

MINUTES OF THE HOUSE COMMITTEE ON EDUCATIONThe meeting was called to order by Representative Don Crumbaker at  
Chairperson3:30 ~~am~~/p.m. on February 9, 1983 in room 519-S of the Capitol.

All members were present except:

## Committee staff present:

Avis Swartzman, Revisor of Statutes  
Ben Barrett, Legislative Research  
Dale Dennis, State Department of Education  
JoAnn Mann, Secretary to the Committee

## Conferees appearing before the committee:

Jim Yonally, Shawnee Mission USD 512  
Jerry Schreiner, United School Administrators  
Bruce Goeden, Kansas National Education Association  
John Koepke, Kansas Association of School Boards  
Paul Fleener, Kansas Farm Bureau  
Bob Clemons, State Board of Education

Chairman Crumbaker called the meeting to order.

Representative Hensley requested the Committee introduce legislation which would accurately reflect the role and responsibilities of the regular classroom para-professional and aide.

Representative Hensley made a motion to introduce the proposed legislation as a Committee Bill, By Request and Representative Apt seconded the motion. The motion carried.

Representative Hassler requested legislation be introduced which would provide tax credits for donations of high technology equipment. Representative Hassler made a motion that the legislation be introduced as a Committee Bill, By Request. Representative Miller seconded the motion and the motion carried.

Representative announced that Representative Roenbaugh had requested legislation that would allow St. John USD 350, Stafford County to transfer property back to the city of Hudson.

Representative Moomaw made a motion to introduce the legislation as a Committee Bill, By Request. Representative Smith seconded the motion and the motion carried.

A hearing was held on School Finance.

Jim Yonally, Shawnee Mission USD 512, spoke briefly to the Committee to stress three major points: (1) There are inequities in the School Finance formula in its present form. The recent 4% cut resulted in a loss of \$1.9 million in state aid to USD 512 or 28%. (2) USD 512 opposes earmarking budget authority for special purposes and feels this should be dealt with at the local level. (3) USD 512 feels budget limitations should be set at 5-15%. They consider this is realistic as the total aid statewide would be \$2 million less than the Governor's request.

Jerry Schreiner, Executive Director of United School Administrators, appeared before the Committee to state his organization's positions on School Finance. They feel that the state's responsibility for financing public schools is a 50% minimum of general fund budgets. Therefore, they supported the Governor's recommendation to provide approximately 48% support as a step toward achieving this goal. Mr. Schreiner said USA is concerned about the shift in taxes and respectfully requested that the Committee give consideration to funding unified school districts' general fund budgets at the \$493 million level. USA strongly opposed the earmarking of general fund budget monies for any specific purpose. This prevents the local district from determining how best to use available resources in meeting the needs of its students.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

room 519-S, Statehouse, at 3:30 ~~am~~/p.m. on February 9, 1983

A copy of Dr. Schreiner's testimony is attached and made a part of these minutes. (Attachment A)

In response to a query from Representative Leach, Dr. Schreiner stated he would obtain information on how other states are handling the problem of lack of funds. Dr. Schreiner said 50% of their administrators surveyed do not support a local option income tax. He stated there are 2400-2600 administrators in the state but only 1200 of them belong to United School Administrators.

Bruce Goeden, Kansas-National Education Association, appeared in support of HB 2174 as they feel it better addresses the problem of issues facing public education in Kansas. They believe the bill allows local school districts to adopt a budget higher than it might otherwise adopt. K-NEA also supports the four year plan to increase the average salary of Kansas teachers. A copy of Mr. Goeden's testimony is attached and made a part of these minutes. (Attachment B)

John Koepke, Kansas Association of School Boards, stated that although they are appreciative that an effort is being made to deal with School Finance early in the session, they find the bills to be disappointing with respect to the budget limits being contemplated. They believe that a minimum budget limit of 5-15% is necessary to preserve the quality of education in Kansas.

Kansas Association of School Boards registered strong objection to the concept of earmarking school district funds which is written into HB 2174. In the past three years, school district budgets have increased by 29% while teachers salaries have increased by 33%. Mr. Koepke concluded his remarks by stating they feel their requests in the area of budget limits are within the realm of reason and represent their best judgment of what is necessary if the present excellent quality of education in Kansas is preserved. A copy of Mr. Koepke's testimony is attached and made a part of these minutes. (Attachment C)

Paul Fleener, Kansas Farm Bureau, stated the thrust of his testimony would cover four topics. (1) Basic Education - the Legislature, or some board, commission, committee or agency designated by the Legislature, is going to have to determine what the ingredients are for a basic education for grades K-12. (2) Reduced Reliance on Property Tax - They believe it is an absolute necessity to shift the burden of elementary/secondary finance from the general property tax to nonproperty revenue sources. Farmers and ranchers are most adversely affected by continued reliance on the property tax for support of public schools. (3) School District Income Tax - Farm Bureau has testified in the last 12 years in favor of a mandated school district income tax to provide approximately 25-30 percent of the revenue necessary for elementary and secondary schools. (4) Formula Factors - Weighting There are differences among and between the school districts which necessarily result in higher expenditures per pupil in some districts. Vocational education programs and programs for special education students can be shown to produce higher per pupil expenditures. They believe these variations and differences can be taken into consideration when writing a school finance law. A copy of Mr. Fleener's testimony is attached and made a part of these minutes. (Attachment D)

Bob Clemons, State Board of Education, told the Committee that on February 8, 1983 the Board passed a motion which recommended a minimum general fund budget per pupil limitation of 5-15%. Even though they realized the state is in a serious financial crisis, they also realized that the quality of our educational program depends to some extent on the amount of money made available for instruction. The number of students entering the teaching profession has declined because of low salaries. It is, therefore, important that budget limitations be as high as possible in order to pay teachers, thus attracting high quality teachers and retaining them in the profession. Mr. Clemons said they support the improvement of teachers' salaries but believe that local boards should maintain the authority in allocating their general fund resources. The State Board of Education recommended that School District Equalization Aid be increased to a level that would eliminate any substantial increase in the property tax during the 1983-84 school year. A copy of Mr. Clemons testimony is attached and made a part of these minutes. (Attachment E)



# UNITED SCHOOL ADMINISTRATORS OF KANSAS

1906 EAST 29TH

TOPEKA, KANSAS 66605

913-267-1471

**JERRY O. SCHREINER**  
EXECUTIVE DIRECTOR

**M.D. "MAC" McKENNEY**  
ASSOCIATE EXECUTIVE DIRECTOR

TO: House Education Committee

FROM: Jerry O. Schreiner, Executive Director

DATE: February 9, 1983

SUBJECT: HB 2174, HB 2175, HB 2176 -- School Finance

Mr. Chairman, members of the committee--I appreciate the opportunity to appear before you today to state the positions of the United School Administrators on school finance.

The United School Administrators' position on the state's responsibility for financing the public schools is a 50% minimum of general fund budgets. We, therefore, support the Governor's recommendation to provide approximately 48% support for general fund budgets as a step toward achieving this goal.

By providing general aid and income tax rebates of \$493 million, a minimum budget limit of 5% as provided in permanent law could be maintained. Due to the 4% reduction in state aid this fiscal year and the anticipated loss of tax revenue due to the removal of farm machinery, equipment, and business aircraft from the tax base next

fiscal year, many school districts will be faced with intolerable property tax increases. USA is concerned about this shift in taxes. Thus, we respectfully request that you give consideration to funding unified school district general fund budgets at the \$493 million level.

Administrators strongly oppose the earmarking of general fund budget monies for any specific purpose. Earmarking prevents the local district from determining how best to use available resources in meeting the needs of its students.

Current data indicates a serious teacher shortage in such areas as math, science, vocational education, modern foreign language, and high technology. We believe that this is due, at least in part, to relatively low salaries. School administrators and other educational groups are united in efforts to improve salaries in order to attract and retain quality staff and compete more favorably with the private sector.

Members of the Task Force or I would be glad to respond to questions.



1983 Legislative Positions of the  
United School Administrators of Kansas

The United School Administrators of Kansas  
Recommends and Supports Legislation That Will:

School Finance

- \*Utilize a mix of taxes (sales, income, severance, property, or others) to fund public schools.
- \*Provide for classification of property for purposes of taxation.
- \*Retain the present 18 month budget authority in all funds, both levy and non-levy.
- \*Place the responsibility for all school district budget and audit forms with the Kansas State Department of Education rather than Accounts and Reports.
- \*Eliminate part-time employees from participation in the unemployment insurance program.

Mandatory School Attendance Age

Amend the age requirement for school attendance to make school attendance laws consistent with truancy statutes.

Evaluation of Staff

\*Extend the present requirement to complete evaluations within the first forty days to sixty days.

## RESOLUTIONS OF THE UNITED SCHOOL ADMINISTRATORS OF KANSAS

Resolutions, adopted by the Representative Assembly, provide direction and justification for implementing programs and activities by the Board of Directors, committees, and staff. Unlike "positions" that provide direction for the current year, resolutions continue indefinitely until amended or eliminated. The following resolutions relate to USA's continuing legislative program.

### Curriculum

The United School Administrators of Kansas opposes any legislation that would either mandate or prohibit specific curriculum content in the public schools. 1/27/82

### Special Education

The United School Administrators of Kansas recommends and supports legislation that will provide full funding by the state for the excess costs of special education through categorical aid. 11/24/81

### Due Process for Administrators

The United School Administrators of Kansas recommends and supports legislation that will provide due process procedures for all school administrators at the local board of education level. Each administrator whose contract may be terminated or non-renewed is entitled to (1) written reason(s) for the termination or nonrenewal, (2) a hearing before the board of education, and (3) advice of counsel. 11/24/81

### Private Schools

The United School Administrators of Kansas opposes the use of public funds, either directly or indirectly, for the support of private schools. 11/24/81

### State Support of Public Schools

The United School Administrators of Kansas supports the concept of a minimum of 50% state support of general fund budgets. 11/17/82

### Reappraisal of Real Property

The United School Administrators of Kansas supports legislation that will provide for statewide reappraisal of all real property. 11/17/82

### General Fund Budget Authority

The United School Administrators of Kansas supports general fund budget limitations that are responsive to the financial needs of education. 11/17/82

### Professional Negotiations

The United School Administrators of Kansas opposes binding arbitration. 11/17/82

### KPERS - Retirement Program

The United School Administrators of Kansas supports improvements in the retirement system for school employees that provide for (a) early retirement without penalties and/or (b) increased benefits. 11/17/82



United School Administrators  
Task Force on School Finance

C. L. Stuart - Clay Center (Chairman)

Leo Lake - Abilene (Vice Chairman)

Dannie Clodfelter - Meade

Jack Hobbs - Goodland

Ferman Marsh - Tecumseh

John Bottom - Beloit

Howard Shuler - Topeka

Bob Nispel - Wichita

O. L. Plucker - Kansas City

Larry Geil - Rosalia

Larry Wade - Haviland

Jim Harris - Sedan

Charles Hubbard - Derby

Jim McClain - Bennington

Alan Schuler - Leavenworth

Kent Hurn - Topeka

Byron Smith - Anthony

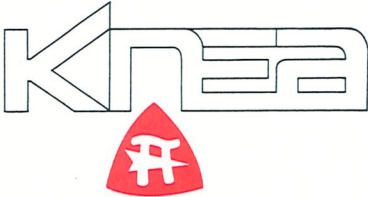
L. D. Curran - Altamont

Ken Fisher - Lawrence



TESTIMONY  
TO  
HOUSE EDUCATION COMMITTEE

House Bills 2174, 2175 and 2176  
February 9, 1983



By  
Bruce T. Goeden, Assistant Executive Director  
Kansas-National Education Association

Mr. Chairman and Members of the Committee:

I am Bruce Goeden, Assistant Executive Director of the Kansas-National Education Association. Thank you for the opportunity to appear before you today and present our views on House Bills 2174, 2175 and 2176, School Finance.

The Kansas-NEA meets on a continuing basis with other members of a coalition to discuss and review issues facing public education in Kansas. In the past we have agreed on approaches and solutions for many problems. We have also disagreed at times. As this relates to school finance at this time, we are only in agreement as to the need to provide adequate funding for Kansas schools.

Kansas-NEA believes a critical question must be answered as any bill is being considered. That question is whether or not there is agreement about the need to provide substantial salary increases to teachers.

If the answer is "no," much of this discussion is moot. I believe you will agree the answer is not "no," but is "yes."

If the answer is indeed "yes," it is imperative to address our concerns to how this can best be accomplished.

Kansas-NEA believes House Bill 2174 better addresses this problem in a positive manner than any other proposal which has been brought forth and offered for consideration.

Several points of concern have developed regarding this bill and the various "problems" it may have or it may surface, in particular as they relate to the extra 1½% of budget authority. We believe these concerns have been exaggerated.



The first of these is the local autonomy of local boards in controlling their own budgets.

We believe this bill only allows a local school district to adopt a budget higher than it might otherwise adopt. This is not a new concept. Various adjustment factors are allowed to districts to add to their budget authority. Boards will continue to have the authority and responsibility to adopt a budget which they believe will best meet the needs of their district.

The second concern we have heard raised regarding portions of this bill are in regard to the dangerous precedent which will be set by such action.

We believe the idea of additional budget authority which is earmarked as to its purpose is not new. We believe the current ability districts have to obtain, through appeal, additional budget authority for new elementary guidance counselors, new or enhanced bilingual education programs and library personnel, is no less of an earmarking of the use of additional budget authority.

The third concern is with the admission that certain portions of the budgets have had differing demands placed on them as to the amount of necessary increase. That is, some components of the budget are rising more quickly in cost than other components.

The legislature has also addressed this in the past. We believe no district has had any aversion to adding to their budget authority for the escalating costs of Social Security or utilities. We believe allowing additional authority for districts' added costs of teachers' salaries is no less justified.

In addition, some concerns have been raised relating to how this added authority might be monitored.

It seems to us there are several good ways which might be developed to monitor the usage of such added budget authority, not the least of which might be to include the added authority on the Form 3-2230-150 which calculates the estimated legal maximum budget for school districts. The added authority could be handled much like the utilities adjustment allowed on the same form. The audit of the school district could be used to give a further check on the district.

In conclusion, we support the four-year plan to increase the average salary of Kansas teachers as well as revitalize the teacher preparation standards. We believe this Committee will indeed make its commitment to address the issue of making progress in raising teachers' salaries known to the legislature. We believe education is the key to this nation's future economy and security, and this is no time to skimp on schools.



Testimony on H.B. 2174, 2175 and 2176  
Before the House Education Committee

by

John W. Koepke, Associate Executive Director  
Kansas Association of School Boards

Mr. Chairman and members of the Committee, we appreciate the opportunity to once again express the views of our 300 member district boards of education on a topic of vital interest to public education. We are appreciative that once again this year, an effort is being made to deal with the subject of school finance early in the session, so that school boards and teachers might have the opportunity to know the parameters within which their bargaining sessions must operate.

With that issue in mind, we must confess that we find the bills on school finance under consideration this year to be disappointing with respect to the budget limits being contemplated. We have been meeting regularly with the other interest groups in public education this winter, and we are unanimous in our belief that a minimum budget limitation of 5-15% is necessary in order to preserve the quality of public education in Kansas. To accomplish that goal would, of course, not require the passage of any school finance bill this year, since those are the budget limits written into the permanent statute.

We must also register our strong objection to the concept of earmarking school district funds which is written into H.B. 2174. We fully support the goal of increasing teachers salaries in order to attract and hold the best

possible personnel into the teaching profession in Kansas. School board members have recognized this need for many years. In the past three years, for example, school district budgets in Kansas have increased by 29%. At the same time, teacher compensation has increased by 33%. Kansas school board members have been concerned about this issue and have been doing something about it.

We do not think this concern will be addressed by the concept of earmarking. Once the earmarking precedent is set, then there will inevitably be a string of earmarking proposals written into statute and the ability of local boards of education to address local educational concerns will be hamstrung. As important as the issue of teachers salaries may be, we believe that it is still best to place the determination of budget priorities in the hands of local boards of education.

Finally, Mr. Chairman and members of the committee, we are not unmindful of the fiscal problems facing the state of Kansas and the poor status of many sectors of the Kansas economy. We have endeavoured to keep these factors in mind as we developed our legislative program. We are also aware of the efforts which have been made in the past several years to address educational funding concerns. We seek no preferential treatment for elementary and secondary education. We do, however, feel that the education of our children must remain the foremost consideration in governmental expenditures at the state level.

We must maintain a populace educated to the level that they are an incentive for business to remain and relocate in Kansas. To cripple our educational efforts now through reduced funding would be counter productive to our efforts to rebuild the Kansas economy. Therefore, we feel that the requests that we have made in the area of budget limits are within the realm of reason and represent our best judgment of what is necessary if we are to preserve what we believe is our present excellent quality of education in Kansas.

STATEMENT TO THE  
HOUSE EDUCATION COMMITTEE

RE: School Finance  
February 9, 1983  
Topeka, Kansas

by  
Paul E. Fleener, Director  
Public Affairs Division  
Kansas Farm Bureau

Mr. Chairman and members of the Committee:

We are pleased to have an opportunity to speak on behalf of farmers and ranchers from throughout the State of Kansas, members of Farm Bureau, regarding school finance. The thrust of our testimony will cover four topics:

- \* Basic education
- \* Reduced reliance on property tax
- \* School district income tax
- \* Formula factors -- weighting

Attached to our statement for today are the following materials:

- \* Appendix "A" . . . Farm Bureau Resolution for 1983  
on school finance
- \* Appendix "B" . . . Our statement of January 27, 1983, in regard  
school district income tax

In 1972, a Special Interim Committee studying school finance, seeking to devise a new school finance system for the State of Kansas, had the same task that confronts you. That committee sought, as you seek, to devise "a school financing system that is fiscally neutral," as mandated by Caldwell versus the State of Kansas.

Subsequent to the recommendations made by that Committee in 1972, the full Kansas Legislature, in the Session of 1973, enacted what we know today as the School District Equalization Act.

There was a bipartisan effort in 1973 to build a foundation for an equitable school finance plan. In 1973, a bigger pie was baked, and the pie was cut up differently than had been done previously. The action of the Legislature was not universally acceptable because that Legislature



dealt, as you will deal in the 1983 Session, with a sensitive pocketbook issue.

The desire for equity in school finance is bipartisan in nature, transcends party lines, is larger than the constituency of any one member of this Legislature, and is the hope of ALL citizens -- rural and urban, democrat and republican, black and white, professional and lay.

We have watched the Legislature grapple with this topic for years. In recent legislative sessions the School District Equalization Act (SDEA) has been the cause of increasingly acrimonious debate within legislative committees and on the floor of both Senate and House.

The SDEA of 1973 was not the end of school finance, it was a beginning. Our members, not all of whom "benefitted" from the so-called equalization, nonetheless expressed appreciation to the Kansas Legislature for making that modest beginning. We have continued to study school finance, to suggest refinements, to seek inclusion of other factors which would more accurately reflect the complete picture of all of the existing school districts and the circumstances surrounding their financial wherewithal, their size, their location, student populations, and their course offerings.

#### Basic Education . . . A Definition Needed

One day soon the Legislature, or some board, commission, committee or agency designated by the Legislature, is going to have to determine what the ingredients are for a basic education for grades K-12. Our people believe state aid should be made available on the basis of that "basic education."

We believe school finance legislation in the State of Kansas should provide a basic guarantee expressed in terms of pupils. The basic education of those pupils . . . the equal educational opportunity of those pupils, from one end of this state to the other . . . is a shared responsibility which begins right here.

Reduced Reliance on Property Tax

For years both major political parties in this state have expressed the belief that general property taxes must be reduced. There has been executive, legislative, and judicial recognition of the need to shift from reliance on general property taxes. We have traced the history of the property tax for education committees for years. Legislators are probably weary of hearing the story. But its been going on since Caesar Augustus issued the order that "all the world should be taxed."

We believe, Mr. Chairman and members of the Committee, that it is an absolute necessity that we in this state shift the burden of elementary/secondary finance from the general property tax to nonproperty tax revenue sources.

Farmers and ranchers are most adversely affected by continued reliance on the property tax for support of elementary and secondary schools. They, by the very nature of their occupations, must have an investment in tangible property several times greater than most other segments of the economy. However, other people in other segments of our economy, are adversely affected by heavy reliance on the general property tax.

School District Income Tax

In Caldwell vs. Kansas there is this statement:

"The Legislature must determine whether high or low property taxes in relation to other tax forms (emphasis added) is the proper course and this burden cannot be thrust on the courts."

Our farmers and ranchers have long held the view that the State of Kansas should move to nonproperty tax revenues to meet one of its fundamental responsibilities . . . education.

In Article 6, Section 6, Subsection (b) of the Kansas Constitution there is this statement:

"The Legislature shall make suitable provisions for finance of the educational interest of the state. No tuition shall be charged for attendance at any public school to pupils required by law to attend such school, except such fees or supplemental charges as may be authorized by law."



We have testified in legislative sessions in each of the past dozen years in favor of a mandated school district income tax to provide approximately 25 percent to 30 percent of the revenue necessary for our elementary and secondary schools. Most recently we testified regarding legislation (HB 2053) that is under consideration in this session. (See Appendix B)

A modest, mandated, proportional tax on income would provide very nicely for a major portion of the revenue needs by our USD's.

We believe the time has come to move to the mandated school district income tax. The tax should be collected by the state and remitted to the district of origin. We further believe there should be an opportunity for school district boards of education to increase district revenues through the income tax in the same way that opportunity now exists to use the property tax.

#### Formula Factors -- Weighting

There are differences among and between the school districts in this state which necessarily result in higher expenditures per pupil in some districts. Vocational education programs, programs for developmentally disabled students, and programs for special education students can be shown to produce higher per pupil expenditures. It can be shown, as well, that the grade level of students, be they kindergarten, elementary, junior high or senior high school students, results in differing per pupil costs. The geographic size of some districts, and the density or sparsity of student population, and total student enrollment, are factors which we believe should be given consideration as modifications to the school finance law are contemplated.

Referring once again to Caldwell versus Kansas: Our reading of that case leads us to believe that the variations and differences listed above can be taken into consideration when writing a school finance law. Discussion from Caldwell indicates "the right to equal protection of law is not tantamount to a regimented homogeneity. Equality does not exclude variety."

Thank for the opportunity to appear before you today regarding school finance.

## KANSAS FARM BUREAU RESOLUTION

Adopted by the Voting Delegates Representing 105 County Farm Bureaus at the 64th Annual Meeting in Topeka, December 7, 1982

**School Finance**

We believe the Kansas Legislature should ascertain what a "basic education" consists of in grades K-12, and should develop a school finance formula to assist in the delivery of, and funding for, that "basic education" for every child enrolled in public schools in each unified school district in the state.

We continue to believe that there should be minimal reliance on the property tax for support of our elementary and secondary schools. The property tax serves as the revenue source for many other local units of government.

Because all citizens, farmers and non-farmers alike, are consumers of food and are uniformly taxed on the food they purchase, we will oppose legislation to exempt food from the state sales tax.

We will support legislation to create a school district income tax, such tax to be collected by the state from every resident individual and returned by the state to the school district of residence of the individual taxpayer.

We will support legislation to increase the state sales tax by one cent (1%), PROVIDED the revenues from such increase are used for financing elementary and secondary schools and to reduce property taxes now levied for school finance.

We believe State General Fund revenues should be enhanced for school finance purposes by increasing the rates of income and privilege taxes imposed on corporations, financial institutions, insurance companies, and non-resident individuals.

It is our strong belief that as long as property is used as a measure of wealth, then intangible property should be a part of such measurement of wealth. We further believe that the valuation of IRB-property should be included in the total valuation of the school district in which such property is situated, and counted as part of such district's wealth.

The geographic size of school districts, and the density or sparsity of student population, along with total student enrollment, should be recognized as factors which result in necessarily higher expenditures per pupil in some districts. Those factors causing higher expenditures in any district should qualify for additional state aid or a cost-sharing by the state. We are opposed to the inclusion of a pupil/teacher ratio (PTR) factor in the School District Equalization Act.

We believe that federally and state mandated programs--vocational education programs, developmentally disabled student programs and other special education programs--should be fully funded by the federal or state government, whichever mandates a given program.

We have opposed in the past, and we will continue to oppose efforts to establish a statewide property tax levy.

STATEMENT TO THE  
HOUSE ASSESSMENT AND TAXATION COMMITTEE

RE: H.B. 2053 - Local Option  
Income Tax for Schools  
January 27, 1983  
Topeka, Kansas

by  
Paul E. Fleener, Director  
Public Affairs Division  
Kansas Farm Bureau

Mr. Chairman and members of the Committee, my name is Paul Fleener. I'm here representing Kansas Farm Bureau. Mr. Koepke said that he represents school boards in 209 of 306 school districts, and we represent farmers in 306 of 306 school districts.

We are pleased to have an opportunity to appear as proponents of a school district income tax. We supported H.B. 2370, a similar measure introduced in 1981. We supported it enroute to House passage and before the three Senate Committees to which it was assigned after it reached that body. Mr. Chairman, you will remember, and some members of this committee will remember, that even as we supported H.B. 2370, we suggested, even urged, that the option be removed and a ten percent surtax proposed be mandated. We make that same observation regarding the committee bill you now have under consideration, H.B. 2053. Since there are new members in 1983, we want to at this time share with the committee two paragraphs from our resolution on School Finance. I would like to discuss them briefly and make some observations on, how in our opinion, H.B. 2053, a good bill, can be made even better. Farmers and ranchers have a great and abiding interest in school finance. We have a comprehensive policy position on school finance, a portion of which relates to H.B. 2053. I'd like to share those two with you at this time.

Our delegates in December of 1982 at the Annual Meeting held here in Topeka, amended and reaffirmed some other portions of our school finance statement. They continued this language from previous years.

*We will support legislation to create a school district income tax, such tax to be collected by the state from every resident individual and returned by the state to the school district of residence of the individual taxpayer. The other pertinent paragraph is this:*

*We believe State General Fund revenues should be enhanced for school finance purposes by increasing the rates of income and privilege taxes imposed on corporations, financial institutions, insurance companies, and non-resident individuals.*

Mr. Chairman, we would like to and in the interest of time, very briefly discuss the rationale for our recommendation that this be mandated..

First off, there really is no option on the property tax, and to respond prior to being asked, as other conferees were asked, is our motivation to reduce the property tax. We make no bones about our request, that there be less reliance on the property tax for funding elementary and secondary schools in the State of Kansas. I believe I have heard the Chairman of this Committee say something very much like another one sentence long resolution in our policy position that relates to state and local fiscal needs, and how to meet those needs. Our policy position says this:

*It is time in Kansas to write a basic tax policy of taxing people for services to people, and taxing property for services to property.*

We would urge you to do that. We would urge you to mandate the first ten percent, and then if you will, leave it to the option of the local school boards to go beyond that if they care to. And we would suggest to you that it be done for individuals and for those other entities which I named.

As the handout was provided to you and the discussion that went along with it would indicate, you could with just the individual portion of it raise \$48 million. I do not apologize for the very courageous action taken by the Kansas Legislature last year, as some others have seemed want to do concerning the farm machinery exemption. Therefore, I want to point out

to you that those dollars are significant and this is an option that should be made available after you mandate that first ten percent.

Mr. Chairman, thank you very much for this opportunity to appear.

# Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612



Kay M. Groneman  
District 1

Alicia L. Salisbury  
District 4

Marilyn Harwood  
District 6

Evelyn Whitcomb  
District 8

Kathleen White  
District 2

Ann L. Keener  
District 5

Theodore R. Von Fange  
District 7

Robert J. Clemons  
District 9

Dale Louis Carey  
District 3

February 9, 1983

Gordon Schultz  
District 10

TO: House Education Committee  
FROM: State Board of Education  
SUBJECT: School Finance -- Fiscal Year 1984

My name is Bob Clemons. I am a member of the State Board of Education from Independence and I have with me fellow Board members Alicia Salisbury, Topeka, and Ann Keener, LaCrosse.

## BUDGET LIMITATIONS

On February 8, 1983, the State Board of Education passed a motion which recommends a minimum general fund budget per pupil limitation of 5%-15%. We realize the state is in a serious financial crisis, but we also realize that the quality of our educational program depends to some extent on the amount of money made available for instruction. The number of students entering the teaching field in recent years has declined because of low salaries. It is very important that budget limitations be as high as possible in order to pay teachers, thus attracting high quality teachers and retaining them in the profession.

Local boards of education, the Legislature, and the Governor have made a concerted effort in recent years to improve teacher salaries and to comply with mandated programs. In many school districts the teacher salaries

have increased a greater percentage than the general fund budget, but Kansas still ranks below the national median for paying teachers. We, therefore, recommend that the budget limitations be a minimum of 5%-15% for the 1983-84 school year.

#### EARMARKING OF FUNDS

One of the proposals as submitted to this committee has been the earmarking of specific general fund dollars for the improvement of teacher salaries. We highly support the improvement of teacher salaries, but believe that the locally elected boards of education should maintain the authority in allocating their general fund resources. There are other employees of the school districts who play an important role in the educational system. Employees--such as bus drivers, food service workers, custodians, maintenance personnel, etc.--also have to be considered in the local boards' determination of priorities.

#### PROPERTY TAX

It is recommended that School District Equalization Aid be increased to a level that would eliminate any substantial increase in the property tax during the 1983-84 school year. Many people think the property taxpayers have about reached their limit. Due to the loss of state aid under the allotment system and the removal of farm machinery from the tax rolls, it is important that state aid be increased to assist the property taxpayer.