

MINUTES OF THE HOUSE COMMITTEE ON EDUCATIONThe meeting was called to order by Chairman Denise Apt at  
Chairperson3:30 ~~am~~/p.m. on February 11, 1987 in room 519-S of the Capitol.

All members were present except:

Representative Robert D. Miller and Representative Alfred Ramirez who were excused

Committee staff present:

Avis Swartzman, Revisor of Statutes' Office  
Ben Barrett, Legislative Research  
Carolyn Rampey, Legislative Research  
Thelma Canaday, Secretary to the Committee

Conferees appearing before the committee:

Dale Dennis, School Finance, Department of Education  
Craig Grant, Kansas National Education Association  
John Koepke, Kansas School Board Association  
Connie Hubbell, State Board of Education  
Dr. Marvin E. Edwards, Superintendent USD #501, representing Large District Coalition  
Ferman Marsh, Superintendent USD #450, representing United School Administrators  
Paul Fleener, Kansas Farm Bureau

Chairman Apt opened the meeting by recognizing Representative Kerry Patrick who requested the committee to introduce a bill that would allow school districts to levy property taxes at the rate the tax was levied in the 1985-86 school year. Representative Patrick moved that this bill be introduced. Seconded by Representative Gene Amos. Motion carried.

The Chair opened hearings on HB 2106, on School Finance, budget limitations for the 1987-1988 school year and called on Dale Dennis who handed to each committee member a print-out of the School District Equalization Act comparing the present law with the Governor's Plan for 1987-88. Mr. Dennis explained the print-out and then asked for questions.

Craig Grant, K-NEA, suggested several types of flexibility that school districts should have to insure maintaining the quality of our Kansas schools. (Attachment I)

John Koepke, KSBA, submitted a resolution (Attachment II) that had been adopted by the Delegate Assembly of the Kansas Association of School Boards. He urged the committee that once the school finance question had been resolved for this year to begin to look at revision of the School District Equalization Act.

Connie Hubbell, SBOE, recommended the passage of HB 2106 since it appears that higher budget limitations are not possible. (Attachment III)

Dr. Marvin E. Edwards, representing Large District Coalition, asked that the budget control limits remain at 105 and 115 percent as established under the 1973 law. (Attachment IV)

Ferman Marsh, in behalf of USA, spoke in support of HB 2106. He told the committee it is important that the public understands that the mandates will not be funded as they have been in the past and he doesn't want the public to think the interest money is not being used by the boards, because it is.

Paul Fleener, KFB, supports HB 2106. He listed four points: 1) minimal reliance on the property tax, 2) supports thrust for creation of school district income tax, 3) programs that are mandated by federal or state government be funded by the entity making the mandate, 4) seconded John Koepke's remarks to plan for the future in regard to revision of the School District Equalization Act.

A question and answer period followed.

The chairman recognized Representative Don Crumbaker who offered a proposal containing six points (Attachment V) which would use the same amount of money recommended by the Governor's proposal but in different categories.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,  
room 519-S, Statehouse, at 3:30 a.m./p.m. on February 11, 1987.

Representative Crumbaker gave further explanation from a print-out which was handed out by Dale Dennis and Ben Barrett.

After another question and answer period the meeting was adjourned by Chairman Apt.

The next meeting will be at 3:30 February 12, 1987, in Room 519-S.

DATE February 11, 1987

## GUEST REGISTER

HOUSE

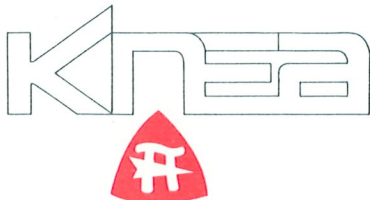
EDUCATION COMMITTEE

NAME	ORGANIZATION	ADDRESS
Billie Hickie Scott	USA	Topeka
Gerard Anderson	USA	Topeka
Fernando M... ..	450	Topeka
Kent S. Nelson	450	TOPEKA
John D. K... ..	KASB	Topeka
John Cole	K-NEA	Topeka
Judy Grant	K-NEA	Lawrence
Jane Halmstad	USD 318 Board Member	Atwood
MARVIN Edwards	Large District Coalition	Topeka
Richard Funk	KASB	Topeka
Craig Grant	K-NEA	Topeka
Helen Stephens	KCK #500	Topeka
Jim Youngly	USD #512	Showare Mission
<del>Chris C. Burnett</del>	<del>USD 507K</del>	<del>Topeka</del>
Kathryn Bryant	USD 259	Wichita
Paul E. Fleener	Kansas Farm Bureau	Manhattan
Ed Weiburn	Weiburn Co.	Topeka
Mary Ellen Simon	Lg. of Women Voters	Topeka
Rose Weiburn	Girl Scout	Topeka

Craig Grant Testimony Before The

House Education Committee

February 11, 1987



Thank you, Madame Chairman. Members of the Committee, my name is Craig Grant and I represent Kansas-NEA. I appreciate this chance to visit with you on HB 2106, the school finance bill.

There is much to say about school finance. It is difficult to be brief and yet indicate all I want. The topic is a tough one, especially when Kansas-NEA represents members in so many varied districts. The same logic makes for tough decisions by this committee and the legislature when they attempt to balance the needs and desires of 304 school districts. This fact, coupled with the bad fiscal condition of the state, makes this year's school finance one of the hardest to deal with in recent years.

It is in these tough times when Kansas-NEA believes that local school districts need as much flexibility as possible. The districts need that flexibility to combat the problems facing our schools. They need it to overcome the lapse bill which has occurred; they need it to overcome the proposed drop to 85% funding of the excess costs of special education and the drop to 96% funding of transportation; and they need it to keep up with the increased costs of running the schools. Our state must continue to compete with other states in this area, as well as the entire country, in order to attract and retain the best staff possible.

Kansas-NEA would suggest the following types of flexibility that districts should have:

1. Higher budget lids - districts must have this flexibility to meet the demands on their budgets. Districts which do not wish to budget all the authority do not have to do so. Many choose to carry over unused budget authority. Districts

need to make the decisions rather than continually "passing the buck" to the legislature. I understand that the boards will be under some pressure to utilize their full authority by some groups (I am sure the local teachers' association for one) and to utilize a limited authority by others. Kansas-NEA believes that increase authority with a minimum increase of 5% is needed to assist districts in meeting their needs.

2. Ability to utilize interest moneys from idle funds in the general fund - K-NEA certainly supports the committee bill which allows the use of interest moneys from idle funds in years when there is an allotment or lapse situation. As we have stated before, we also believe that interest funds can be used in all years to assist in keeping local property taxes down. Permissive legislation would add to that needed flexibility.
3. Allow extra budget authority - Kansas-NEA also supports the concepts in the committee bill voted to be introduced Monday which would allow extra budget authority subject to a protest petition. We would suggest a 2% cap rather than a 1%, but do believe in the concept.
4. Allow a greater gap between the low and high budget districts - The equalization act was designed to help districts spending less than the median "catch up" or increase faster than those spending more than the median. The bill was first written with the high end three times that of the lower end. Changes in previous years have had, except for 2 years, the range at least doubled the low number. A larger gap would certainly help equalize the formula; and
5. Allow boards to use all unused budget authority - Presently districts can only use unused authority up to the highest budget provided in the law--in this case 3½%. Districts could use the flexibility to go above that if they need to, and if they have unused budget authority.

It is the above type of flexibility that needs to be written in the law during times that are difficult. All indications point to the fact that major changes in our school finance law will not take place until 1989 or 1990 when reappraisal and classification occur. Until that time, we need "stop gap" measures to insure that the quality of our schools does not suffer. We need to move forward or we may slide backwards.

It is difficult to measure that "quality" we speak of always; but we know that business and industry look long and hard at that "quality" of schools before deciding where to locate. We have had an excellent drawing card in our schools in Kansas. Other states have begun to invest large sums of money to try to catch up. We cannot afford to let our excellence slip.

This is an economic question. There are taxpayer dollars involved. But I would end with a quote from Governor Martha Layne Collins of Kentucky. "It's easier to build successful children than repair men and women....Childhood programs cost money and sometimes a lot of it. But crime costs more, overcrowded prisons cost more, welfare costs more, and undereducation costs more."

Kansas-NEA hopes that you will deliberate over these tough questions and do all you can to give districts the chance to continue to provide quality programs for the future generations of Kansas. It takes commitment and investment to keep the excellence we desire. It will be difficult, but we are confident you will assist in that process. Thank you for listening to our concerns.



BUDGET LIMIT RESOLUTION

School District Budget Limits

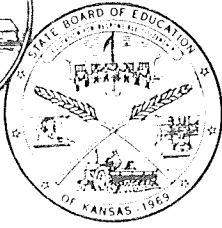
WHEREAS the improvement in the Kansas economy has not resulted in a sufficient increase in state general fund revenues to eliminate concerns about the state general fund balance;

WHEREAS significant increases in school district budget limits beyond those authorized by existing statutes without additional state revenues would cause intolerable property tax increases;

NOW, THEREFORE BE IT RESOLVED by the Delegate Assembly of the Kansas Association of School Boards that the Association support 103-106% budget controls in 1987-88, and

BE IT FURTHER RESOLVED that the Association go on record in support of higher budget limits if the economy improves more rapidly than projected, and

BE IT FURTHER RESOLVED that the Association go on record in support of increased non-property tax revenues in support of public education.



# Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

Mildred McMillon  
District 1

Connie Hubbell  
District 4

Bill Musick  
District 6

Evelyn Whitcomb  
District 8

Kathleen White  
District 2

Sheila Frahm  
District 5

Richard M. Robl  
District 7

Robert J. Clemons  
District 9

Paul D. Adams  
District 3

Marion (Mick) Stevens  
District 10

February 11, 1987

TO: House Education Committee  
FROM: State Board of Education  
SUBJECT: 1987 House Bill 2106

My name is Connie Hubbell, Legislative Chairman of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

The State Board supports the budget limitations outlined in House Bill 2106. Board members have spent considerable time reviewing the need for additional funds and it was our hope that higher budget limitations would have been available. However, due to the state's fiscal position and the lack of state resources to finance additional budget authority, we feel House Bill 2106 should be recommended for passage.

It is the State Board's hope that special education could be funded at 95 percent of excess cost and transportation could be funded at 100 percent entitlement under the law to prevent using budget authority as provided in House Bill 2106 to fund mandated programs.

The State Board is quite concerned about the continued improvement of teacher salaries. Kansas has moved from 36th in the national rankings to approximately 29th. It is our hope that we may continue that progress in the future. We realize the budget controls in this bill will not permit us to gain in our national ranking but due to the state's fiscal position, we believe this is responsible at this time.

Attachment III

House Education 2/11/87



Statement to the House Education Committee  
by Marvin E. Edwards  
Member of the Large District Coalition  
February 11, 1987

BUDGET CONTROL LIMITS

On behalf of the Large District Coalition, which is made up of the USDs of Topeka, Kansas City, Olathe, Shawnee Mission, and Wichita, I am appealing to the Committee that the budget control limits remain at 105 and 115 percent as established under the 1973 law.

During the 14-year history of the School District Equalization Act (SDEA), except for last year, the budget floor was no less than 105. As a matter of fact, during eight of the 14 years the floor was greater than 105. The ceiling, however, remained fairly constant with two years being greater at 116 and 119. One year there was a 2.5 percent drop to 112.5.

Bear in mind we are not asking for additional budget authority but are asking that the floor and ceiling be allowed to remain as established by law.

We feel that during these tough economic times school boards should have the choice so wisely granted to them under the 1973 law, which is to raise their budgets up to the legal maximum if they so desire. We recognize that some school boards may choose not to increase or to increase less than the authorized level, and that is as it should be.

It appears that the Legislature, by last year's action and by the consideration of this bill, is usurping the responsibility of the school boards to set their own limits up to a maximum of 105 or 115, whichever the case may be.

School boards are elected to represent their public. Please do not limit 304 school boards as was the case last year. The previous 13 years serve as a pretty good track record that boards can and have acted responsibly when given consistent guidelines.

Many districts in the state have experienced no room for economic growth even when the public desired the increase. We must continually be mindful that public education is extremely competitive from state to state. We are proud of our Kansas educational system and want to maintain that pride. We recognize, however, that if growth potential is stifled we can watch an excellent system fall to mediocrity.

Help all of the 304 Kansas school boards by allowing them to make the decisions about budget that they were elected to make.

1987 LEGISLATIVE GOALS  
OF THE  
LARGE DISTRICT COALITION

1. Raise public elementary and secondary education to the first priority of State Government.
2. Provide additional statewide financial support for schools.
  - a. Fifty percent (50%) funding on a statewide basis to be completed by 1989.
  - b. One hundred percent (100%) funding of transportation.
  - c. One hundred percent (100%) funding of excess costs for special education programs.
  - d. The 1987-88 budget lid be set in accordance with existing state law (105 to 115 percent), including the continuation of the Urban Category for districts with 10,000 or more pupils.
  - e. Maintain twenty percent (20%) income tax rebate to schools.
3. Support U.S. House Resolution 3042, which provides funding for dropout prevention programs, and encourage the State Legislature to adopt a resolution to that effect.
4. Provide incentive funding for pre-kindergarten programs.
5. Continue improvement of KPERS benefits, including earlier retirement provisions beyond those temporarily in place.
6. Reject the current proposal for a third statewide board to govern area vocational-technical schools.
7. Utilize part of the income tax windfall revenue and/or any other creative revenue enhancement measures to:
  - a. Restore the proposed funding cuts.
  - b. Fully fund state-mandated programs.
  - c. Increase general fund revenues.
8. If Kansas recognizes the home school concept, then such schools should be regulated by the state.

STATE OF KANSAS

DON E. CRUMBAKER  
REPRESENTATIVE, 121ST DISTRICT  
SHERMAN, THOMAS, WALLACE COUNTIES  
P.O. BOX 187  
BREWSTER, KANSAS 67732-0187



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
VICE-CHAIRMAN: EDUCATION  
MEMBER: AGRICULTURE AND SMALL BUSINESS  
LEGISLATIVE EDUCATIONAL PLANNING  
COMMITTEE

February 11, 1987

To: HOUSE EDUCATION COMMITTEE  
From: Rep. Don E. Crumbaker, Vice Chairman, Education Committee  
Re: Proposal

This proposal we are presenting is by the chairman and myself after a number of meetings with those interested in public education.

As you know, each year Special Education costs have increased significantly because of increased enrollment and the increase in teaching units. It is our feeling that these costs will keep escalating unless something is done. We have been funding Special Education at 95% of excess costs and the Governor has recommended this be reduced to 85%. These are programs that are mandated and the feeling among many legislators and school people is that mandated programs should be fully funded.

In addition we mandate the transportation of pupils that live 2½ miles from their school building. Here again the Governor has recommended that this be funded at 96% where it has been funded at 100%.

We know that unless we increase funding or make some changes in Special Education and Transportation costs, school districts will have to transfer funds to the Special Education Fund and Transportation Fund from the General Fund.

We, your chairman and I, believe that once we get away from the concept of 95% funding of excess costs for Special Education and 100% funding for Transportation it will be lost for future years.

Attachment V  
House Education 2/11/87

We therefore have come up with the following proposals. Not all of these have to do with the school finance proposal we have before us but they are related to it. We have been assured by our leadership that we have to work within the dollars that the Governor recommended.

First, we are recommending in HB 2184 that certain categories be cut out of the Special Education. Most of these are support programs. If these are cut out of the funding plans for Special Education then we can fund Special Education at 95% without additional dollars above what the Governor recommended.

Second, to bring Transportation to 100% of funding will require an additional 1.768 million. Most school people have told us they would rather fund Special Education at 95% and Transportation at 100% even if they had to take less in the General Fund budget.

We are therefore recommending that we put 1.768 million less in general state aid and put this amount in Transportation.

Next we recommend that budget levels be at 2 and 3% to keep the property taxes down. Along with this we are also proposing that we include in the bill, HB 2289 introduced Wednesday morning. What this does is let school districts raise their budgets by one percent, subject to a protest provision, over what their budget would be. This would apply to all districts should they desire to do so. It would let those districts that are affected by the cutback in the support categories in Special Education, to keep their programs if they desire by raising their budgets.

Summarizing this proposal:

1. Special Education at 95% of excess costs by passing HB 2184
2. Transportation at 100%

House Education Committee  
Rep. Crumbaker  
February 11, 1987  
Page 3

3. Decrease General Fund by 1.768 million to cover the 100% Transportation
4. Budget limitation of 2 and 3%  
Statewide property tax increase of 26,914 million which equates to 2.4 mills
5. Additional 1% budget authority subject to a protest petition
6. Teacher salaries will increase on an average statewide of 3.4%.