

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by SENATOR JOSEPH C. HARDER at
Chairperson

1:30 ~~am~~/p.m. on TUESDAY, FEBRUARY 21, 1984 in room 254-E of the Capitol.

All members were present except:

Senator Rehorn, excused
Senator Winter, excused

Committee staff present:

Mr. Ben Barrett, Legislative Research Department
Ms. Avis Swartzman, Legislative Revisor's Office
Mrs. Millie Randell, Secretary

Conferees appearing before the committee:

SB 695 - School districts, supplemental salary plans providing increased compensation for waiver of rights (Hayden)

Proponents:

Representative Leroy Hayden, sponsor of the bill

Opponents:

Dr. William Curtis, Assistant Executive Director, Kansas Association of School Boards

Mr. Craig Grant, Director of Political Action, K-NEA

SB 627 - School district equalization act, taxable income of districts residents (Education)

Proponents:

Mr. Bob Wootton, Office of the Governor

Mr. Craig Grant, Director of Political Action, K-NEA

Dr. James Yonally, USD 512, Shawnee Mission

Senator Jan Meyers

Following a call to order by Chairman Joseph C. Harder, Senator Warren moved, and Senator Montgomery seconded the motion to approve minutes of the Committee meeting of February 7. The motion carried.

The Chairman recognized Representative Leroy Hayden, sponsor of SB 695, who explained the background for his bill to the Committee. This testimony is found in Attachment 1. As he pointed out in his testimony, Representative Hayden said he would like to have the bill amended, and his suggested amendment is found in Attachment 2. Representative Hayden stressed that the bill is only a permissive measure.

Dr. William Curtis stated his opposition to SB 695 on the grounds that the measure is philosophically undesirable in its approach to combining teacher tenure rights with a supplemental salary plan. Dr. Curtis said he does, however, support the theory of more local control by the school districts.

Mr. Craig Grant of K-NEA testified in opposition to SB 695, and his testimony is found in Attachment 3.

SB 627 - The Chairman recognized Mr. Bob Wootton of the Governor's office. Mr. Wootton testified in support of SB 627, saying that the bill represented a part of the Governor's legislative proposal for 1984. Mr. Wootton stated that the bill does not increase or decrease state expenditures or local expenditures but that it makes adjustments for an unintended impact on some school districts caused by passage of a bill by the 1983 legislature.

Mr. Craig Grant of K-NEA testified in support of SB 627, and his testimony is found in Attachment 4.

Dr. James Yonally testified in support of SB 627, and his testimony is found in Attachment 5.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION,
room 254-E, Statehouse, at 1:30 ~~30~~ p.m. on TUESDAY, FEBRUARY 21, 1984

Ms. Avis Swartzman, revisor of statutes, explained to the Committee that SB 627 would nullify the effects of SB 436 passed last year in terms of district wealth. She said that the rebate would be affected this year and the district wealth next year.

The Chairman recognized Senator Jan Meyers who requested the floor to make a brief statement. Senator Meyers said she had requested the Committee to introduce the bill, because it would affect her district, Shawnee Mission, which already has a very high mill levy. Senator Meyers said it would affect only those persons with an annual income in excess of forty thousand dollars. She said she would like to have the district wealth measured as it had been previous to the passage of SB 436 during the 1983 legislative session.

When the Chairman asked for the Committee's pleasure regarding SB 627, Senator Bogina moved to recommend the bill favorably for passage. This motion was seconded by Senator McCray, but the motion did not carry.

Senator Angell then moved that SB 627 be reported adversely. This was seconded by Senator Montgomery, and the motion carried.

The Chairman adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 254-E DATE: Tuesday, Feb. 21, 1984

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Nancy Lindberg	Topeka	K-NEA
Kay Smalley	Topeka	K-NEA
M. Hawver	"	Capital-Journal
James M. Blair	Birmingham	SUPT. USD 240
Dennis Demey	Lawrence	Sen. Ken's Office
George Phillips	Holt on	Jackson Co Farm Bureau
Warren Kimbal	Soldier	Jackson Co F. B.
Gary Johnson	Dwight	Farm Bureau
Bob Williams	Council Grove	" "
J. R. Lee	Council Grove	" "
Ralph Hedgespeth	Dunlap	Farm Bureau
Richard Dundy	Victoria	USD 432
Junior Blackwood	Holt on	Farm Bureau
Lynnda Cory	Topeka Washburn	Intern for Senator Cingell
Robert Arca	Mayetta	Farm Bureau
Bill Curtis	Topeka	KASB
Craig Grant	Lawrence	K-NEA

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 254-E DATE: Tuesday, Feb. 21, 1984

GUEST LIST

NAME

ADDRESS

ORGANIZATION

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Harold C. Pitts	Topeka	
Ellen Ambrose	Topeka	Co. Action for Children
Ruth Phillips	Topeka	
Mr. Wooten	Topeka	Doc office
John C. Smith	Humboldt	USD 258.
Jim Yonally	Shawnee Mission	USD #572
Byron C. Smith	Anthony	.. #361
Jacqueline Dukes	Yates Center	KASB
Bill Sikes	Wichita	USD. 259

LEROY A. HAYDEN
 SENATOR, THIRTY-NINTH DISTRICT
 GREELEY, WICHITA, SCOTT,
 HAMILTON, KEARNY, FINNEY,
 STANTON, GRANT, MORTON,
 STEVENS AND PART OF
 HASKELL COUNTIES
 BOX 458
 SATANTA, KANSAS 67870



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
 MEMBER ASSESSMENT AND TAXATION
 PUBLIC HEALTH AND WELFARE
 TRANSPORTATION AND UTILITIES

2-21-84

Testimony to the Education Committee

695 has provided a vehicle for the KASB and the KNEA to unite on an issue, and for that reason has served a good purpose, but I view it as a very important piece of Legislation, that would return to the local governments a degree of control--something that local patrons felt that these Boards had all along. They are surprised to learn that a large percent of the spending power is retained in Topeka.

Before addressing particulars of my idea, I would want you to know that the Bill as you have it before you is not as I intended it to be, but in the crush of last minute requests I failed to mention to the Revisors Office that I wanted any expenditures to be outside the budget "lid". We have an amendment for that purpose. My main thought I want to impress upon you is that it is permissive both on the part of the Board and also the teachers.

The purpose of the bill is

1. Return spending power to locally elected officials.
2. Local officials know what local needs are. This bill gives them a chance to respond.
3. Give individual, tenured teachers the mechanics to better their own pay, knowing that they would be waiving their right to tenure.
4. Create more local interest in the operation of the schools and how good a job the elected Boards of education are doing.

As to the constitutional aspect that may be raised--Our job is to Legislate and the courts job to Ajudicate.

I realize that many of the larger School Districts do not have a close contact with their patrons and that therefore this idea may be more practical in only some of the smaller Districts.

Proposed Amendment to Senate Bill No. 695

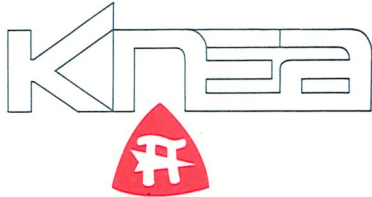
On page 3, following line 99, by inserting a new section as follows:

"New Sec. 5. (a) There is hereby established in every school district a fund which shall be called the "supplemental salary fund" which fund shall consist of all moneys deposited therein according to law. The proceeds of any tax levied under authority of subsection (b) of this section, except for an amount to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district, shall be deposited in the supplemental salary fund established by this section. The expenses of a school district directly attributable to effectuation of a supplemental salary plan adopted by the board in accordance with the provisions of this act shall be paid from the supplemental salary fund. No school district may transfer moneys from its general fund to its supplemental salary fund.

(b) Every board is authorized to levy an ad valorem tax of not to exceed 1 1/2 mills upon all taxable tangible property of the school district each year for effectuation of a supplemental salary plan adopted by the board in accordance with the provisions of this act and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district.";

By renumbering sections 5 and 6 as sections 6 and 7, respectively;

In the title, in line 18, after the semicolon, by inserting "authorizing the levy of ad valorem taxes by boards of education for effectuation of supplemental salary plans;"



Craig Grant Testimony Before
Senate Education Committee
February 21, 1984

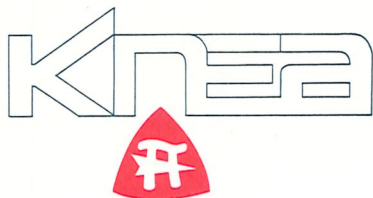
Thank you, Mr. Chairman. Members of the committee, my name is Craig Grant and I represent Kansas-NEA. I appreciate the opportunity to appear before the committee in opposition to SB 695.

SB 695 provides for a plan whereby teachers may give up what Kansas-NEA believes is a basic right--the right of a teacher to receive a valid reason in the case of a nonrenewal or termination--in order to get an increase in salary. What a price to pay for something that a teacher deserves anyway! Kansas' teachers are underpaid. They should not give up any rights to be paid a decent wage. While Kansas-NEA appreciates and applauds any creative approach to improving salaries, we do not believe that SB 695 provides any encouragement to prospective teachers to enter the profession.

Kansas-NEA asks that you report SB 695 unfavorable for passage.

Thank you, Mr. Chairman and members of the committee, for listening to the concerns of teachers.

Attachment 3



Craig Grant Testimony Before
Senate Education Committee
February 21, 1984

Thank you, Mr. Chairman. Members of the committee, my name is Craig Grant and I represent Kansas-NEA. I appreciate the opportunity to speak to SB 627.

Last year's tax package was very difficult to put together. Much work and thought went in to the combinations and compromises which brought this state back on sound financial footing. However, as is the case in so many instances, a situation not contemplated in the formation of the package arose too late to correct for last year. This problem was not discussed and hearings were not held to determine whether this was the policy which the Legislature wished to adopt.

Kansas-NEA supports SB 627 which would roll back the taxable income portion of district wealth to the June 30, 1983, level for the duration of the bill. Then if the Legislature wishes to have hearings on the policy question which arises, that should be the process rather than unknowingly penalizing districts.

Kansas-NEA asks that you report SB 627 favorable for passage.

Thank you, Mr. Chairman and members of the committee, for listening to our concerns.

Attachment 4

TESTIMONY BEFORE THE SENATE EDUCATION COMMITTEE ON SB 627

By Dr. James Yonally, USD 512, Shawnee Mission

Before considering the importance of SB 627, it's necessary to look at two bills passed by the 1983 Kansas Legislature. These two bills are SB 452, the mineral severance tax bill and SB 436, often referred to as the "Johnson County severance tax".

Similarities between the two:

1. Policy decision by a majority of legislators in each house that certain individuals should pay a greater tax (those involved in mineral production and those with relatively higher income).
2. Passage of both bills is generating greater revenue for the state.
3. Both bills contain a provision to rebate a portion of this revenue back to local school districts: SB 452 - 3.5% of the revenue; SB 436 - 3.0% of the revenue if district qualifies for equalization aid, 20% if they do not.

One glaring difference between these bills is their impact on district wealth as a part of the school finance formula. The passage of SB 627 would partially rectify this difference.

SB 452 has the effect of decreasing district wealth by lowering the evaluation of mineral producing property. This reduction in district wealth (other factors remaining constant) increases state equalization aid.

SB 436 has the effect of increasing district wealth because it increases taxable income (by limiting the federal income tax deduction). This increase in district wealth then causes a decrease in equalization aid, an impact of precisely the opposite of SB 452.

In summary it's very difficult to explain to residents of our school district that because they are paying more state income tax they are now wealthier (as defined by our school finance law) than they used to be.

I believe there should be a fiscal note attached to this bill. It should reduce the state's income tax rebate by approximately 8 million dollars.