

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 March 13, 1984 in room 313-S of the Capitol.

All members were present except: Representative Williams, who was excused.

Committee staff present:

Avis Swartzman, Revisor of Statutes' Office
Ben Barrett, Legislative Research
Dale Dennis, State Department of Education
Judy Crapser, Secretary to the Committee

Conferees appearing before the committee:

The minutes of February 29, March 1 and March 8, 1984 were approved as written.

The Chairman opened the meeting to discussion on SB 626, school district finance and budgets of operating expenses.

Representative Miller moved to amend SB 626 by striking lines 556 through 558. (ATTACHMENT I) Representative Reinhardt seconded the motion to amend.

Representative Kline made a substitute motion to amend SB 626. (ATTACHMENT II) This amendment would exclude the increase on taxable income. Representative Fuller seconded the motion. The substitute motion to amend carried.

Representative Apt moved to amend SB 626 to remove the two provisions the Senate amended into the bill and to change the budget limitations from 5 - 10% to 6 - 10%. (ATTACHMENT II) Representative Kline seconded the motion to amend.

Representative Reardon requested that the motion be divided into two questions, one of the budget limitations and the second of the transfers. The Chair responded that the motion would be divided, the first question to be taken up would be the transfers.

Representative Brady requested that the motion to amend be divided into three questions. The Chair agreed to the division, stating that the first question would be the capital outlay section, page 14 of the bill, referred to in ATTACHMENT III. After much discussion, this section of the motion to amend carried.

The Chair then brought the second section of the question to the committee's attention, using interest from the general fund portion of SB 626, page 13 of the bill. (ATTACHMENT III)

Representative Hensley made a substitute motion to amend SB 626 to transfer the interest of capital outlay fund to the general fund. (ATTACHMENT IV) He made a correction to the amendment deleting the specific years. (see the penciled notes on ATTACHMENT IV) Representative Reardon seconded the substitute motion. After considerable committee discussion, the substitute motion to amend was lost. On call of a division, the vote was nine for the substitute motion to amend and ten against.

Representative Brady made a substitute motion to conceptually amend SB 626 to put a cap on the amount of interest money for transfer from the general fund or capital outlay fund of one percent of the general fund. This amount may be placed in a special revenue fund to be used at the discretion of the local school board. Representative Laird seconded the substitute motion to amend. After questioning from the committee, Representative Brady withdrew his motion and Representative Laird withdrew his second.

The question reverted to the interest from the general fund portion of SB 626. That section of the motion to amend carried. On call of a division, the vote was ten for the amendment and nine against.

The last division of the motion to amend was brought before the committee, that section of the amendment would change the 5% - 10% budget authority to 6% - 10%.

Representative Lowther made a substitute motion to amend SB 626, changing the budget authority from 5% - 10% to 6% - 16%. Representative Leach seconded the substitute motion to amend. The substitute motion to amend carried. On call of a division, the vote was eleven

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,
room 313-S, Statehouse, at 3:30 ~~am~~/p.m. on March 13, 1984.

affirmative votes. Representatives Polson and Moomaw asked to be recorded as voting "No".

Representative Leach moved to recommend SB 626 favorably as amended. Representative Hensley seconded the motion. The motion carried.

The meeting was adjourned by the Chairman at 5:13 p.m.

The next meeting of the Committee will be March 14, 1984 at 3:30 p.m.

DATE March 13, 1984
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GUEST REGISTER
 HOUSE
 EDUCATION COMMITTEE

NAME	ORGANIZATION	ADDRESS
J. McDonald	AG	Topoka
Burt Wilborn	SS - AAOP	"
Margaret Simon	Lg. of Women Veterans	Topoka
Ken Hernandez	K-NEA	"
Craig Grant	K-NEA	Lawrence
Andy Souder	KSN-TV	Toxco
VanHoye	Division of the Budget	Topoka
David M. Nagel	—	Worshiper
Dick Funk	KASB	Topoka
Richard Hackler	KASB	Clatsop
John Kaplan	KASB	Topoka
R.D. Carter	KASB	Topoka
Bill Smith	U.S.N. 259	Wichita
Don Suckey	USD #259	Wichita
Jim Schering	USA	Topoka
Nursel Brazil	SMAC PTA	Johnson County
Jim Yonally	USD #512	S - Mission
Helen Stephens	LWV - go. Sta.	Primo Village
Ellen Debraun	Ko Action for Children	Topoka
Marta Hies	Topoka	Topoka
Orville Bennett	Topoka	82501#
B Massey		Press
John Lloyd	K-NEA	Topoka
Nancy Ladner	K-NEA	Topoka

Proposed Amendment to Senate Bill No. 626
(As Amended by Senate Committee of the Whole)

On page 15, by striking all of lines 556 to 558, inclusive

Proposed Amendment to Senate Bill No. 626

(As Amended by Senate Committee of the Whole)

On page 1, following the enacting clause, by inserting a new section as follows:

"Section 1. K.S.A. 72-7041 is hereby amended to read as follows: 72-7041. (a) "Taxable income" means Kansas taxable income of resident individuals as determined under ~~K.S.A. 1978 Supp. 79-32,116~~ and ~~amendments thereto~~, the provisions of the Kansas income tax act with the modifications to the Kansas itemized deduction of an individual in effect for the taxable year ending prior to January 1, 1983.

(b) "Taxable income within the district" means the total taxable income of residents of a district as ~~reported~~ determined on the basis of state income tax returns filed in the preceding calendar year.

(c) "Resident individual" ~~shall have~~ has the meaning ascribed thereto in K.S.A. ~~1978-Supp. 79-32,109~~, and amendments thereto.

(d) "Resident individual income tax liability" means the income tax liability of resident individuals as imposed and computed under the provisions of the Kansas income tax act.

(e) "Resident individual income tax liability within the district" means the amount equivalent to the total resident individual income tax liability of residents of a district as reported on state income tax returns.";

By renumbering sections 1 to 9, inclusive, as sections 2 to 10, inclusive, respectively;

On page 15, in line 559, after the stricken material, by inserting "72-7041,";

In the title, in line 21, after the semicolon, by inserting "affecting the definitions of taxable income and resident individual income tax liability;" in line 28, after "K.S.A.", by inserting "72-7041"

Proposed Amendment to Senate Bill No. 626

(As Amended by Senate Committee of the Whole)

On page 9, in line 338, by striking "five" and inserting in lieu thereof "six"; in line 344, by striking "105%" and inserting in lieu thereof "106%";

On page 10, in line 348, by striking "five" and inserting in lieu thereof "four";

On page 11, in line 383, by striking all after "(e)"; by striking all of lines 384 to 396, inclusive; in line 397, by striking "(f)"; in line 411, by striking "(g)" and inserting in lieu thereof "(f)";

On page 12, in line 438, by striking "(n)" and inserting in lieu thereof "(g)"; in line 447, by striking "(i)" and inserting in lieu thereof "(n)"; in line 450, by striking "subsections" and inserting in lieu thereof "subsection"; also in line 450, by striking "and (c)";

On page 13, by striking all of lines 463 to 484, inclusive; in line 485, by striking "(d)" and inserting in lieu thereof "(c)"; in line 490, by striking "subsections" and inserting in lieu thereof "subsection"; also in line 490, by striking "and (c)";

On page 14, by striking all of lines 504 to 525; in line 526, by striking "(c)" and inserting in lieu thereof "(b)"; also in line 526, by striking "subsections" and inserting in lieu thereof "subsection"; also in line 526, by striking "and (b)";

On page 15, by striking all of lines 552 to 558, inclusive;

In the title, in line 23, by striking "providing for increases in" and inserting in lieu thereof "imposing limitations on"; in line 24, by striking all after "pupil"; by striking all of lines 25 and 26; in line 27, by striking all before the semicolon and inserting in lieu thereof "for the 1984-85 school year"

Proposed Amendment to Senate Bill No. 626
(As Amended by Senate Committee of the Whole)

On page 11, following line 396, by inserting two new subsections as follows:

"(f) In any school year immediately succeeding a school year in which a district made a transfer to its general fund under authority of provision (2) of subsection (b) of K.S.A. 72-7063a, and amendments thereto, the district may increase its budget of operating expenses per pupil authorized under this section by any amount which is not in excess of an amount which is equivalent to the amount so transferred to the general fund in the preceding school year. Any amount obtained by a district as a result of an increase in its budget of operating expenses per pupil authorized under this subsection may be expended for operating expenses.

(g) In the school year commencing after June 30, 1986, any district may increase its budget of operating expenses per pupil authorized under this section by any amount which is not in excess of an amount which is equivalent to the amount of revenues, if any, which it deposited in or credited to its general fund in the 1985-86 school year under authority of subsection (c) of K.S.A. 72-7062, and amendments thereto, and may expend for operating expenses per pupil any amount obtained as a result of such increase.";

Also on page 11, by relettering subsections (f) and (g) as subsections (h) and (i), respectively;

On page 12, by relettering subsections (h) and (i) as subsections (j) and (k), respectively;

On page 13, following line 473, by inserting a new paragraph as follows:

"(2) At the discretion of the board of any district, revenues earned in the (1984-85 ^{delete} and the 1985-86) school years from the investment of any portion of the capital outlay fund of the

delete
district in accordance with the provisions of law may be deposited in or credited to the general fund of the district (in such school years.) An amount equal to the total amount of revenues deposited in or credited to the general fund of the district under authority of this subsection shall be budgeted and expended for salaries of professional employees in the 1984-85 and the 1985-86 school years, but no amount budgeted and expended under authority of this subsection shall be included in the legally adopted budget of operating expenses of the district.";

Also on page 13, in line 474, by striking "(2)" and inserting in lieu thereof "(3)"; in line 485, after "72-1623", by inserting ", 72-8804"; in line 486, by striking "thereto" and inserting in lieu thereof "to such sections,";

On page 14, following line 514, by inserting two new paragraphs as follows:

"(2) (A) In any school year, any board may transfer to its general fund from its capital outlay fund an amount not to exceed an amount equal to the aggregate amount of revenues earned from investments of any portion of the capital outlay fund in the immediately preceding seven school years. An amount equal to the total amount transferred from the capital outlay fund to the general fund under authority of this subsection shall be budgeted and expended for salaries of professional employees in the school year in which the transfer was made, but no amount budgeted and expended under authority of this subsection shall be included in the legally adopted budget of operating expenses of the district.

(B) This provision (2) of this subsection shall expire on June 30, 1987.";

Also on page 14, in line 515, by striking "(2)" and inserting in lieu thereof "(3)"