

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on February 8, 2011, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

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

Conferees appearing before the Committee:

Representative Pat Colloton  
Gary George, USD #233 (written only)  
Tom Krebs, KASB  
Diane Gjerstad, USD #259  
Scott Frank, Legislative Post Audit

Others attending:

See attached list.

Hearing on **SB 22 - School districts; finance; transportation state aid**

Jason Long, Office of the Revisor of Statutes, appeared before the committee with a brief description of the proposed legislation. **SB 22** would implement recommendations by Legislative Post Audit (LPA) regarding changing the transportation formula for determining the transportation weighting in the school finance formula. The recommendations are contained in the LPA publication, *Cost Study Analysis—Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches*, which was released in January, 2006. The current formula is used to allocate costs between students who live more than 2.5 miles from school and those who live less than 2.5 miles.

Scott Frank, Legislative Post Audit, appeared before the committee with a summary (Attachment 1) of how the current student transportation formula works. State funding is based on a transportation weighting in the school funding formula. Under the transportation funding formula, dating to 1973, the State reimburses districts for the cost of transporting regular education students who live at least 2.5 miles from the schools they attend. Transportation costs to and from activities is not reimbursed.

The State does not directly reimburse school districts for their actual transportation costs. Instead, the transportation funding formula is used to estimate how much it should cost school districts to transport students more than 2.5 miles, depending on the number of those students per square mile (student density) in the district.

In the 2006 study of K-12 education costs, two issues with the mathematical formula used to allocate transportation costs to students who are transported more than 2.5 miles were identified. The formula was designed around the assumption that students who live more than 2.5 miles from school (paid students) are about twice as expensive as students who live less than 2.5 miles. However, the formula does not execute this assumption properly. Instead of allocating twice as much to the paid students on a per-student basis, the formula allocates half the total costs to paid students, and then divides the rest between paid and unpaid students.

The second issue with the formula is that it does not properly account for non-resident (out-of-district) students. The costs of transporting these students are allocated to the paid students, even though it is the State's policy not to pay for transporting these students.

Because of these two problems, the formula systematically over-allocates transportation costs to paid students. This in turn means the State over-reimburses for student transportation. In the 2006 study it was estimated this would cost the State almost \$14 million for the 2005-06 school year.

Representative Pat Colloton appeared before the committee as a proponent of the legislation (Attachment

2). She stated that in order to reduce state spending on education, a choice must be made between reducing the base state aid funding for all students or choosing to correct those parts of the school spending formula that Legislative Post Audit has identified as misappropriated because current statutory language does not reflect the policy implied in the law.

Gary George, USD #233, provided written testimony ([Attachment 3](#)) to the committee in opposition to the proposed legislation. He stated it would significantly impact the Olathe Public Schools by reducing transportation state aid. None of the options available to reduce the impact is desirable. He urged the committee to leave the formula as it is; or, if it must be changed then to postpone its implementation until the Base State Aid per Pupil reaches \$4,492 and phase it in over several years to minimize the impact on school districts and parents.

Tom Krebs, Kansas Association of School Boards, appeared before the committee also in opposition to **SB 22** ([Attachment 4](#)). A special committee composed of school board members and superintendents representative of the diversity of school districts across the state made a recommendation in support for the concept of scientifically-based weightings. This committee did not take a specific position on the formula for providing transportation aid. They do feel there would be winners and losers in this but without a printout from the Department of Education they assume this would fall disproportionately on certain districts. If the Legislature wishes to implement changes in the transportation aid formula, they would recommend that modifications be phased in so that districts have time to plan and implement a solution.

Diane Gjerstad, USD #259, appeared before the committee in opposition to the proposed legislation also ([Attachment 5](#)). She stated this bill would alter a long-standing funding practice upon which districts have made business decisions; any changes made to calculating transportation aid should wait until after the Session.

Following committee discussion, the Hearing was closed.

#### Hearing on **SB 28 - Johnson county education research triangle authority; interest earnings on fund**

Jason Long, Office of the Revisor of Statutes, provided a brief summary of the provisions of the proposed legislation. This bill would require that the interest earnings from the Johnson County Education Research Triangle sales tax be transferred from the State General Fund to the Johnson County Education Research Triangle Fund of the University of Kansas, the University of Kansas Medical Center, and Kansas State University. The Department of Revenue currently collects the Johnson County Education Research Triangle sales tax at the same time and manner that other state and local sales taxes are collected and the revenue collected is deposited in the state treasury and paid out at least on a quarterly basis. This bill would require the interest earnings from these deposits be transferred by the tenth day of each month, and would be determined by the average daily balance in each of the respective funds in the preceding month, and net earnings rate for the Pooled Money Investment Board portfolio for the preceding month.

Senator Terrie Huntington ([Attachment 6](#)), and Robert M. Clark, Vice Chancellor, University of Kansas ([Attachment 7](#)) each appeared before the committee in support of the proposed legislation. Dr. Andy Tompkins, President and CEO, Kansas Board of Regents, provided written testimony ([Attachment 8](#)) in support of **SB 28**.

Following committee discussion, the hearing was closed.

The next meeting is scheduled for February 9, 2011.

The meeting was adjourned at 02:30 p.m.