

M I N U T E S

SPECIAL COMMITTEE ON SCHOOL FINANCE

October 22, 1975

The Chairman, Representative Crumbaker, presided. All members except Senators McCray and Simpson were present.

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

Morning Session

Proposal No. 46 - School Finance

The staff reviewed the following items* (included in the Committee notebooks):

1. "State Aid to Unified School Districts (Under the Equalization Act)."
2. "Summary of Property Tax for Unified School Districts."
3. "Frequency Distribution Combined USD General Fund and County School Foundation Fund Tax Rates."
4. "Authorized General Fund Budget Per Pupil Increase".
5. "No Aid Districts - 1975-76".
6. "1975-76 Grandfather Clause".
7. "'District Wealth' - School District Equalization Act".
8. "General Fund Tax Rates - 1973, 1974 and 1975".

* All items are dated October 22, 1975.

9. "Financial Information Concerning Special Education and Vocational Education for 1973-74, 1974-75 and 1975-76".
10. "Financial Information Concerning Community Junior Colleges."

Afternoon Session

Miscellaneous

A motion was adopted unanimously approving the minutes of the previous meeting.

The staff reported that the Special Committee on Assessment and Taxation will meet October 30 to consider possible proposals or recommendations with regard to changes in the assessment/sales-ratio study. At that time, it is expected that the Technical Advisory Committee will report to the Assessment and Taxation Committee concerning a request by staff for an evaluation by the Technical Advisory Committee of their method of averaging ratios as compared with the procedure used for averaging district wealth under the School District Equalization Act.

The staff also reported the status of the appeal to the Kansas Supreme Court in the Knowles case. The plaintiff filed its brief on September 29. Following that filing the Attorney General has 40 days to file his brief, which brief has not yet been filed. The Supreme Court has taken no action on the plaintiff's motion to advance the case on the Court's docket.

Bill Draft - Counting Pupil Enrollment

The staff presented a bill draft* proposing to amend K.S.A. 1975 Supp. 72-7033, pertaining to the method of counting pupils for purposes of the School District Equalization Act. The bill is designed to correct a quirk in the present law involving pupils enrolled in both a school district's regular academic program and, for a part of the day, in a vocational program.

The proposed change would permit a district to count as one full-time pupil in the district a pupil who is enrolled in any of grades 9-12 for at least four hours per day and enrolled in a vocational education program for at least one hour per day. The present law provides that such a pupil is counted as .8 full-time pupil. The law already provides that a pupil is counted as one full-time pupil of the district if his enrollment in the district is for at least three hours and in a vocational program for at least two hours.

* See Attachment I.

A motion by Representative Weaver, seconded by Senator Angell, was adopted that the Committee recommend the bill for consideration by the 1976 Legislature.

Proposal No. 46 - Committee Discussion
and Instructions to Staff

The Committee discussed a number of issues related to possible changes in the School District Equalization Act. A tentative position was that the Committee would not make recommendations concerning school district budget controls for 1976-77. This is because important information which must be considered in making such a recommendation will not be available until next January.

The staff was instructed to prepare data for the next meeting, based upon the estimates for the 1975-76 school year, to illustrate the impact of certain possible changes in the school finance plan, as follows:

1. (a) Same as present formula, except compute school district budgets and state aid requirements based upon enrollment categories of Under 200, 200-999, and 1000 and over. (LER remains at 1.7%).
(b) Same as 1(a), except increase LER so that total general state aid distributed would be the same as the estimate for 1975-76 with no change in the formula.
2. Same as present formula, except income tax rebate based upon 15% of resident individual income tax liability before credits (rather than after credits). (Comparison for each district and total for state of these two sets of figures.)
3. (a) Same as present formula, except exclude taxable income from district wealth computation and include as a part of local effort an amount equivalent to the district's rebate entitlement of 15% of resident individual income tax liability after credits. (LER remains at 1.7%).
(b) Same as 3(a), except increase LER so that total general state aid distributed would be the same as the estimate for 1975-76 with no change in the formula.
4. (a) Same as present formula, except adjust assessed valuation to the state median ratio rather than to 30%. (Excludes similar adjustment of state-assessed and personal property). (LER remains at 1.7%).

- (b) Same as 4(a), except increase LER so that total general state aid distributed would be the same as the estimate for 1975-76 with no change in the formula.
- 5. (a) Same as present formula, except combine the principles in 1(a) and 3(a). (LER remains at 1.7%).
(b) Same as 5(a), except increase LER so that total general state aid distributed would be the same as the estimate for 1975-76.
- 6. (a) Same as present formula, except combine the principles in 1(a) and 4(a). (LER remains at 1.7%).
(b) Same as 6(a), except increase LER so that total general state aid distributed would be the same as the estimate for 1975-76.
- 7. (a) Same as present formula, except combine the principles in 1(a), 3(a), and 4(a) (excluding taxable income). (LER remains at 1.7%).
(b) Same as 7(a), except increase LER so that total general state aid distributed would be the same as the estimate for 1975-76.

The next meeting of the Committee was set for November 17 and 18. The meeting was adjourned.

Prepared by Ben Barrett

Approved by Committee on:

November 17, 1975
Date

ATTACHMENT I

10/22/75

PROPOSED BILL NO. _____

By Special Committee on Public School Finance

Re: Proposal No. 46

AN ACT concerning the school district equalization act; relating to the method of counting pupils; amending K. S. A. 1975 Supp. 72-7033 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K. S. A. 1975 Supp. 72-7033 is hereby amended to read as follows: 72-7033. (a) "Pupil" means any person who is regularly enrolled in any of the grades kindergarten through twelve (12) of a district. Any pupil who is not regularly enrolled full time shall be counted as that proportion of one pupil (to the nearest one-tenth) that his or her regular enrollment bears to full-time regular enrollment. A pupil enrolled in kindergarten shall be counted as one-half (1/2) pupil. Any pupil enrolled in and attending any area vocational school, area vocational technical school or approved vocational education program ~~at least two (2) hours in each school day~~ shall be counted as one pupil if such pupil's vocational education enrollment and attendance is for one (1) hour in each school day and such pupil is regularly enrolled in and attending any of grades nine (9) to twelve (12) at least two-thirds (2/3) time or if such pupil's vocational education enrollment and attendance is for two (2) or three (3) hours in each school day and such pupil is regularly enrolled in and attending any of grades nine (9) to twelve (12) at least one-half time, otherwise any such pupil shall be counted as that proportion of one pupil (to the nearest one-tenth) that his or her non-vocational education enrollment bears to full-time enrollment. Any pupil enrolled in and attending special education services provided for by the district in a state institution under the jurisdiction of the secretary of social and rehabilitation services shall be counted as one pupil. The word "pupil"

shall not include any pupil enrolled in the district but housed, maintained, and receiving specialized instruction, as defined in K. S. A. 1975 Supp. 72-962, ~~as amended~~, at a state institution.

(b) "Enrollment" or "E" means the number of pupils in a district on September 15.

(c) "Enrollment category" means a group of districts described by establishing maximum and minimum enrollments thereof.

(d) "Graph" means a bivariate frequency distribution.

Sec. 2. K. S. A. 1975 Supp. 72-7033 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.