

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Representative Don Crumbaker at
Chairperson

3:30 ~~am~~/p.m. on February 17, 1983 in room 313-S of the Capitol.

All members were present except: Representatives Helgerson and Brady, who were excused.

Committee staff present:

Avis Swartzman, Revisor of Statutes
Ben Barrett, Legislative Research
JoAnn Mann, Secretary to the Committee

Conferees appearing before the committee:

John Murphy, Gorham resident
John Schuckman, Mayor of Gorham
Scott Robben, President of Gorham High School's Student Government
Don C. Staab, Attorney, Victoria, Kansas
Eric Byrd, Cropp & Associates, C.P.A.'s, P.A.
John Koepke, Kansas Association of School Boards

HB 2049 - Unified school district No. 407, detachment of territory, new school district established.

A joint hearing with the Senate Education Committee was held in the Supreme Court Chamber.

John Murphy, Gorham resident, appeared in support. A copy of his testimony is attached and made a part of these minutes. (Attachment A)

John Schuckman, Mayor of Gorham, appeared in support. A copy of his testimony is attached and made a part of these minutes. (Attachment B)

Scott Robben, President of Gorham High School's Student Government, appeared in support. A copy of his testimony is attached and made a part of these minutes. (Attachment C)

Don C. Staab, Attorney, appeared in support. A copy of his testimony is attached and made a part of these minutes. (Attachment D)

Eric Byrd, Cropp & Associates, C.P.A.'s, P.A. presented statistics to the committee which are attached and made a part of these minutes. (Attachment E)

John Koepke, Kansas Association of School Boards, opposed the legislation. A copy of his testimony is attached and made a part of these minutes. (Attachment F)

The meeting was adjourned.

Honorable Senators and Representatives:

My name is John Murphy, and I am a resident of Gorham, Kansas. I am here to testify in favor of proposed Senate Bill #48 and the House Bill #2049, which would reinact the old Gorham School District. I have been basically a life-long resident of the City of Gorham, and I think it important for the community to know that when my parents moved from St. Louis, Missouri, to Gorham, Kansas, in 1944, one of the main reasons for coming to a small community was to see to it that my brothers and sisters were educated in a small community. My entire family of brothers and sisters graduated from the Gorham School system. My personal philosophy has not changed in any manner from my parents and I desire that my children be educated in a small school system, whereby they get the personal attention and interact with the system on a more personal basis.

As owner of the Gorham Telephone Company, our community is thriving in that I can see an increase in the number of telephone systems within the District, and we are having young people move to town to buy and rent with a main reason for coming to Gorham is to have their children educated in a small school environment.

The proposing of these two bills has not been a proposition that has come about with this term of the session of the legislature. The concern of the Gorham community has existed very strongly since 1976 when the Gorham community organized to see that they would have continued schools in their community. Our main concern has always been and will always be what is of benefit to these students, but we feel that by virtue of this bill, we will have the independence and achieve the goal of being

able to make educational decisions for our own community and our own children.

The community does not deny that there has been an on-going controversy within the Russell School District regarding the closing of the Gorham schools. We have been embroiled in lawsuits, special elections and numerous meetings and discussions, but the action of having special legislation will conclude the disruptiveness within U.S.D. #407 by recreating the old Gorham School District. I must emphasize to the committee that this bill is unique in that it re-establishes the old Gorham School District without detriment to the remaining portion of U.S.D. #407. As you can tell by the interested spectators, an entire bus load of Gorham residents are here in support of this bill, and I am speaking not only on my own behalf but on the behalf of the entire Gorham Community; that passage of this bill will be of benefit to our community and put the Gorham community in a position to do what is foremost in everybody's minds, to bring the best, quality education to our young in a calm and peaceful atmosphere.

I thank you for your kind attention and hope that you will consider these bills favorably.

To the Honorable Joint Committee
of Senators & Representatives:

My name is John Schuckman, and I am the Mayor of Gorham, Kansas. I am here to present to this committee my recommendation that the Senate Bill #48 and House Bill #2049 be passed by this committee. I am a family man, and I have five children who have graduated from Gorham High School and two remaining children in the school district, and feel that they all received a quality education despite the ongoing difficulties within our school district. I would submit to this committee that the proposed legislation here today is not something that was conceived without long and careful thought by the community. Our community has been working on this for an excess of a year to propose this legislation, and as you can see from the crowd, it has great support for what would be the new Gorham Unified School District. The community feels that normalcy in school education would be brought to our community if the bill here today is passed by the legislature and signed by the governor. Our present school system has very good and adequate buildings as it is shown in the booklet entitled Establishment of a Unified School District at Gorham, Kansas. I urge the committee to study this booklet, as it gives a good overall picture of why the bill justifies your support. We feel very strongly about the creation of our own district and do not feel it would set a precedent within the State of Kansas, for when the committee views the evidence as a whole, we have a very unique situation within our community. As the committee can see, we have made a thorough study and analysis of this situation and our certified public accountant verifies that this new school district can be

funded from the tax base as it exists in the proposed Unified School District for Gorham, Kansas.

I am here today not only speaking as Mayor, but I feel I am speaking on behalf of most of our citizens that affirmative action should be granted this bill.

Testimony of Scott Robben, President, Gorham High School Student Council

I am Scott Robben. I am the President of Gorham High School's Student Government. I am sure I speak for the entire student body when I submit to you our pride in our school. Although we are small, I doubt there is a student at Gorham who is not proud to say "I'm a Gorham Oiler". We feel that although we don't have 50 or 60 credits to choose from, we are being prepared for life after high school whatever that may be for each of us. The individual attention made possible by smaller classes gives each of us the opportunity to strive toward our full potential. If a student at Gorham is not prepared to handle life's problems upon graduation, it is because he or she chose not to take advantage of the education offered at GHS, not the fault of good and caring instructors or inadequate curriculum.

Another real advantage to being a student at any Gorham school is the unflinching support we are given by the community. Any event, athletic, musical, dramatic or any other phase of the educational process is well attended and supported by the community. We are especially proud of the support we get from those townspeople who no longer have a student in the system. They support us as enthusiastically as our parents. No group of students has more to be proud of than those of us who attend school at Gorham. We are supported, loved and really cared about by friends, faculty, and relatives and when you add that to the care we have for each other, you have a school that offers all a student could want.

To the Honorable Senators and Representatives
of the Education Committee:

My name is Don C. Staab, and I reside in Victoria, Kansas.

As a matter of background, I have been an attorney for 24 years and have during that course represented school districts within the State of Kansas, and I am currently a school board member in U.S.D. #432, which is an adjoining school district to school district #407 in Russell.

In 1976, I was first hired by the Gorham residents to aid them in maintaining a school system in the Gorham community. My time spent on this problem has been voluminous. One of the members has kept a scrapbook of news articles on the lawsuits, meetings, and elections held within #407 to try to resolve the ongoing dispute with U.S.D. #407 and the Gorham High School and Grade School. I am here today to speak in favor of proposed Senate Bill #48 and House Bill #2049, which would recreate the old Gorham School District.

I believe that the creation of this new district is justified for the following reasons: Number One; it will resolve and remove once and for all the court system from being embroiled in this controversy and will allow these residents of Gorham and the old Gorham School District to make the decision regarding the education of their children. It has become apparent to me over the years that these Gorham residents seek the right to make this determination, and this has been clearly expressed by a special election that was held in the old Gorham School District in January of 1978, when the patrons voted overwhelmingly to allow an extra taxing district to be created

to pay for any excess costs in running the Gorham High School and Gorham Grade School. Due to a lawsuit, the taxing district was never initiated but it affirmatively shows to this committee the feelings of this old school district at wanting to pay its own way and make the decisions for their children without the interference of the larger school district. Number Two; by creating this new Gorham School District, the District itself as created will have sufficient tax valuation to be self-supporting. The district will be created as it was established years ago and will not take any territory from any adjoining school districts. The district will be created from territory within the 407th and by recreating this district, the remaining portion of U.S.D. #407 or the Russell School District will not be financially hampered by removal of this territory. After my testimony, there will be testimony by a certified public accountant who has created a proposed budget that will provide adequate tax receipts to comply with the 18-month budget law. The last point I would like to make to this committee is the fact that the Gorham situation is unique within the State of Kansas, and you will not be setting a precedent for creation of other school districts, but will merely be creating a district that will be acceptable to the people of Gorham and will forever conclude the disruptiveness that has gone on for the past seven years within the U.S.D. #407. I think it important that quality education will be hampered by ongoing disputes but by the

creation of this District the legislature will have solved a problem that the court system or elections have been unable to resolve and will be unable to resolve.

I would, therefore, respectfully request this committee to act affirmatively on the passage of Senate Bill #48 and House Bill #2049 for the creation of U.S.D. #409. I would be happy to answer any questions that any of the committee members have.

CROPP & ASSOCIATES, C.P.A.'S, P.A.

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February 17, 1983

To the Joint Education Committees:

Our firm was contacted by members of the Gorham Community Development Corporation who requested that we verify projected tax receipts and expenditures for a new school district which they were proposing. We accepted the engagement to provide assistance with the budget. We have remained independent throughout the engagement; neither encouraging nor discouraging separation from Unified School District No. 407.

REVENUES:

The tax receipts provided in the budget were arrived at by listing separately each section of real estate and each oil property in the proposed district along with the 1981 valuations on record at the courthouse. A percentage of the personal property and state assessments from each Township was used. These valuations were audited by our firm to the extent that we feel they can be relied upon. A 6 percent annual increase to the valuations was used to project subsequent year valuations. A mill levy of 53.5 was applied to the valuations to arrive at projected tax receipts to fund operations of the proposed district.

EXPENDITURES:

The average of eight districts was used to determine the total General Fund Budget. The districts and amounts were provided by the Kansas State Department of Education. A 6.25 percent annual increase was assumed in determining the 1983-84 General Fund Budget. An additional 6 percent was added to allow for increased transfers to Special Revenue Funds. The total budget amount was allocated by line item using percentages of the Esbon School District provided by the Kansas State Department of Education. As stated in the publication, "It is very important to understand that not all school districts budget the same expenditure in the same line item." In using these percentages to arrive at a budget by line item, we are not making any representation of the budget by line item. This was provided for presentation purposes only. The total General Fund Budget of \$511,395 for the 1983-84 school year appears to be reasonable based upon the assumptions used.

CASH CARRYOVER AND 18 MONTH BUDGETING:

By beginning classes in August of 1984 it would allow collection of 1/2 of the 1983 taxes and provide adequate cash carryover to prepare an 18 month budget. In addition, beginning classes in 1984 rather than 1983 will allow adequate time to organize the new school district properly.

ADDITIONAL FUNDS:

There will be additional Special Revenue Funds which will be required by the district. The funding of these will be provided by the following sources:

1. Approximately \$40,000 has been budgeted in the General Fund Budget for transfers to Special Revenue Funds.
2. Motor vehicle taxes and income tax collections which are projected at \$40,000 would increase money available for the Special Revenue Funds.
3. Investment income received on the first half of the tax collections should provide an additional \$25,000 of funds.
4. A capital outlay mill levy as used by many existing school districts is available to provide up to \$40,000 in additional funding.
5. Federal Entitlement Programs are available for Adult Education, Food Service, Special Education, and Vocational Education.
6. Collections for services provided such as sale of school lunches will provide additional sources of funding.

INCREASED STATE AID TO UNIFIED SCHOOL DISTRICT NO. 407

The State Aid Formula is based upon two factors: District wealth and budget per pupil. The proposed district is taking approximately the same ratio of each of the factors from the existing district:

		Unified School
<u>Gorham</u>		<u>District No. 407</u>
107	÷	1441.3 = 7.42 %
1981 PROPERTY VALUATIONS		
		Unified School
<u>Gorham</u>		<u>District No. 407</u>
per		per Kansas State
<u>Report</u>		<u>Department of Education</u>
\$8,013,090	÷	\$132,763,771 = 6.04%

As the district is taking a larger percentage of students than district wealth, it would appear that there would be very little effect on the State Aid provided to the existing school district and may possibly reduce it.

EFFECT OF FARM MACHINERY EXEMPTION:

The effect of the exemption on the proposed district is no different than on any other agriculture oriented district. Just as Unified School District No. 407 or any other comparable district, there is one of two routes to take. The district must either increase taxes or decrease spending. If increased taxes is the option chosen, an additional mill levy of 1 to 3 mills is projected to make up for the exemption.

Cropp & Associates, C.P.A.'s, P.A.

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



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Testimony of the
Kansas Association of School Boards
before the
House and Senate Education Committees
February 17, 1983
on SB 48 and HB 2049

Chairmen and Committee members, we appreciate the opportunity to appear before you representing the views of the Kansas Association of School Boards on this important measure. As many of you know, the issue before you is one which arouses strong emotions and raises grave concerns.

The longstanding position of our Association has been that school district boundaries ought not to be tampered with in any substantial way by the state. If school boards are to be able to plan future needs, they must be assured that their district boundaries will remain substantially the same throughout the planning period. Piecemeal breakup and consolidation of school districts does not allow this planning process to proceed.

We fully understand the nature of the controversy involved in the two bills before you. Experienced committee members will remember a similar controversy involving a school district in southeast Kansas several years ago. Approval of special legislation of this kind would, in our judgment, lead to a flood of similar legislation in future sessions of the Legislature. Similar disenchantment with their present school district boundaries exists in numerous school districts across the state.

No one would represent that present school district boundary alignments represent perfection. If they are to be broken up, however, it ought to be done

as a part of an overall plan and not on an isolated case basis. We appreciate the opportunity to present our views to the committee.