

Approved February 5, 1987
Date

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 3, 1987 in room 254-E of the Capitol.

All members were present except:

Senator Joe Warren, 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 61 - School district finance; authorizing increases in budgets of operating expenses for certain purposes (Sen. Bogina et al.)

Proponents:

Senator Gus Bogina, co-author of SB 61
Mr. Craig Grant, Director of Political Action, Kansas-National Education Association
Dr. Jim Yonally, representing USD 512, Shawnee Mission

Opponents:

Mr. John Koepke, Executive Director, Kansas Association of School Boards

SB 83 - School district finance; relating to the levy of taxes for the purposes thereof (Sen. Bogina et al.)

Proponents:

Senator Bogina, co-author of SB 83
Mr. Craig Grant, Director of Political Action, Kansas-National Education Association
Dr. Jim Yonally, representing USD 512, Shawnee Mission

Opponents:

Mr. John Koepke, Executive Director, Kansas Association of School Boards

After Chairman Joseph C. Harder called the meeting to order, Senator Arasmith moved that minutes of the Committee meeting of January 28 be approved. Senator Allen seconded the motion, and the motion carried.

The Chairman then said that Mr. James E. Copple, Legislative Director, Wichita Federation of Teachers, had requested him to announce that a luncheon would be hosted by the Wichita Federation of Teachers for members and staff of the Education Committee on Wednesday, February 18 at the Labor Union Kitchen of the AFL/CIO and that individual invitations would be forthcoming.

SB 61 - Chairman Harder then recognized Senator Gus Bogina, who said that he is co-sponsoring SB 61 in response to a problem that has existed in his district for some years. Senator Bogina explained that instead of basing a USD budget on the amount of money spent in a previous year for social security, utility, and insurance costs, SB 61 would allow USD's to estimate the amount of money they will spend in the next budget year for these items of expense. He noted that specific reference to these items could be found in SB 61 on lines 79, 106-107, and 123. Senator Bogina said that although the bill was designed for the Shawnee Mission School District, it would have statewide application. Senator Bogina described how rising costs for social security, utilities, and insurance have caused budgetary problems in his no-aid school district.

Mr. Craig Grant, Kansas-National Education Association, affirmed his organization's support for the concept contained in SB 61 by stating that boards of education should not have to wait a whole year to receive budget authority

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION,
room 254-E, Statehouse, at 1:30 ~~am~~/p.m. on Tuesday, February 3, 1987

to cover great increases in the cost of social security, utilities, or insurance and that relief for these costs, if needed, should be given in the year the budget is set. (Attachment 1)

When Dr. Jim Yonally was recognized by the Chair, he compared SB 61 to current law by stating that SB 61 addresses the same problem as current law, but it allows a school district to estimate expenses for insurance, social security, and utilities for the ensuing year instead of using adjustments based on those expenses for the previous year. He stated that rising insurance costs is making the biggest impact on a district's fiscal budget, especially in renewal years, and that this money must come from other parts of the budget to compensate for the insurance cost increases.

Mr. John Koepke, speaking on behalf of the Kansas Association of School Boards, expressed concerns he had regarding SB 61. He pointed out that if the bill passes in its present form, there would be a one year gap before the bill becomes effective and would, therefore, offer no relief for school districts in the 1986-87 fiscal year. Mr. Koepke also expressed concern for the auditors whose job would prove more time consuming because of constant adjustments of figures resulting from estimating.

The Chairman then announced that the hearing on SB 61 was concluded and that the bill would be taken under advisement. He said the Committee might wish to address some of the concerns that had been brought to the Committee's attention.

SB 83 - Then the Chair called upon Senator Gus Bogina, co-author of SB 83, to explain the bill. Senator Bogina said that although SB 83 has statewide application, it affects only no-aid school districts which have a declining mill levy. He cited USD 512, Johnson County, as an example of a no-aid district with a declining mill levy which has used up its budget authority; and, consequently, some of its competitiveness with surrounding school districts has diminished. Senator Bogina said that although a mill levy increase will be voted on in Johnson County on March 3, such an election has been unsuccessful in previous years. The bill, he continued, would allow the state's no-aid school districts to levy an amount of property taxes they levied during the 1985-86 school year but only for the 1987-88 and 1988-89 school years, after which time the provision would sunset.

Mr. Dale Dennis, Assistant Commissioner for Education, State Department of Education, in response to a question, answered that there would be about ten potential school districts which would qualify for the provisions of this bill.

Senator Bogina, in responding to a question, replied that he takes no position should the provisions of the bill be limited to one district.

Mr. Craig Grant, Kansas-National Education Association, testified that his organization supports SB 83 which would allow the no-aid districts to tax themselves more to keep up their school districts and felt that the bill would allow no more disequalization than the shrinking of the ten-point spread on which the original equalization formula was based. (Attachment 2)

Dr. Jim Yonally, USD 512, stated that the request for SB 83 was prompted by declining enrollments in previous years and rapidly growing districts surrounding USD 512 which have taken away many staff members from the school district. He continued by saying that the enrollment has now stabilized, and the district is needing some budget flexibility to compete with the surrounding areas for new teachers. Dr. Yonally maintained that SB 83 would not cause any fiscal impact upon the state. In referring to the March 3 mill levy election, Dr. Yonally said that if the election is successful, then USD 512 would have no further interest in this bill.

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Mr. John Koepke, Kansas Association of School Boards, expressed philosophical opposition to SB 83 and said he felt the bill would cause disequalization. He reminded the Committee that the SDEA was adopted in 1973 because of a court case that arose in Johnson County and noted how Kansas has become a model state since implementation of the School District Equalization Act. He cautioned that education ought not to be the result of the wealth of a district in which the student resides. Mr. Koepke said he also opposes SB 83, because its application would be statewide and would cause an impact on other districts, such as Burlington, Kansas, site of the Wolf Creek Nuclear Power Plant. In response to a question, Mr. Koepke stated that the bill is using a mill levy, and not budget authority, for increasing its budget.

The Chairman announced that the hearing on SB 83 was concluded and that the bill would be taken under advisement. He then adjourned the meeting.

SENATE EDUCATION COMMITTEE

Tuesday,

TIME: 1:30 p.m. PLACE: 254-E DATE: February 3, 1987

GUEST LIST

NAME

ADDRESS

ORGANIZATION

NAME	ADDRESS	ORGANIZATION
Helen Ryan	1314 Amherst	People
Pat Ryan	"	USD 499
Harold Pitts	Topoka	
Craig Grant	Topoka	K-NEA
Jay Collins	"	KNEA
Judith Bronsht		Sen. W + 711
John Lampen	Shawnee, ks	
Senator Gus Loggins		
D. Penfield	319 West Halstead	
M. H. Hume	Topoka	Cur 1091
J. Oakes	Topoka	Ad. K. School Dist 500

SENATE EDUCATION COMMITTEE

Tuesday

TIME: 1:30 p.m.

PLACE: 254-E

DATE: February 3, 1987

GUEST LIST

NAME

ADDRESS

ORGANIZATION

Jim Capple

Wichita

WFT

Connie Huggell

Topoka

St Board of ed

John Koepke

Topoka

KASB

Yvonne Anderson

Topoka

USA

Bella Highfill Scott

Topoka

USA

Carol Mason

Topoka

KPL

Martha Miller

Manhattan

KASB

Jim Youally

Overland Park

USD #572

Brett Berry

Silver Lake

w/ Sen. Salisbury

Nash Stephenson

Topoka

for Sen. Hefner

Cyril C. Dumphy

Topoka

USD 501 #

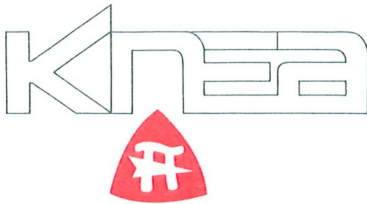
Kathryn Dyson

Wichita

USD 259

Craig Grant Testimony Before The
Senate Education Committee

February 3, 1987



Thank you Mr. Chairman. Members of the Committee, my name is Craig Grant and I represent Kansas-NEA. I appreciate this chance to speak with you about SB 61.

Kansas-NEA supports the concepts in SB 61 as we believe boards of education should not have to wait a year to receive extra budget authority to cover great increases in the cost of social security, utilities, or insurance. The need is within the year the budget is set and, thus, when the relief should be given. There is sufficient protection from a district padding expected increases in the last sentences of the three separate subsections as overestimations would be reduced from the next year's budget.

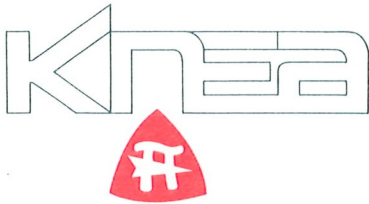
I am sure that the problem of those wishing to use increased authority based on last year's increases will need to be addressed. I believe that one possible solution would be to utilize this year's increases in those areas as unused budget authority that districts could use this next year. This might allow us to accommodate both types of districts--ones with increases this year and ones with increases next year.

Kansas-NEA supports SB 61 and hopes that the committee will allow boards to receive extra assistance for these expenditures in the year when it is needed. Thank you for listening to our concerns.

Senate Education
2/3/87
Attachment 1

Craig Grant Testimony Before The
Senate Education Committee

February 3, 1987



Thank you, Mr. Chairman. Members of the Committee, my name is Craig Grant and I represent Kansas-NEA. I appreciate this chance to visit with you about SB 83.

We have often heard from the "no aid" districts in this state about how they are treated as outcasts by the school district equalization act. This proposal would allow those districts to tax themselves more to keep up their school districts. The increase, however, would not be at any higher rate than in 1985-86. Kansas-NEA applauds these districts' desire to keep up the quality in their schools.

Some might yell "disequalizing" about this bill. I would suggest that it is no more disequalizing than shrinking the 10 point spread on which the original equalization formula is based. We have done that often in the past and appear prepared to do it again this year.

Kansas-NEA would support allowing these districts to utilize the 1985-86 tax rate if it would be more beneficial to the district. The extra authority could assist in keeping the quality of those schools at a high level. Thank you for listening to our concerns.

Senate Education
2/3/87
Attachment 2