunset provision.

There being no further testimony, the hearing on **HB 2015** was closed.

Committee discussion regarding the provisions of the bill, particularly the sunset provision followed.

It was moved by Senator Umbarger to remove the House Education Committee amendment which added the sunset clause. The motion was seconded by Senator Vratil. Motion carried by a vote of 9 yeas and 2 opposed.

It was moved by Senator Vratil, seconded by Senator Umbarger, that the committee recommend **HB 2015**, as amended, favorable for passage. Motion carried on a voice vote.

It was moved by Senator Teichman that the committee gut the contents of **HB 2251**, insert the contents of **SB 228** and recommend this **Substitute for HB 2251** favorable for passage. Motion seconded by Senator Vratil. Motion carried on a voice vote.

Hearing on **HB 2017 - School districts; calculating adjusted enrollment if determined that pupils are ineligible for free meals**

Jason Long, Office of the Revisor of Statutes, provided a summary of the provisions of **HB 2017**. **HB 2017** would make changes to the school finance formula related to at-risk students. If a student submits an application for free meals under the National School Lunch Act, and it is later determined that the student should not have been eligible, the school district or the Department of Education would notify the State Board of Education. After the notification, the Board would recompute the general fund budget of the school district based upon the adjusted enrollment, excluding the at-risk student. The amount of state aid to the affected district would be adjusted accordingly.

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Minutes of the Senate Education Committee at 1:30 p.m. on March 16, 2011, in Room 152-S of the Capitol.

In addition, if a student became ineligible to receive free meals under the National School Lunch Act for failure to submit, in a timely manner, documentation necessary for verification of eligibility, the district would have until January 14 of the school year to submit the student's required documentation and avoid exclusion from the district's at-risk student count. The bill would not become effective until school year 2012 – 2013. This bill was recommended by the 2010 Special Committee on Education.

Scott Frank, Legislative Post Auditor, appeared before the committee with testimony relative to **HB 2017** (**Attachment 6**). He stated the bill addresses an issue identified in a November, 2006 performance audit looking at the use of free-lunch counts as a basis for distributing at-risk funds to school districts.

Bill Reardon, USD #500, Kansas City, Kansas, appeared before the committee in opposition to **HB 2017** (**Attachment 7**). He stated this legislation requires a district to retroactively pay back all at-risk funding for students for the entire year. In most cases, the district has already provided at-risk services for these students during the first semester.

Diane Gjerstad, USD #259, Wichita also provided testimony relative to **HB 2017** (**Attachment 8**). In opposition to the proposed legislation she stated the bill would eliminate at-risk funding for the entire year when an audited application is found ineligible under the School Nutrition Program. She also stated the bill and the subsequent audit ignore the fact that student families are coming in and out of free lunch eligibility every day. Under this bill when a student's family is found ineligible in January, at-risk funding is taken away from the district for the entire year, even though the teachers and staff were hired in August. **HB 2017** also takes away funding but offers no mechanism for students whose parents have been laid-off and become eligible to be counted.

There being no further testimony, the hearing on **HB 2017** was closed.

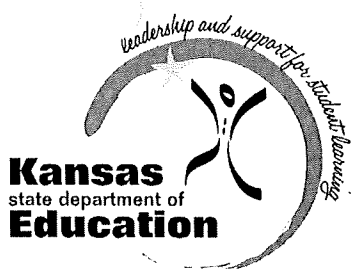
The next meeting is scheduled for March 17, 2011.

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

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: March 16, 2011

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March 16, 2011

TO: Senate Education Committee

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Out-of-State Students

During the March 15, 2011, committee meeting, we were requested to provide information on out-of-state students attending school in Kansas.

Listed below is a table which provides the number of students attending school in Kansas during the 2010-11 school year from bordering states.

Nebraska	37
Missouri	442
Colorado	25
Oklahoma	220
TOTAL	724

The Committee also requested information from the bordering states concerning their policies on state aid for out-of-state students. After telephoning staff in the State Departments of Education in the bordering states, we received the following responses.

COLORADO -- Includes out-of-state students in the computation of state aid.

NEBRASKA -- For school districts with over 900 students, out-of-state students are included in the computation of state aid. Out-of-state students enrolled in districts with less than 900 students are not included in the state aid computation.

MISSOURI and OKLAHOMA -- Do not include out-of-state students in their state aid computation.

None of the bordering states collect data on the number of Kansas students attending school in their respective states.

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Attachment 1



March 16, 2011

TO: Senator Jean Schodorf, Chair, and Members of the Senate Committee on Education

FROM: Gary George, Ed.D., Assistant Superintendent of Schools, Olathe Public Schools

SUBJECT: House Bill 2015

I am testifying in support of House Bill 2015, which changes the LOB (\$4,433) sunset provision of June 30, 2012 to June 30, 2014. This LOB provision is very helpful to many districts. If this law is allowed to sunset, most districts will incur a significant loss of revenue after many years of budget challenges. With state funding levels for education in question for some years, it is imperative that districts be allowed to maintain the LOB provision beyond June 2012.

We strongly encourage the Committee to adopt House Bill 2015.

Thank you.

Senate Education
3-16-11
Attachment 2

STUART J. LITTLE, Ph.D.
Little Government Relations, LLC

Senate Education Committee
Testimony on House Bill 2015

March 16, 2011

Chairwoman Schodorf and Members of the Committee,

I am Stuart Little, lobbyist for the Shawnee Mission School District, located in Johnson County. I appear today in support of House Bill 2015. Shawnee Mission is the state's third largest school district with 27,827 students enrolled in 2010-11. We are like all other school districts in Kansas who have adjusted to the declining state financial support. We have been reducing teachers and administrators, increasing class size, and closing schools in the last two years. We are very aware of the challenges you face at the state and are preparing to implement additional reductions. We are managing the reductions in funding in our schools and our patrons are noticing the impact of budget cuts on the education their children receive. House Bill 2015 is one measure that can help us manage this current budget crisis.

Districts across the state have made significant budget reductions starting in 2009-10. Several years ago, legislation allowed districts to use the 2009 BSAPP of \$4,433 for the calculation of the local option budget. The effect of this change was to allow districts to weather, at that time, what we believed was a brief downturn in state revenues and reductions in school funding. The legislation was given a three-year sunset provision. At the end of next school year, the sunset will expire and districts statewide will lose additional local revenue. Shawnee Mission School District anticipates our loss in local revenue will be between \$7 and \$10 million depending on state funding in the 2012-2013 school year. To put this in context, state funding reductions in 2009-10 were \$13.5 million. If the Governor's budget recommendations are enacted, further reductions of \$12.5 million are expected through the 2012-13 school year. The loss of up to \$10 million will exacerbate the combined \$26 million reductions the district may experience.

Although the sunset will not affect the 2011-12 school year, it is important to extend this provision during this legislative session. Districts cannot begin their budget cutting process in May after the close of the legislative session. If a decision is not made this legislative session, the district will need to make plans for another round of budget reductions in case the statute is not extended. Districts have already made significant reductions to their budgets and expect to make more. It is important to shore up this funding now so it does not become another distraction to the most important mission of educating our children.

We support your efforts to consider this bill and other options to adjust and manage the school finance formula more efficiently and fairly for all students in Kansas.

I would be happy to stand for questions at the appropriate time.



Testimony before the
Senate Committee on Education
on
HB 2015 – LOB Hold Harmless Expiration

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

March 16, 2011

Madam Chair, Members of the Committee:

HB 2015 would extend the “sunset” provision on the special law that allows a school district’s Local Option Budget to be determined as though the base budget is \$4,433 and state special education aid is at the same level as in FY 2009. KASB appears as a proponent of the bill; however, we would prefer the original version of the bill which removed the sunset entirely. Unless this sunset is extended or removed, many school districts will face a loss of revenue authority – unless the Legislature increases the base from the current \$4,012 to \$4,433 by FY 2013. Under the Governor’s budget, however, the base will decline even further, to \$3,937 in the current year and \$3,780 next year.

Under the school finance system, a district’s General Fund Budget is determined by multiplying the base budget per pupil by “weighted” enrollment, i.e., actual students plus adjustments for the various weighting factors determined by the state. State special education aid is also converted to a weighting and added to this amount.

For example, last year (FY 2010), the actual FTE enrollment was 449,727.7 students. When the various weighting factors were assigned, the “weighted” FTE enrollment was 655,123. State special education aid was \$361.2 million, which divided by the base budget of \$4,012 added over 90,000 additional weighted FTE students. The total weighted enrollment, multiplied by the base, provided a state total General Fund Budget of just over \$2.99 billion. However, if the base has been \$4,430 and special education state aid \$427.8 million, which was the published amount for FY 2009, the general fund amount would have been \$3.25 billion.

Because of the state budget crisis, districts had a general fund reduction of some \$233 million, or about 7.2 percent. Because the Local Option Budget is authorized as a percentage of the general fund, the cut in the base budget would also reduce the maximum LOB. To avoid even further reductions in school funding, the 2009 Legislature allowed districts to determine their LOB based on the 2009 level. However, it also included a three-year sunset provision. The hope at the time was that the base budget could be restored by the 2012-13 school year.

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This goal now appears extraordinarily optimistic. Under the Governor's budget, the base will fall to \$3,780 in 2011-12, and would require over \$435 million to reach \$4,433 the following year. As a result, KASB supports the repeal of the "sunset" so the cuts in the general fund are not compounded by additional cuts in the LOB. As amended by the House, **HB 2015** would extend the sunset to FY 2014. We encourage the Senate to either return the bill to its original form, or at a minimum agree to the House position.

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

School District Operating Budgets, Capital Aid and KPERS, 2006 to 2012 (Projected)

(Amounts in Thousands except for per pupil or per FTE)

(Multiply enrollment numbers by 1,000)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Base Budget Per Pupil	\$4,257	\$4,316	\$4,374	\$4,400	\$4,012	\$3,937	\$3,780
Weighted FTE Enrollment	568.6915	592.1956	613.464	636	655.123	666.842	666.842
Special Ed Weighted Enr.	67.3533	76.0401	90.4067	97.2166	90.89	90.027	113.153
Total Weighted Enrollment	636.0448	668.2357	703.8707	733.2166	746.013	756.869	779.995
General Fund	\$2,707,643	\$2,884,105	\$3,078,730	\$3,226,153	\$2,993,004	\$2,979,793	\$2,948,381
ARRA Special Education					\$55,748	\$55,748	
General Fund+ARRA Sped	\$2,707,643	\$2,884,105	\$3,078,730	\$3,226,153	\$3,048,752	\$3,035,541	\$2,948,381
Un-weighted FTE Enrollment	439.0958	441.115	442.9868	443.3304	448.7277	455.405	455.405
General Fund per Pupil	\$6,166	\$6,538	\$6,950	\$7,277	\$6,794	\$6,666	\$6,474
Total Local Option Budget	\$659,520	\$760,709	\$838,196	\$901,535	\$929,168	\$959,602	\$979,602
LOB Per FTE Enrollment	\$1,502	\$1,725	\$1,892	\$2,034	\$2,071	\$2,107	\$2,151
Bond and Interest Aid	\$57,488	\$63,697	\$69,128	\$75,591	\$86,700	\$94,647	\$100,000
Capital Outlay Aid	\$19,294	\$20,492	\$23,124	\$22,339	0	0	0
Total Capital Aid	\$76,782	\$84,189	\$92,252	\$97,930	\$86,700	\$94,647	\$100,000
Capital Aid per FTE Enroll.	\$175	\$191	\$208	\$221	\$193	\$208	\$220
KPERS School Contributions	\$161,531	\$192,426	\$220,813	\$242,277	\$249,856	\$283,502	\$319,862
KPERS Per FTE Enroll.	\$368	\$436	\$498	\$546	\$557	\$623	\$702
Total GF, LOB, Capital Aid, KPERS Per FTE Enrollment	\$8,211	\$8,890	\$9,549	\$10,078	\$9,615	\$9,603	\$9,547

Note: Does not include non-stimulus federal aid, local capital outlay and bond levies, students fees

FY 2011 and 2012 based on Governor's Budget



Senate Education Committee Senator Schodorf, Chair

H.B. 2015 – LOB calculation

*Presented by: Diane Gjerstad
Wichita Public Schools*

March 16, 2011

Madame Chair and members of the Committee:

H.B. 2015 would remove the sunset clause for the calculation of local option budget (LOB). The base budget per pupil has been on a downward spiral since the 2008-09 school year where it briefly reached \$4433. To ease the reductions to schools for the past three years the Legislature allowed districts to calculate LOB as if the base remained \$4433.

The base per pupil is the funding foundation for schools. The base funds the regular education classroom, the teachers, paraprofessionals, specialized support staff who assist students with special learning needs, the utilities, textbooks, materials and subsidizes the **underfunding** of mandates such as special education. When the base falls, everything is pulled down. These are the cuts the past several years and impact to Wichita Public Schools:

Reductions in base aid

2008/09 base was reduced \$33 to \$4400
Capital outlay state aid elimination

Reductions WPS

-\$2 million
-\$4.6 million

2009/10 base reduced \$388 to \$4012

-\$23.5 million

Governor's Budget recommendations:

2010/11 Governor's FY 11 reduces base \$3937

-\$5.3 million

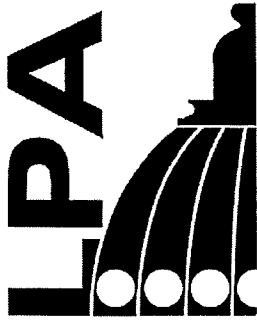
Governor's FY 12 budget reduces base to \$3780
Reduction in special education funding

-\$11.3 million
-\$1 million

Reductions in school funding, along with the proposed, have placed tremendous pressure on schools – compounded by the fact that accountability standards by which schools are measured and judged have not diminished. As illustrated in a recent *Wichita Eagle* multi-page feature comparing Kansas school and district performance on state assessments reaching the 'AYP' (annual yearly progress) targets which increase 4 to 5% each year.

Madame Chair, the bill before the committee mitigates the reductions in the base, capital outlay state aid, special education and pending proposals to reduce other weightings. This bill allows districts to keep LOB funding steady in a time of budget reductions. We would encourage the committee to approve HB 2015 and remove the sunset provision entirely.

*Senate Education
3-16-11
Attachment 5*



MEMORANDUM

Legislative Division of Post Audit
US Bank Building, 800 SW Jackson, Suite 1200
Topeka, KS 66612-2212
voice: 785.296.3792
fax: 785.296.4482
email: lpa@lpa.ks.gov
web: www.kslegislature.org/postaudit

TO: Members, Senate Education Committee
FROM: Scott Frank, Legislative Post Auditor
DATE: March 16, 2011
SUBJECT: Background Testimony on HB 2017

Thank you for the opportunity to provide neutral background testimony on House Bill 2017. This bill addresses an issue we identified in a November 2006 performance audit looking at the use of free-lunch counts as a basis for distributing at-risk funds to school districts.

In our November 2006 audit, we found that for the 2005-06 school year, there were more than 1,800 students who had been determined to be ineligible for free lunches, but were still counted for at-risk funding. Here is how that happened:

- Federal law requires school district officials to accept applications for free lunches at face value, but it also requires them to verify the financial information for a small sample of those applications.
- In 2005-06, school districts identified 1,839 students whose eligibility couldn't be verified, and reported them to the Department of Education's child nutrition team. As part of other work they were doing, the team's consultants also identified 17 ineligible students through their own reviews in 2005-06.
- The Department's child nutrition team didn't pass information about the 1,839 students on to the Department's fiscal auditors. The fiscal auditors could have removed these ineligible students from the at-risk count, saving the State about \$1.5 million in at-risk funding that year. *[Because the State pays more per student for at-risk funding now, the same number of students would cost about \$3.3 million in 2010-11.]*
- More than 70% of the 1,839 students we identified were deemed ineligible because their applications were incorrect (i.e., their families earned too much income). About 30% of the students were deemed ineligible because their families failed to respond to the district's request for documentation to support the application.

To correct this problem, we recommended that the Department ensure that its child nutrition team shares any information regarding ineligible students—whether identified through its consultants' reviews or the school districts' reviews—with the fiscal auditors so they could adjust the at-risk counts accordingly.

Department officials told us its child nutrition team still does not share the results of the school districts' verification reviews with the Department's fiscal auditors. Those reviews identify about 1,800 ineligible students a year. Here is why:

- Districts do not complete their reviews until November each year, and students whose eligibility cannot be verified are formally declared to be ineligible for the free-lunch program shortly thereafter.

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- Department officials contend that because these students don't officially become ineligible until after September 20 (the date on which most funding counts occur), the students technically were eligible for free lunches on September 20, and therefore still should be counted for at-risk funding.

House Bill 2017 would address the issue that we identified in our audit. It would require the district or the Department to inform the State Board of Education when it is determined through the district's verification work that a student is not actually eligible for free lunches. The State Board would then be required to remove the student from the district's at-risk count. For students who are deemed ineligible because their family fails to provide supporting documentation before the federal reporting deadline, the bill gives the district up until January 14 to provide copies of any documentation it receives after the federal deadline to avoid having the student removed from the count.



Kansas City, Kansas Public Schools

Unified School District No. 500

SENATE EDUCATION COMMITTEE

HB 2017

March 16, 2011

Madam Chairperson, Members of the Committee:

The Kansas City School District appreciates the opportunity to testify on HB 2017. Our district supports the current law that links at-risk funding to the number of students qualifying for free lunch. We certainly don't expect to receive at-risk dollars for students whose family income exceeds the prescribed amount to receive this funding.

Nevertheless, we have some concerns regarding HB 2017.

First, HB 2017 would remove funding for the 2012-13 school year for students deemed to be not eligible for the at-risk weight. USDs will not have the final count on which students don't qualify until mid-January. Current law removes these students for the next school year. HB 2017 requires a district to retroactively pay back all at-risk funding for such students for the entire year. In most cases, we have already provided at-risk services for these students during the first semester.

District 500 believes that discontinuing at-risk funding after final determination of eligibility would be more appropriate. In other words, districts would lose funding for second semester, but not first semester.

Second, USD 500 and many other districts consistently lose at-risk funding because some middle and high school students prefer to go hungry in order to avoid a perceived stigma by accepting a free lunch! Most of these students are certainly at risk to fail and, therefore, we provide at-risk services but without the funding.

And finally, our district believes that changes to the school finance formula which results in winners and losers should be delayed until per pupil funding reaches \$4,492 as prescribed in HB 2018.

Bill Reardon, KCKPS Lobbyist

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3-16-11
Attachment 7



Senate Education Committee
Senator Schodorf, Chair

H.B. 2017 – At risk verification

*Presented by: Diane Gjerstad
Wichita Public Schools*

March 16, 2011

Madame Chair and members of the Committee:

We have several concerns about HB 2017, which stems from a 2006 Legislative Post Audit, and has been considered a number of times. The bill would eliminate at risk funding for the entire year when an audited application is found ineligible under the School Nutrition Program.

The school nutrition program is a strictly regulated and heavily audited process. The application, income and audit guidelines are set by USDA serve the mission of providing nutrition for school-aged children.

Kansas has wisely chosen free lunch eligibility as the proxy to generate at risk funding. The legislature has had numerous studies of at risk funding and each has found while no system is perfect, poverty is still the strongest predictor of achievement gaps. The Kansas system gives schools the flexibility to serve *any* student in need of additional services.

Secondly, food service programs are heavily audited: a) KSDE finance auditors, b) by the Child Nutrition and Wellness division of KSDE; and c) in January 2010 Wichita Public Schools had a Coordinated Review Effort (federal review process) reviewing over 4000 applications.

This bill would take away funding for free lunch applications found ineligible. However the bill and the audit ignore the fact that student families are coming in and out of free lunch eligibility every day. Under H.B. 2017 when a student's family is found ineligible in January, at risk funding is taken away from the district for the entire year, even though the teachers and staff were hired in August. H.B. 2017 takes away funding but offers no mechanism for students whose parents have been laid-off and become eligible to be counted.

Finally the audit in 2006 did not consider students at higher grade levels who self-enroll and do not complete income information. Applications for free or reduced lunch diminish in higher grades because older students self-enroll. Last year Wichita's free lunch percentage by level:

Elementary	65.4%
Middle	59.7%
High	50.6%

We understand there is unease some students receiving benefits are not eligible. But the 15% difference between elementary and high school indicates many more people simply don't bother to fill out the paperwork when students reach the secondary level – and schools do not receive additional funding.

HB 2017 takes away but does not credit when families are found to be in compliance later in the year. The bill is punitive and we oppose it. Thank you, Madame Chair, I would stand for questions.

*Senate Education
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Attachment 8*

Common mistakes households make in submitting applications include:

1. Not understanding the difference between gross income and net income or how withholdings work, and reporting only take-home pay.
2. Not understanding how to report frequency of pay. Most common frequency mistake is reporting that they are paid two times per month when it is really every other week. (They believe they get paid two times each month because in most months they get two paychecks.)
3. Not understanding how to report typical income. The application asks for the income received "last month." There is guidance in the instructions about reporting the amount you "normally" get, and that OT should be reported only if you "normally" get it. So they don't think it is normal and don't report it, but then paycheck stubs provided in verification show that they regularly got OT in the reported time period and we have to count it.
4. Not correlating income to frequency. Somehow they are thinking of how much they get in one time period when they write the amount, but then they mark that they get a pay check at a different frequency.
5. Forgetting income, such as a small SSI payment or child support check. This happens especially if the payment is not regular. They tend to think of JOB income when they are asked to report income.
6. Not reporting child support that is received infrequently. Because they did not receive child support in the month before application, they don't list it; in verification, the summary of payments (available to the parent through the website) shows that on average money is received.
7. Not being certain of exact income because they don't have a paycheck with them when applying. They then round off the income. This happens especially when they are very familiar with the net amount and are trying to indicate gross by guessing.
8. Combining income from several sources and reporting it on one line on the application. This may happen when one household member has several jobs. If the pay frequency is not the same from all jobs, households do not accurately convert the various incomes to one common frequency. (When pay frequency varies, we must convert all to yearly by multiplying weekly x 52, bi-weekly x 26, every other month x 24, etc.; households don't tend to do this right.)
9. Failing to report all household members or all income when households have combined but they are not economically independent. The classic example is the newly single mom who takes her kids and moves back to her parents' home. She wants to be economically independent by using her money to pay for clothes, some food, school supplies, etc., so she does not report her parents. But she is depending on them for housing and utilities; our rules say the grandparents and their income must be included. When we find out about the others in verification, benefits change.

We find examples of all these situations when verification has been completed and households are questioning the outcome. It is important to note that many of our districts--especially those with higher rates of F/R--must do error-prone verification selection as described by USDA; we must select for verification from those households that are very close to the line for benefits. So a small error from rounding or net vs. gross will change the benefit level as a result of verification.