

M I N U T E S

SPECIAL COMMITTEE ON SCHOOL FINANCE

August 28, 1975

Representative Crumbaker presided. All members but Senator Harder and Representative Reardon were present.

Staff present included Richard Ryan and Ben Barrett from the Legislative Research Department, Avis Badke from the Revisor of Statutes' Office and Dale Dennis, Director, School Finance and Statistics - State Department of Education.

Morning Session

Proposal No. 46 - Public School Finance. Mr. Ryan reviewed the increases in various categories of state aid to school districts, beginning in 1972-73 (the year prior to the School District Equalization Act) through 1975-76 (estimated) and the history of school district tax levies for that period.*

The following items (filed in the Committee notebooks) were reviewed by staff:

1. "Basic General State Aid Formula",
2. An example of a USD budget computation sheet,
3. A general state aid computation form, including appropriate schedules pertaining to district wealth, the "grandfather" clause, and the county foundation fund,
4. A form used by school districts and county clerks in estimating a district's share of the resident individual income tax rebate,
5. An example of a computation of USD transportation aid,
6. A table entitled "Counting Vocational Student Enrollment under 1975 House Bill 2299,"

* The table on state aid and property tax levies are enclosed with these minutes.

7. A table entitled "Appeals to the State Board of Tax Appeals Under the School District Equalization Act," and
8. An information sheet entitled "Income Tax Rebates to USD's."

A review of the information sheet pertaining to the counting of vocational education students indicated that if a student is enrolled in a school district three or four hours per day and also is enrolled in a vocational program outside the district for the remainder of a six-hour school day (two hour minimum), the school district may count the student as one full-time student of the district. However, if a student is enrolled in the district for five hours and in the vocational program for one-hour, the district may only count the enrollment of the student in the district as .8 student. This occurs because the law requires the vocational enrollment to be at least two hours in order for the district to be able to count the student as full-time, assuming the student is enrolled for at least three hours in the school district.

A motion by Senator Angell, seconded by Representative Yonally, was adopted directing the staff to prepare alternative bill drafts for review by the Committee for the purpose of insuring that a student in the situation described above - enrolled in the district for five hours and in the vocational program for one hour - would be counted in the district as one full student.

Afternoon Session

Proposal No. 46 (continued)

Knowles Case. Mr. Ryan reviewed the fact that the district judge had dismissed the Knowles case on the grounds of its mootness, as a result of the changes made in the School District Equalization Act by the 1975 Legislature. It was further reported that the plaintiff's attorney, on August 18, filed a record of appeal with the Kansas Supreme Court. The plaintiff's attorney has 40 days from that date to file his brief; the state then has 40 days from the filing of the plaintiff's brief to file its own brief. The plaintiff then has 15 days to respond to the state's brief. Nothing prevents these filings from being made before the above deadlines.

In order for the Kansas Supreme Court to hear the case by late fall or early 1976, it would be necessary for the Court to advance the case on the docket.

P.L. 874. Staff reported that Senator Harder will be in Washington, D.C. on September 3 to confer with HEW officials and other organizations interested in the effects of the PL 874 regulations on the states. It was reported that a recent news item indicated the PL 874 draft regulations would not be available until the last of September, at the earliest.

Proposal No. 6 - Assessment Ratio Study. It was reported that the Special Committee on Assessment and Taxation has conducted one hearing concerning the assessment ratio study. A meeting has been scheduled for September 18, at which time the Committee will receive a report from the Department of Revenue and the Technical Advisory Committee to the Secretary of Revenue concerning their recommendations for changes in the ratio study law and procedures.

Proposal No. 10 - Special Education. The staff reviewed an information sheet (included in the Committee notebooks) entitled "FY 1975 - State Categorical Aid Program - Special Education." It was reported the Special Committee on Education has been concentrating in the interim on a review of the special education categorical aid program. The staff has been directed to prepare illustrations for that Committee of how one alternative funding proposal might be applied to districts involved in a special education coop.

Transportation. Mr. Dennis described two recent developments in the area of transportation of students on which the Attorney General has ruled. In one case, Valley Falls is providing transportation for students who are attending vocational programs at the KAW area vocational school in Topeka. The Attorney General has indicated that this is an appropriate expenditure under the state-assisted school district transportation program. The second type of situation involves the Girard and Courtland districts. The Attorney General has held that a school district ". . . may calculate for purposes of reimbursement expenditures for gasoline to operate a school bus owned and operated by parents of students used to transport nonresident pupils of the district to school." (Subsequent to the meeting, another opinion has been issued which reverses the former opinion.)

Kendall. It was reported that in 1975-76, the Kendall school district is not able to meet the 30-unit requirement for high schools. Therefore, the high school students will be attending school in surrounding school districts. There will be about 44 students directly served by the Kendall district, with 12-plus teachers employed. A question was raised as to whether Kendall could be considered as a USD during 1975-76, if a high school program is not offered. The Attorney General has ruled that the USD must function until July 1 following the filing of a petition by a local board requesting disorganization of a district. Thus, Kendall will be considered a USD throughout the 1975-76 school year.

The district will be disorganized and the territory assigned to surrounding school districts in 1976-77.

Other Matters

The staff reviewed several items of information which will be prepared for the Committee at its next meeting. The Committee discussed the fact that at subsequent meetings it intends to consider proposed changes in the substantive provisions of the school finance law.

The Committee set the tentative dates of October 22, October 29 or November 6, one of which will be the date for the next meeting. The date finally selected will be contingent upon the time required for staff preparation of materials regarding school district budgets, levies, etc.

The meeting was adjourned.

Prepared by Ben Barrett

Approved by Committee on:

10/22/75
Date