

## MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on February 5, 2008, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Sharon Wenger, Kansas Legislative Research Department  
Carol Toland, Kansas Legislative Research Department  
Theresa Kiernan, Revisor of Statutes Office  
Matt Todd, Revisor of Statutes Office  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator Pat Apple  
Senator Dwayne Umbarger  
Darin Hedrick, Superintendent, U.S.D. 422, Greensburg  
Gary French, Superintendent, U.S.D. 367, Osawatomie  
Robert J. Morton, Superintendent, U.S.D. 445, Coffeyville  
Chuck Schmidt, Superintendent, U.S.D. 446, Independence

**SB 426 – School districts; enrollment and general fund budget in certain districts affected by disasters**

Theresa Kiernan, Revisor of Statutes Office, noted that **SB 426** applied to U.S.D. 101 (Erie), U.S.D. 257 (Iola), U.S.D. 367 (Osawatomie), U.S.D. 422 (Greensburg), U.S.D. 445 (Coffeyville), U.S.D. 446 (Independence), U.S.D. 461 (Neodesha), and U.S.D. 484 (Fredonia). She explained that the bill provides that in the second, third, and fourth years following a natural disaster, the adjusted enrollment of the school district would be based on the enrollment of the year prior to the year in which the disaster occurred. When computing the budget of a school district, the Department of Education would pull out the special education weighting, school facilities weighting, ancillary school facilities weighting, cost of living weighting, and preschool-aged at-risk weighting in the base year and then add the weightings back in at the rate they are in the current school year. This would apply to school districts wherein there has been a disaster which resulted in the loss of at least 25 pupils or 2 percent of the district's enrollment, and the loss is attributable to the loss of housing as a result of the disaster.

Senator Pat Apple, who requested the introduction of **SB 426** in collaboration with Senator Dwayne Umbarger, explained that, as he discussed the effect of flooding in school districts with Senator Umbarger and others, he learned that having a three-year average in the budget does not include the weighting factors. The intent of the bill was to give stability to the budget process so that school districts can keep their programs in place after a disaster until they can determine where their enrollment is going to go after a few years. He noted that a similar bill had been introduced; however, there was no way to know whether the bill would be successful. Therefore, **SB 426** was introduced to address specific areas in the state should the other bill not go forward.

Senator Umbarger commented that 2007 was a year for weather related disasters (floods and tornadoes) statewide, and even though a large amount of federal and state dollars have been dedicated to rebuilding the areas affected, there is still much to be done. He noted that, in visiting with district superintendents, they expressed their immediate concern about declining enrollment numbers and also their concern about what the next two years would most likely present. He pointed out that, in the current school funding formula, the three-year average component does not address the weighting factors. Therefore, those districts with high at-risk and bilingual weighting are not protected from a sudden decrease in enrollment numbers. **Senate Bill 426** addresses this issue by holding eligible districts harmless for three years. (Attachment 1)

Darin Hedrick, Superintendent for U.S.D. 422, Greensburg, testified in support of **SB 426**. He noted that over 960 homes, 125 business, several city and county buildings, and K-12 school facilities were destroyed when the city of Greensburg was struck by a tornado on May 4, 2007. As the clean-up efforts began, the Board of Education considered temporarily relocating students in surrounding towns, but ultimately the Board felt that it was in the best interest of their town to open school in Greensburg for the 2007-2008 school year. Temporary facilities were put in place, and school began as scheduled on August 15. Initially, Mr. Hedrick's biggest concern was that Greensburg's enrollment numbers would decline because many people would have

## CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on February 5, 2008, in Room 123-S of the Capitol.

no choice but to relocate. However, based on the current school funding formula, Greensburg could use the previous year's enrollment, which provided some financial stability for the 2007-2008 school year. At this point, his biggest concern is that he will be forced to cut both staff and programs in Greensburg schools if financial stability cannot be maintained over the next several years. In conclusion, he asked for help to temporarily fund the operation of Greensburg schools as the city rebuilds. (Attachment 2)

Gary French, Superintendent for U.S.D. 367, Osawatomie, testified in support of **SB 426**. He noted that a flood in Osawatomie on July 1, 2007, damaged 256 residential structures, and 126 school children (K-12) were affected. While some families found temporary shelter while repairs were made to their homes, others were forced to relocate out of the district. The student population declined from 1,173 in September 2006 to 1,137 in September 2007. Under current law, U.S.D. 367 is likely to publish a FY 2009 general fund budget based on a three-year FTE average. It is also likely that Osawatomie will drop below the 40 percent free lunch count used to determine high at-risk weighting. If this happens, there will be a loss of over \$250,000 in the general fund. The bill would provide the financial floor which would allow Osawatomie schools to adequately meet the educational needs of students through the next few years as the community recovers from the flood damage. (Attachment 3)

Robert J. Morton, Superintendent for U.S.D. 445, Coffeyville, testified in support of **SB 426**. He noted that, prior to the flood of 2007, the Coffeyville school district was experiencing an increase in student population for the first time in many years. Unless the population gains are realized in the near future, the school district will continue to struggle. Business losses due to the flood will have a fiscal impact on Coffeyville and the school district for years to come, and the school district would appreciate any help from the Legislature for the next two to three years to ensure that the school district can continue to provide the best education for students as the community looks for solutions to relieve the housing crisis and to retain businesses. (Attachment 4)

Chuck Schmidt, Superintendent for U.S.D. 446, Independence, testified in support of **SB 426**. He also spoke on behalf of Jim Porter, Superintendent for U.S.D. 484, Fredonia, and Daryl Pruter, Superintendent for U.S.D. 461, Neodesha. Mr. Schmidt noted that, as a result of heavy rains and flooding between June 30 and July 1, 2007, 38 homes and 8 businesses were damaged or destroyed in the Fredonia district, 190 homes in the Independence district were damaged, and 64 homes were substantially damaged in the Neodesha district. Enrollment did not drop significantly immediately following the flood. However, families lived with relatives, friends, or in FEMA trailers for a limited amount of time, and some districts are beginning to see signs of out-migration. He pointed out that, when hit with sudden drops in enrollment, a school district has no opportunity to soften the impact in the third and fourth years. A drop of 2 percent could cost over \$100,000 in Fredonia or Neodesha and over \$150,000 for Independence. The bill would allow the districts time to adjust to the impact of the decline in enrollment. (Attachment 5)

Senator Schodorf called attention to the minutes of the January 14, 16, 17, and 22 meetings.

Senator Teichmant moved to approve the minutes of the January 14, 16, 17, and 22 meetings, seconded by Senator Lee. The motion carried.

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

The next meeting is scheduled for February 6, 2007.

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on February 5, 2008, in Room 123-S of the Capitol.