

Approved March 2, 1988
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Chairman Denise Apt at
Chairperson

3:30 ~~am~~/p.m. on February 18, 1988 in room 519-S of the Capitol.

All members were present except:
Representative Laird, Excused

Committee staff present:
Avis Swartzman, Revisor of Statutes' Office
Ben Barrett, Legislative Research
Thelma Canaday, Secretary to the Committee

Conferees appearing before the committee:
Mr. Craig Grant, Kansas National Education Association
Mr. Joseph Ledbetter, Concerned citizen, U.S.D. #501
Dr. Steve McClure, Superintendent of Schools, Tonganoxie, U.S.D. #464
Mr. John Koepke, Kansas Association of School Boards
Mr. Kenneth Rogg, Schools for Quality Education
Ms. Connie Hubbell, State Board of Education
Ms. Jacque Oakes, Kansas City Schools, U.S.D. #500
Mr. Onan Burnett, U.S.D. #501
Mr. Ferman Marsh, United School Administrators

The meeting was called to order by Chairman Apt.

The chair opened hearings on S.B. 525, the School Finance bill.

Craig Grant encouraged the committee to retain the 2% additional budget authority in S.B. 525. Mr. Grant also asked that the 2-4% limits be changed to 2½%-5%. (Attachment 1)

Joseph Ledbetter testified before the committee asking for fairness in appropriating funds for USD #501. Mr. Ledbetter stated 35% of the property in USD #501 is held by non-taxable entities and, as a business man in the community of Topeka, has paid thousands of dollars in property taxes. Mr. Ledbetter asked that there be no more cuts for the Topeka schools.

Dr. Steve McClure recommended a change in S.B. 525 which would allow a school district to use their unused budget authority for the 2% or go the resolution route. Dr. McClure believes this would allow for better budget planning. (Attachment 2)

Connie Hubbell testified that the State Board of Education supports an overall average increase of 6 percent. Ms. Hubbell stated the concern of the State Board of Education is the decline in teacher salary ranking the property tax growth. (Attachment 3)

John Koepke expressed concern that while S.B. 525 addresses the formula for distribution of general fund aid to local school districts, it does not address the appropriation for that distribution. Mr. Koepke questioned the long term efficacy of the present school finance formula. (Attachment 4)

Kenneth Rogg stated that he would accept S.B. 525 as a compromise but did not support it. Mr. Rogg also said he could support 1 percent but not the 2 percent discretionary budget proportion.

Ms. Jacque Oakes testified that she was there to support the 21-month averaging even though it would not cure all the ills.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,
room 519-S, Statehouse, at 3:30 ~~xx~~/p.m. on February 18, 1988

Onan Burnett testified that he supports averaging, he supports more money if it's available and will be most appreciative of whatever can be done for USD #501.

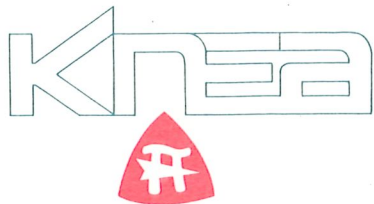
Ferman Marsh stated he feels the real culprit in the present dilemma of school finance is that state support has slid from 46.8 percent to 43 percent. It is the recommendation of the United School Administrators that there needs to be research made into the available funds to fund public schools. He believes until more satisfactory funding is found the patchwork of funding will continue.

Chairman Apt asked Mr. Dale Dennis to pass out the printouts of S.B. 525 as it passed from the Senate.

A period of questions and discussion followed.

The meeting was adjourned by Chairman Apt at 4:20.

The next meeting will be February 22, 1988 in Room 519-S at 3:30 p.m.



Craig Grant Testimony Before The
House Education Committee
Thursday, February 18, 1988

Thank you, Madame Chairman. Members of the Committee, I am Craig Grant and I represent Kansas-NEA. I appreciate this chance to visit with the committee on SB 525, this year's school finance bill.

It is difficult to adequately express the thoughts of our membership in the brief time I will talk today. Our teachers believe that the last two years have not been positive ones for schools in Kansas. The lowest budget lids in history have not allowed districts to keep education moving forward in this state.

The flexibility that boards have had in the past just has not been there, and as a result salary increases have suffered. As the report sadly states, Kansas has slipped from 29th to 33rd in ranking. And, it is not that we have slipped a few dollars below that 29th ranking. Our \$23,427 average salary is \$358 per teacher below the average of Florida, which holds the 29th slot. The year before Florida held the 33rd slot and was \$394 below Kansas, which had the 29th position. That \$700+ shift in relative positions is just an example of the plight that we have suffered in the last year.

Those low lids in the last couple of years have been justified or rationalized because of low cost of living increases, around the 3 to 3½% range. However, that justification is no longer present as we have all learned that the Consumer Price Index (CPI) for 1987 was measured at a 4.4% increase. That 4.4% CPI increase means that boards will be paying more for

*Attachment 1
House Education 2/18/88*

goods and services in the district and a 2% budget increase will not allow any flexibility to provide needed salary increases. Some districts with 2% authority might be hard pressed to fund a salary schedule with other demands placed on the budget. With the proposal for the state to fund less of the cost of special education and transportation, districts will be forced to transfer more general fund moneys to those funds, thus giving the general fund even less flexibility.

So we need to get to specifics. The bill as passed by the Senate has two features in it we wish to talk about today. The first is the 2% additional budget authority which a board can use on a vote of the board subject to a protest petition signed by 5% of the voters. We believe that this provision was well received as about one-fourth of the districts utilized this provision. We believe that the additional 2% flexibility is needed by boards of education and we hope it remains in the bill.

The second provision is the budget limitations for next year. Earlier this year you were presented with a brochure, "Educational Excellence: Moving Forward Together", which stated the goals of the nine organizations on a number of topics. (This was a first time venture for the educational community to speak together on the needs of education.) One of the stated goals was to allow boards to be able to increase their general funds by 6% to maintain and improve educational quality in this state. We believe the 2-4% limits fall short of this goal even with the extra 2% allowed. We believe that a slight change to 2½%-5% plus the 2% additional could meet the goal.

We would like to suggest even higher lids, but we are mindful of the property tax situation in the state. This modest increase from the senate version would not be overburdening on the property taxpayer, especially

Craig Grant Testimony Before House Education Committee, 2/18/88, page three

if the state finds more funds for the SDEA formula (as well as special education).

Our testimony hopefully has had a clear message. Districts need additional budget flexibility to deal with the many demands placed on it, including the pressure to pay teachers an adequate salary. In a January 1988 statewide research poll which Kansas-NEA commissioned and was conducted by Capital Research Services, we found that 61.5% of Kansans felt that the average salary for a public school teacher in Kansas was too low. Only 2.1% felt it was too high. The first step in allowing boards of education to increase these salaries is to give them the budget flexibility to do so.

Kansas-NEA asks that you adjust the provisions of SB 525 to meet our request. Thank you for listening to the concerns of our 22,000 members.

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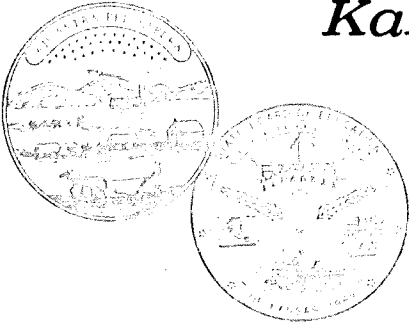
To: House Education Committee

From: Dr. Steve McClure
Tonganoxie Unified School District #464

Re: SB #525 - Line 0148

No district shall increase its budget per pupil under this subsection unless it has the unused budget authority to do so or until a resolution authorizing such an increase is passed by the board and published once in a newspaper having general circulation in the district.

*Attachment 2
House Education 2/18/88*



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 18, 1988

TO: House Education Committee
FROM: State Board of Education
SUBJECT: 1988 Senate Bill 525 As Approved by Senate

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.

Senate Bill 525 as approved by the Senate provides for budget limitations of 2 percent to 4 percent plus 2 percent subject to a protest petition with an overall estimated average increase in budget authority of 5.8 percent. The State Board of Education supports an overall average increase of 6 percent.

The State Board is quite concerned about the growth in property tax over the past three years. They recommend that school district equalization aid be increased to \$40,000,000. The increase in additional budget authority and state aid would permit boards of education to provide a larger increase teacher salaries. During the prior fiscal year, Kansas' teacher salaries ranking dropped from 29th to 33rd in the nation. This is the first time in several years that Kansas has dropped in the national ranking. It is anticipated that the average salary increases for the nation will be approximately 6 percent.

The State Board of Education is quite concerned about our decline in teacher salary ranking, property tax growth, and the effect this will have on the quality of education and future economic development in our state.

*Attachment 3
House Education 2/18/88*

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

TESTIMONY ON S.B. 525
before the
House Education Committee

by

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

February 18, 1988

Madam Chairman and members of the Committee, we appreciate the opportunity to once again express the views of our 302 member boards of education on a topic of vital interest to public education in Kansas. Senate Bill 525 is one of the vehicles which is being used this year to discuss the fiscal framework for funding public schools in Kansas during the next fiscal year. Unfortunately, it is only a part of the puzzle.

While S.B. 525 addresses the formula for distribution of general fund aid to local school districts, it does not address the appropriation for that distribution. Since that appropriation is crucial in the minds of my members to the determination of the appropriate budget limits for the coming year, it is difficult for us and you to address that issue in the present situation.

It is also difficult for us to address the issues raised by the proposed change in the definition of district wealth presently embodied in S.B. 525. You are all familiar with the consternation this issue raised both within and without the education community during the last legislative session. Nothing has happened to make the issue any less volatile during this session.

*Attachment 4
House Education 2/18/88*

Having expressed those reservations, we would observe that the Senate has probably addressed these two issues in as responsible a manner as is possible in the present political climate. You, as well as we, know that it will be several months before the appropriation issues are finally resolved. Our members have expressed the view that our primary fiscal concerns this year are to fully fund the mandated programs in the areas of special education and transportation. Inextricably entwined with these issues are the increasing share of the funding of public education expenditures that have been placed on the property taxpayers in recent years. It is, however, a small consolation that the state share of general fund expenditures will increase this year if the state share of funding of mandated programs is permitted to decline.

Finally, we would address some concerns to the proposal of the Senate to raise the discretionary budget proportion of S.B. 525 from 1% to 2%. Since this feature is obviously more attractive to districts with lower mill levies, it raises some substantial questions of equalization. We would urge the Committee to give serious consideration to limiting that flexibility to the 1% allowed during the present fiscal year.

All of this discussion causes us once again to raise the concern expressed earlier to you during this session about the long term efficacy of the present school finance formula. Once again, the focus of our discussion is on the distribution of state aid rather than the need for funding public education adequately. We are reduced to seeking alternative ways to allow additional budget authority rather than discussing whether the proposed budget limits are adequate to meet the needs of our educational enterprise. We hope this experience will convince the legislature that the time is nigh to seriously examine the way we fund elementary and secondary schools in Kansas.

We stand ready to assist you in any way we can in that endeavour. I would be happy to answer any questions.