

Approved 2/15/89
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Vice Chairman Cindy Empson at
Chairperson

3:30 ~~pm~~^{xx}/p.m. on February 9, 19⁸⁹ in room 519-S of the Capitol.

All members were present except:
Representatives Crumbaker, Borum and R. D. Miller, excused.

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

Conferees appearing before the committee:

The meeting was called to order by Vice Chairman Cindy Empson.

Chairman Empson announced the purpose of today's meeting was to conclude the overview for school finance and introduced Mr. Ben Barrett to give his presentation.

Mr. Barrett prefaced his presentation by the statement from the report of the 1988 interim special committee on school finance to the 1989 legislature: "...the critical measure of whether a school finance program serves the interests of the state and satisfactorily meets the needs of the school districts is the relative ability of the local districts to provide a program that is comparable to that of other similarly situated school districts." (Attachment 1). Mr. Barrett enumerated the recommendations recorded in Attachment 1 and answered questions from the committee members.

A summary of the governor's recommendations for changes in the school district equalization Act as included in HB 2085 were presented by Mr. Barrett. (Attachment 2)

Mr. Dale Dennis drew attention to a computer printout that has been prepared to show what the potential property loss/shift will be in each unified school district as a result of the repeal of merchants' inventory, manufacturers' inventory, livestock, and the change in the method of assessment of business machinery and equipment. Mr. Dennis pointed out various school districts that would be affected by the potential property tax loss. (Attachment 3)

A discussion period followed in which Mr. Dennis and Mr. Barrett answered questions.

The meeting was adjourned by Vice chairman Empson at 4:50 p.m.

The next meeting will be Monday, February 13, 1989 in Room 519-S at 3:30 p.m.

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.

EXCERPT FROM: REPORT OF THE 1988 INTERIM SPECIAL COMMITTEE
ON SCHOOL FINANCE TO THE 1989 LEGISLATURE

CONCLUSIONS AND RECOMMENDATIONS

The Committee conducted an extensive review of the principles embodied in the SDEA and discussed a variety of alternative approaches to designing a school finance program. So long as a state relies on local property taxes for a significant portion of the funding of elementary and secondary schools, the critical measure of whether a school finance program serves the interests of the state and satisfactorily meets the needs of the school districts is the relative ability of the local districts to provide a program that is comparable to that of other similarly situated school districts. In other words, does the program provide for an adequate degree of fiscal equity among the districts? The Committee was in agreement that the SDEA contains features which make fiscal equity possible. The current law can be adjusted to achieve a higher level of statewide equity than presently exists or to further reduce equity, depending upon the collective will of the Legislature. Similar results also could be achieved under a different type of formula. If total state funding of the system were provided or if a very high percentage of state funding were achieved, much of the emphasis on fiscal equity at the school district level would be diffused. Absent that condition, the focus of attention in Kansas, as is generally the case in most of the states in the nation, will be on fiscal equity among local school districts.

The study of school finance this interim was complicated by the fact that statewide reappraisal of property was underway and had not progressed sufficiently to provide data that reliably could be used for school finance simulations and analysis. Therefore, the Committee was compelled to limit its efforts to general discussions regarding trends and potential consequences of reappraisal for the school finance program and to addressing some of the practical problems associated with implementing reappraisal in the context of the school finance law.

The conclusion that the present Kansas approach to school finance remains fundamentally sound and concerns about problems in school finance yet to be faced due to implementing reappraisal of property led to the decision of the Committee to confine most of its recommendations to improvements in the SDEA and proposals for adjustments in the SDEA to make as smooth as possible the transition in 1989-90 and in subsequent years to statewide implementation of the reappraisal program.

As a result of its study and the foregoing considerations, the Committee submits the following recommendations.

District Wealth. The Committee endorses the practice of continuing to use both property and income measures as a means of recognizing the ability of school districts to contribute to the support of their school programs. However, some changes in this area are recommended.

The Committee recommends that district wealth be averaged for a two-year period.

The Committee endorses using a two-year average of district wealth as a feature of the SDEA because it has the effect of reducing somewhat the shifting of equalization aid which occurs from one year to the next due to the annual

*Attachment 1
House Education
2/9/89*

changes that occur in property and income wealth. Gradual changes of this nature are more easily accommodated by local boards of education as they make their budget and tax levying decisions. At the same time, a two-year average keeps the measure of a district's ability to finance its education reasonably reflective of the current tax base. The more years used for averaging, the less reflective the district wealth calculation is of the current reality. The Committee's view is that use of a two-year average appropriately combines the merits of smoothing out somewhat the effects of annual changes in the district wealth components and keeping the district wealth measure reasonably current.

The application of this recommendation while statewide reappraisal is being implemented will result for two school years in the mixing of the old and new property wealth bases. This will accomplish the purpose of tempering somewhat the severity of equalization aid shifts that are expected to occur as a result of the transition in 1989 from the old property tax base to the new one.

The Committee recommends that for both the 1989-90 and 1990-91 school years the property valuation component of district wealth be based on the average of the sum of 1988 adjusted valuation (as determined under the present law) and 1989 assessed valuation.

The past practice under the SDEA has been to use adjusted valuation (locally assessed property adjusted to the 30 percent assessment ratio required by state statute) for the year preceding the current school year. In fact, in many of the years there has been some form of multiyear averaging of adjusted valuations.

The Committee believes it would be unwise to rely exclusively on 1988 adjusted valuations for making school district general state aid distributions in 1989-90. The new 1989 reappraised values also should be considered because they better represent what the new property wealth base will be. Unfortunately, the 1989 Legislature will have only preliminary 1989 data to consider when making its 1989-90 school finance decisions. For the 1990-91 school year, the 1990 Legislature finally will have available to it the actual assessed valuations for the preceding year (1989). Then, for school finance purposes, the transition to the new property tax base will be completed.

One extreme example supplied to the Committee was that of the Derby school district which is expecting to lose about 45 percent of its assessed valuation due to the removal of merchant's and manufacturer's inventory from the tax rolls. Without the change proposed by the Committee, this valuation would be counted as a part of the district's wealth for the purpose of computing the district's general state aid entitlement, but it will not be available when it comes time to levy taxes. The Committee's proposal to average 1988 adjusted valuation and the new 1989 assessed valuation will have the effect of substantially reducing the severity of the consequences of this change.

(There is no need to make any adjustment in the procedure for incorporating taxable income in district wealth.)

The Committee recommends that in 1991-92 and thereafter, the property valuation component of district wealth be based on the average of the preceding and the second preceding years' assessed valuation.

This recommendation returns to the past practice of using property valuation data for the most recent years for which actual valuations are

available. It departs from the past practice of using adjusted figures, determined by applying assessment-sales ratios to locally assessed real property. It is expected the implementation of property reappraisal in this state, together with a rigorous program for keeping assessments current, will render obsolete the need for use of assessment-sales ratios to adjust locally assessed real estate in order to enhance the equity of the SDEA district wealth measure.

Monitoring of the actual experience in this area over time should reveal the appropriateness of this policy change.

Local Effort. As explained elsewhere in this report, all school districts presently receive the income tax rebate. Of the amount received, 85 percent is considered to be a part of a school district's local effort; thus, it is deducted in computing the district's equalization aid entitlement.

The Committee recommends that the law be amended so no portion of the income tax rebate a school district receives is treated as local effort under the school finance law. In other words, if this recommendation were implemented, school districts would still receive the full amount of the 20 percent rebate, but none of it would be taken into account in determining the district's equalization aid entitlement.

The Committee notes that the definition of district wealth will continue to include both property wealth and income wealth. The Committee has concluded that the taxable income of resident individuals should continue to be one of the components of district wealth. The Committee's view is that the income tax rebate represents a means of returning a portion of the school district revenue base which is attributable to income to the district wherein the income is counted. This can be viewed as an alternative to either imposition of a statewide school district income tax or to provision of a local option income tax. Inasmuch as the district's taxable income is included in the wealth base of the district, the Committee sees no merit in continuing the deduction of a portion of the income tax rebate as local effort in computing a district's equalization aid entitlement. In a sense, this practice appears to assign a weight to income twice. Inasmuch as there appears to be no fundamental concept of equity involved in this practice, the Committee proposes its discontinuation.

This change will tend to be advantageous to the more income intensive school districts, generally those which are urban in character. This is because, generally speaking, their local effort deduction attributable to the income tax rebate is relatively larger than for other districts.

This change might be viewed as a rather modest mitigating factor when considered in conjunction with the expected shifts in school equalization aid toward the rural districts due to implementation of the statewide property reappraisal program.

The Committee recommends that the provision of law be deleted which requires the motor vehicle stamp tax revenue a district receives in the preceding school year to be treated as part of a school district's local effort.

Inasmuch as the motor vehicle stamp tax expires after December 31, 1988, this recommendation is technical in nature in that it proposes to eliminate from the law what soon will be obsolete language.

Unused Budget Authority. Under the present law, whenever a school district's legally adopted budget of operating expenses is less than authorized under the SDEA, the district may add the amount less than so authorized to its legally adopted budget of operating expenses of a later school year. However, a district may not increase its budget per pupil above the "determinable percentage" of the amount of its budget per pupil in the preceding school year (without an election). The "determinable percentage" is a percentage which is set by the Legislature to serve as the basis for determining what the budget ceiling for low spending school districts will be. For example, in the basic law, the budget control range is 103 percent per pupil for the higher spending school districts (those which spend more than the median budget per pupil in their enrollment category) and it is 109 percent per pupil for the lowest spending school districts (those whose budget per pupil is at least 6 percent below the median budget per pupil in the enrollment category). The determinable percentage under these provisions is 6 percentage points. It is a common legislative practice during each legislative session to review the budget controls and to set a specific range applicable only to the next school year. For example, the basic budget controls for the 1988-89 school year are 102 percent to 104 percent. The determinable percentage for the 1988-89 school year is 2 percentage points.

The Committee recommends that the law be amended to clarify its intent to authorize school districts to accumulate unused budget authority only when they deliberately adopt a general fund budget for any year which is less than the amount per pupil authorized under the applicable per pupil percentage limitations for that year.

Presently, this law is being interpreted as meaning that a school district has budgeted less than the "authorized" amount when it is determined during the school year that the district had underestimated its enrollment at the time the budget was adopted and actually budgeted a smaller amount than otherwise would have been authorized. The additional amount which could have been budgeted had the actual enrollment been known when the budget was adopted in July or August presently is being treated as unused budget authority which can be accumulated by a school district and used in a subsequent school year. The legislation proposed by the Committee would return the law to what some regard as being the original purpose of the provision -- that being, in the future, to recognize as unused budget authority only that amount which a school district deliberately budgets less than is perceived to be the maximum per pupil amount allowable at the time the budget was adopted.

The Committee recommends that the law be amended to permit all school districts to have the same access to accumulated unused budget authority as do districts whose budget per pupil limitation is determined by the budget floor for the school year.

Under the SDEA, it is the school districts subject to the budget per pupil floor, *i.e.*, the districts whose budget per pupil exceeds the median for the enrollment category, which have the greatest access to accumulated unused budget authority. For example, if the budget per pupil control range for the school year were 103 percent to 109 percent, a district subject to the 103 percent floor could increase its budget per pupil by 3 percent under the basic control; it could then use accumulated budget authority for up to an additional 6 percent per pupil. In contrast, a low spending district (a district spending 6 percent or more below the median budget per pupil in its enrollment category) in the preceding year may increase its budget per pupil to the ceiling, or by 9

percent. Such a district has no opportunity to use any of its accumulated budget authority. Districts having per pupil budgets in the preceding year which were less than the median for the enrollment category, but not 6 percent below, will have per pupil budget limitations of more than 3 percent but less than 9 percent. These districts would be able to use some portion of their accumulated unused budget authority up to the 9 percent limitation, but less than the 6 percent available to the higher spending districts.

The Committee believes equity would be better served if the lower spending school districts had the same access to unused budget authority as the higher spending districts. The Committee's proposed legislation would accomplish this objective. Any district spending below the median would be able to use accumulated unused budget authority equal to as much as an additional 6 percent per pupil. (The combined total increase for the lowest spending district would be 15 percent per pupil -- 9 percent for application of the budget controls and 6 percent for accumulated unused budget authority.) The amount of accumulated budget authority which may be used by school districts will vary from year to year depending on the budget controls the Legislature authorizes for the school year.

The Committee recommends that K.S.A. 79-2929a be amended to prohibit school districts from republishing their general fund budgets under the provisions of that law.

The statute proposed to be amended permits political subdivisions, under certain circumstances, to publish an amended budget. The amended budget shows proposed changes in the amount of expenditures, by fund. Any proposed increase must be balanced by previously unbudgeted increases in revenue other than from ad valorem property taxes.

It has become increasingly common for school districts to utilize this provision in instances where they underestimated their enrollments at the time the budget initially was adopted. These pupils represent potential general fund budget authority which the district could have incorporated in its budget when the budget was adopted, had the district been able to anticipate the greater enrollment. Because the budget authority represented by these pupils does not increase the amount per pupil budgeted in the general fund by the district, the funding for this added budget authority principally is derived from SDEA equalization aid. When this occurs, the "added" state aid is provided as a result of a redistribution of aid to all districts which receive equalization aid. There is a strong incentive in this situation to republish the budget so as to pick up both the additional budget authority and increased state aid.

A school district which experiences such an enrollment increase but which does not republish its budget still realizes additional equalization aid during the current school year above what it had expected to receive. This is because the district's actual budget per pupil is less than originally was used to compute the budget -- the budget stays constant while the number of pupils increases which results in a decrease in the budget per pupil. This, in turn, results in a lower local effort rate which translates into a smaller deduction based on district wealth, thus producing more equalization aid. Also, the district is credited with an amount of accumulated unused budget authority due to the underestimated enrollment (for explanation, see previous discussion).

The Committee's recommendation takes notice of the fact that when republication occurs, the state aid that flows to the affected district is, in fact, taken from the other districts in the state which receive equalization aid

in order to be given to the district which republishes its general fund budget. The Committee does not regard this to be a desirable consequence. The Committee believes the statute which authorizes republication was designed to provide additional flexibility to a political subdivision that received a significant sum of unanticipated revenue from some nonproperty tax source so that the subdivision could budget and spend those funds. It was not contemplated that such funds would be acquired by, in essence, taking them away from other governmental units, as is the effect of the practice addressed in this recommendation.

Enrollment Categories. Enrollment categories are used in the SDEA as a means of recognizing the relationship between the size of enrollment of school districts and their expenditures per pupil. Generally, the pattern has been that expenditures per pupil tend to decrease as school district enrollments increase, until enrollments reach in the range of 2,000 where the pattern becomes somewhat unclear, then the pattern reverses with the very largest enrollment districts - the five school districts having enrollments of 10,000 or more.

Presently, there are five enrollment categories. The issue that has been brought to the attention of the Committee involves the status of the districts found in the fourth (next largest) enrollment category. These generally are the districts with enrollments in the range of 2,000 to 10,000. It is the contention of representatives of these districts that they should be treated more nearly the same as the districts in the fifth (largest) enrollment category for budget control and state equalization aid computation purposes. Presently, there is a discrepancy in the range of 10 percent between the median budget per pupil that is applicable to these two enrollment categories.

The Committee recommends that the SDEA be amended to provide for each of the next two school years - 1989-90 and 1990-91 - the median budget per pupil in the fourth enrollment category be increased by 2.5 percent for the purpose of determining the budget controls and equalization aid entitlements applicable to such districts for those school years.

Under the present law, the norm (median budget per pupil) of the fifth enrollment category is the actual median budget per pupil in the enrollment category. The norm for districts in the fourth enrollment category is the median budget per pupil in such category, plus 1.5 percent. The addition of the 1.5 percent was the result of an amendment adopted by the 1987 Legislature. It was designed to help narrow the gap in the norms applicable to the fourth and fifth enrollment categories. As a result of this amendment, over time this gap would be eliminated. In fact, ultimately, the norm for the fourth enrollment category will surpass that of the fifth.

Spokespersons for districts in the fourth enrollment category urge that the norm budget per pupil for the fourth enrollment category be increased to the level of the fifth enrollment category over a three-year period. The contention is that these larger districts face similar problems and cost considerations as the very large enrollment districts, with whom the fourth enrollment category districts must compete. These persons observe that the gap in the median budgets per pupil between the fourth and fifth enrollment categories is not due as much to differing demands for educational services as it is the result of unique enrollment patterns. In general, the large enrollment districts -- Kansas City (USD 500), Shawnee Mission (USD 512), Topeka (USD 501), and Wichita (USD 259) -- experienced very significant enrollment declines, especially during the decade of the 1970s. (The other fifth enrollment category

district, Olathe (USD 233), did not join that category until 1984-85 when the district's enrollment first exceeded 10,000.) Under the SDEA, this can result in an accelerated growth in a district's budget per pupil. While the districts in the fourth enrollment category also experienced enrollment declines during those years, they were much less dramatic. These differing enrollment patterns, it is contended, largely explain the reason there is such a large gap between the norm budgets per pupil in the two enrollment categories.

The Committee's recommendation recognizes the concern expressed by the fourth enrollment category districts and is designed over a two-year period to reduce by about one-half the gap between the norm budgets per pupil applicable to the fourth and fifth enrollment category districts. The Committee deliberately did not recommend linking the budget per pupil median of the fourth enrollment category to that of the fifth for the reason that such a change would represent too great a departure from the general practice of using enrollment categories as a means of reflecting different expenditure patterns of school districts as related to their enrollments. Such a change would have the effect of using the experience of the five largest enrollment districts to affect budget and equalization aid entitlements of not only those districts, but also the districts in the fourth enrollment category and many districts in the third enrollment category. In fact, this effect would flow from the decisions of just three of the largest enrollment school districts, because three districts will include the district which serves as the median for the enrollment category.

It may be of some interest to recall that when the SDEA was enacted in 1973, the largest enrollment category consisted of the districts now found in the fourth and fifth enrollment categories. In the early years, it was noted that the very large enrollment districts had higher per pupil expenditure levels than did most of the other districts in the enrollment category. In 1980, as a concession to these districts, the Legislature increased the norm local effort rate for the four largest enrollment districts by 1/2 percent above the median for the enrollment category, thus increasing their equalization aid entitlements. In 1982, legislation was enacted creating a new enrollment category for these districts -- districts with 10,000 or more enrollment -- phased in over a three-year period. The interest now being articulated is to bring the fourth enrollment category districts up to the level of the fifth. The Committee recommendation is a partial concession to this request. Continued monitoring will reveal whether further corrective steps will need to be taken in the future.

Several members of the Committee expressed some disaffection with the use of enrollment categories as the principal means of recognizing differences in per pupil spending requirements among school districts. Sentiment was expressed for exploring pupil-weighting as a supplemental or alternative means of addressing factors that contribute to added costs of school operation. The Committee expects that school finance will be an interim study topic in 1989 and that the pupil-weighting concept will be a part of that consideration.

Hold Harmless Aid. As previously noted in this report, the Committee had no data available to it which could be used to make reasonably reliable estimates for 1989-90 of the impact of implementation of reappraisal on SDEA aid distributions. Nevertheless, the general perception is that significant shifts in aid will occur. Generally, it is believed that there will be shifting of equalization aid away from the more urban districts to those which are more rural. However, there can be expected to be a variety of changes that now simply cannot be fully anticipated. The 1989 Legislature will be hampered in its deliberations because it will need to make its school finance decisions for the 1989-90 school year based partly on preliminary and incomplete property valuation data. In spite of the changes recommended by the Committee which

significantly will lessen the immediate impact of shifts that will occur, it seems obvious that the 1989 Legislature also will need to consider seriously some type of hold harmless mechanism to make more acceptable the transition to the new property wealth base of the state.

The Committee recommends that a hold harmless equalization aid provision applicable to the 1989-90 school year be enacted. Under this provision, a school district with a sufficiently high general fund tax rate in the preceding year which would receive less equalization aid and income tax rebate (combined) in 1989-90 than it received in 1988-89 would be guaranteed 50 percent of the difference, *i.e.*, it would have to absorb only one-half of the reduction in aid that otherwise would occur. This guarantee would be reduced by 10 percent for every mill or fraction of a mill that the general fund tax rate of the district for the preceding year was less than the median rate for all districts. The guarantee would not require a separate appropriation, but would be funded out of the lump sum appropriation for FY 1990 school equalization aid.

This recommendation is patterned generally on the approach adopted by the 1988 Legislature for the 1988-89 school year, except that it does not contemplate a separate appropriation to fund the hold harmless provision. Due to the absence of meaningful data pertaining to school district wealth, to not knowing what the budget controls for 1989-90 will be, and to not knowing how much equalization aid will be considered for 1989-90, it was not possible for the Committee to prepare an estimate of the cost of the hold harmless proposal.

The Committee's concern for maintaining as high a degree of equity in the SDEA equalization formula as possible has led it to recommend only a one-year hold harmless provision. The need for continuing this type of aid should be considered on a year-to-year basis. Such a provision should not become a permanent feature of the school aid program because of the disequalizing impact it will have.

Reappraisal Data for the 1989 Legislature. As has been noted throughout this report, the Committee was limited with respect to the activities it could undertake during the 1988 interim to address the impact of implementation of the statewide reappraisal program on the school finance formula. As previously explained, this will continue to be a significant problem with which the 1989 Legislature will have to contend. Of course, the Committee expects that every effort will be made to provide to the Legislature the best possible information in the most timely manner. The Committee is submitting a recommendation to help facilitate achievement of this result.

The Committee recommends that a task force composed of staff of the Legislative Research Department; the State Department of Education; and the Division of Property Valuation, Department of Revenue be established. The purpose of the task force would be to monitor implementation of the statewide reappraisal program for the purpose of devising ways to produce the best possible information resulting from reappraisal at the earliest possible time during the 1989 Session in order to facilitate the work of the Legislature in dealing with the school finance issue. The Legislative Research Department should be responsible for convening the task force.

The task force should meet regularly and frequently in order to achieve the greatest possible progress concerning this matter and should keep the appropriate committees of the 1989 Legislature abreast of the progress that is being made.

Incentive Programs. During the course of the interim, the Committee considered a broad spectrum of approaches for the funding of public education. While the Committee concluded that the core funding program should continue to be based on the concept of resource equalization among school districts, it also determined that there is an appropriate place in the overall scheme of financing public education for targeted programs to address specific concerns, such as, for example, the separate aid programs for special education, transportation, food service, inservice education, bilingual education, and others. In this connection, the Committee is supportive of two additional thrusts in special programming.

The Committee endorses the proposal of the Legislative Educational Planning Committee to create a new incentive program to encourage school districts to compete for matching grants under the proposed new Educational Excellence Grant Program.

This program would be administered by the State Board of Education, and it would provide matching grants to school districts for the following purposes: identification of goals and needs; formulation of priorities and objectives; evaluation and enrichment of the curriculum and the instructional program; examination and refinement of delivery methods; engagement in research and planning activities; exploration and implementation of innovative and experimental procedures and activities; development of more effective instructional materials and techniques; enhancement of staff development and inservice education programs; development and implementation of strategies and programs to address specific needs of pupils at risk of becoming dropouts; and invention and installation of action plans for improving pupil attitudes and achievement. The State Board of Education would determine the grant distribution formula, except that the state portion of the matching grant could not exceed 50 percent of the actual expenses of the district for maintaining the plan. The Legislative Educational Planning Committee recommended an appropriation of \$5.0 million for the funding of this program in FY 1990.

The Committee is supportive of the funding of a modest new program to stimulate innovation by school districts in a variety of areas. The potential benefits of such a program far exceed the proposed state investment therein.

The Committee recommends that legislation be enacted to establish a new incentive program to encourage school districts to operate summer remedial or enrichment programs. The program would be administered by the State Board of Education. School districts would compete for matching grants under this program.

The Committee is supportive of the concept of greater summer programming by school districts. The summer offers the opportunity for school districts to concentrate their activities in areas of special emphasis, for example, remediation or enrichment. Also, greater use can be made of school physical facilities, which otherwise are likely to be lying idle. The incentive grant approach is proposed as a means of stimulating innovative responses among school districts, both individually and cooperatively, with respect to summer programs.

Under the Committee's proposal, the State Board of Education would determine the aid distribution formula, except that the state portion of the matching grant could not exceed 50 percent of the actual expenses for maintaining the plan. A special fund would be created in a recipient school district for the deposit of the state grant (and any other special funds for this program). Amounts in this fund would supplement amounts spent for this purpose from the school district general fund. The State Board would provide technical assistance to districts in development and maintenance of a plan and would disseminate information with respect to such summer programs. Upon completion of the 1991-92 school year, the program would be evaluated by the State Board of Education, which would make recommendations regarding whether the program should be continued.

The Committee did not recommend any specific level of funding for this program. This issue should be considered by the 1989 Legislature in the context of the various competing demands for education funding.

Legislative Deadlines for Consideration of Amendments or Additions to the SDEA. Pursuant to a recommendation submitted to it, the Committee considered whether Joint Rule 5 should be revised or eliminated. This is the rule which establishes separate timelines during the legislative session for consideration of amendments, deletions, or additions to the SDEA.

The Committee reviewed the history of the operation of this rule and found that since it was adopted in 1982, the Legislature has suspended the rule three times. The Governor has vetoed the school finance bill three times (twice in one year), an action which voids the deadlines. There has been only one year in which final action was taken on the school finance bill by the deadline and in which such action was not subsequently altered.

The purpose of the rule, originally, was to attempt to expedite resolution of the school finance issue earlier in the legislative session rather than during the closing moments. This would be helpful to school districts which often are engaged in professional negotiations with their employees during the spring of the year. Knowing what the school district budget controls will be for the next school year and the amount of state aid the district is likely to receive can facilitate dealing with economic issues on which both negotiating parties are reluctant to commit until the legislative action is known.

As a practical matter, it has not proved possible for the Legislature to regularly observe these deadlines. The school finance issue involves such a major part of the state budget and is so significant among the more important policy issues which must be resolved each year that it simply cannot be lifted out from among the various competing interests and resolved in isolation. The idea which prompted the special deadlines for school finance was noble, but implementation of it has not been feasible.

The Committee recommends that when the leadership of the 1989 Legislature prepares the proposed joint rules for the Senate and House of Representatives, the rule establishing a separate schedule for consideration of legislation affecting the SDEA not be included.

Fort Leavenworth (USD 207). It was reported to the Committee that if the state support for the Fort Leavenworth school district is not increased, the district will no longer be able to qualify for certain federal emergency funds (Section 3(d)2(b)) under Public Law 81-874. These funds are received by the

district on an intermittent basis, but have been quite substantial at times. For example, in FY 1982, the district received \$2.1 million; in FY 1983 it received \$1.9 million; and in FY 1984, it received \$0.6 million. For FYs 1985 through 1987, no such funds were received.

The Fort Leavenworth school district is the only district in the state not funded under the equalization features of the SDEA. Each year, the Legislature appropriates a specific amount for the support of this district. It is the only school district in the state that does not operate a high school program; it operates a program which includes grades kindergarten through nine. The governing board of the district is not a seven-member elected board as are all other school districts in the state; rather, it is a three-member board appointed by the commanding general of Fort Leavenworth.

Representatives of the Division of Impact Aid of the U.S. Department of Education have indicated that an acceptable level of state support for the school district would be an amount equal to 65 percent of the state average equalization aid per pupil. According to estimates of the State Department of Education, to increase state support to this level in FY 1990 would cost approximately an additional \$500,000. Currently, state aid to this district totals about \$1.0 million.

The Committee recommends that the Legislature continue the present method of providing state support for the Fort Leavenworth school district and that in making the annual appropriation decision, the Legislature give appropriate consideration to the relationship of this amount to the state average equalization aid per pupil and to requirements with respect to the continued eligibility of the school district for the federal Section 3(d)2(b) emergency funds.

Level of State Support for School District General Fund Budgets. With the impending implementation of reappraisal, it will be especially difficult for the 1989 Legislature to agree upon changes in the SDEA and the level of state funding that will be required for school districts in 1989-90. Any effort to make such a determination at this time clearly is premature. Nevertheless, the Committee did spend considerable time discussing what might be considered to be the appropriate level of state aid (equalization aid and income tax rebate combined) as a percentage of total (not individual) school district general fund budgets. Over the years, the goal of 50 percent state support has been articulated many times. The Committee is in agreement with the 50 percent funding objective.

The Committee recommends adoption by the 1989 Legislature of a concurrent resolution stating that the legislative goal is to increase state funding for school districts to the level of 50 percent of school district general fund budgets.

The Committee submits this report together with its proposed legislation for the consideration of the 1989 Legislature.

**SUMMARY OF THE GOVERNOR'S RECOMMENDATIONS FOR CHANGES
IN THE SCHOOL DISTRICT EQUALIZATION ACT**

Following is a summary of the Governor's proposed changes in the School District Equalization Act (SDEA). These are included in 1989 H.B. 2085.

1. Budget Controls -- 1989-90 School Year. The budget per pupil controls for the 1989-90 school year are set at 102 percent to 104 percent.

(For 1988-89, the per pupil budget controls are 102 percent to 104 percent with an additional 1 percent, subject to a protest petition/election provision.)

2. District Wealth. For the 1989-90 school year, district wealth would consist of the sum of the taxable income of the district for the most recent year such income figures are available (1988 income, filed in 1989) and the 1989 assessed valuation of the district. For the 1990-91 school year and for each school year thereafter, district wealth would consist of the sum of the district's taxable income for the most recent year for which such income figures are available and the assessed valuation for the same year.

(For the 1988-89 school year, district wealth is determined by dividing by 1.75 the sum of adjusted valuation and taxable income of resident individuals of the school district for the most recent (preceding) year and 75 percent of such data for the second preceding year. Present law provides that after the 1988-89 school year, district wealth is the sum of the adjusted valuation and taxable income data for the most recent year for which such data are available.)

3. Local Effort. The treatment of 85 percent of the income tax rebate returned to school districts as "local effort" and, therefore, as a deduction in computing equalization aid entitlements of districts is discontinued. (In other words, none of the income tax rebate will be treated as a deduction in computing a school district's equalization aid entitlement.)

4. Income Tax Rebate. The income tax rebate would be increased from 20 percent to 22 percent of the resident individual income tax liability of residents in the district after credits, except for credits for taxes paid to another state and except for withholding and estimates. This change would be effective beginning with taxable years which commence after December 31, 1988.

Other changes delete obsolete language from the law or are technical in nature.

The Governor's proposed SDEA financing recommendations are shown below.

	In Thousands			
	Est. FY 1989	Gov. Rec. FY 1990	Increase	
			Amount	Percent
General State Aid	\$ 489,854	\$ 533,527	\$ 43,673	8.9%
Income Tax Rebate	148,000	156,000	8,000	5.4
Subtotal	\$ 637,854	\$ 689,527	\$ 51,673	8.1%
% of USD Gen. Fund Budget	43.8	45.0		
Transportation Aid	42,904	43,900	996	2.3
Subtotal, SDEA	\$ 680,758	\$ 733,427	\$ 52,669	7.7

Prepared by: Kansas Legislative Research Department
February 3, 1989

Kansas State Department of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

January 25, 1989

TO: Senator Paul "Bud" Burke

FROM: State Department of Education and
Legislative Research Department

SUBJECT: Potential Property Tax Loss/Shift As A Result
of 1985 House Concurrent Resolution 5018 (HCR 5018)

This memorandum and the attached computer printout has been prepared to answer your question concerning what the potential property loss/shift will be in each unified school district as a result of the repeal of merchants' inventory, manufacturers' inventory, livestock, and the change in the method of assessment of business machinery and equipment. These changes will be in effect on the taxes levied in the Fall of 1989.

Commercial and industrial machinery and equipment had to be estimated since the data will not be available until approximately July 1, 1989. After consulting with representatives from the Division of Property Valuation, the Legislative Research Department, and the State Department of Education, it was determined that approximately two-thirds or 66 percent of the valuation will be reduced/lost. There could be a more accurate estimate on business machinery and equipment at a later date when more information becomes available.

The attached computer printout will give you more information on each school district.

COLUMN EXPLANTION

- Column 1 - 1988 Assessed valuation for merchants' inventory
- 2 - 1988 Assessed valuation for manufacturers' inventory
- 3 - 1988 Assessed valuation for livestock
- 4 - Estimated reduction in business machinery and equipment as a result of HCR 5018*
- 5 - Estimated total loss in assessed valuation (Column 1 + 2 + 3 + 4)
- 6 - 1988 Total mill rate
- 7 - 1988 Estimated amount levied on valuation that will be repealed/lost during 1989 (Column 5 x 6)

*House Concurrent Resolution 5018 provides the following:

"(E) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost when new less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property."

The Constitutional Amendment further provides that commercial and industrial machinery shall be assessed at 20 percent where previously it was assessed at 30 percent. This will result in at least a 50 percent decrease in business machinery and equipment.

a-3-2
2/9/89

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
COUNTY NAME		MERCHANTS INVENTORY	MANUFACTURERS INVENTORY	LIVESTOCK	66 % BUSINESS MACHINE EQUIPMENT	TOTAL	1988 MILL RATE	(5 X 6)
DISTRICT NAME								
ALLEN 001								
HARRISON VALLEY	D0256	88,075	139,320	484,335	532,990	1,244,720	51.06	63,555
YOLA	D0257	1,233,890	2,235,975	306,495	243,332	4,019,692	68.42	275,027
HUMBOLDT	D0258	108,435	373,220	328,950	123,192	933,797	38.87	36,297
ANDERSON 002								
GARNETT	D0365	1,216,850	1,107,829	1,025,785	379,665	3,730,129	50.32	187,700
CREST	D0479	25,595	0	336,050	126,522	488,167	43.11	21,045
ATCHISON 003								
ATCHISON CO COMM SCHDLS	D0377	233,360	360,240	760,249	215,596	1,569,445	77.60	121,789
ATCHISON PUBLIC SCHOOLS	D0409	1,325,545	758,475	75,085	4,531,214	6,690,319	81.92	548,071
BARBER 004								
BARBER COUNTY NORTH	D0254	504,600	474,700	1,112,340	588,308	2,679,948	56.10	150,345
SOUTH BARBER	D0255	356,875	1,785	471,046	150,459	980,165	68.07	66,720
BARTON 005								
CLAFLIN	D0354	149,350	0	296,700	169,115	615,165	56.12	34,523
ELLINWOOD PUBLIC SCHOOLS	D0355	269,590	29,465	327,810	361,858	989,723	47.63	47,093
GREAT BEND	D0428	6,380,645	2,103,640	172,805	4,910,529	13,567,619	71.01	963,437
WIDESTON	D0431	268,270	678,875	434,835	1,243,433	2,625,413	60.91	159,914
BOURBON 006								
FT SCOTT	D0294	1,656,075	804,545	511,420	2,075,895	5,047,935	70.69	356,839
WINDYBLOOM	D0295	107,515	15,465	638,140	71,072	852,192	45.63	38,886
BROWN 007								
MIAMATHA	D0415	899,170	1,779,880	741,585	683,117	4,103,672	78.93	291,073
BROWN COUNTY	D0430	218,665	98,860	375,825	197,762	891,112	84.04	74,889
BUYLER 008								
LEON	D0205	37,235	717	600,516	334,883	973,351	50.37	49,028
RENINGTON-WHITEWATER	D0206	269,165	0	582,887	339,536	1,191,588	70.81	84,371
CIRCLE	D0375	907,041	7,969,812	201,886	4,575,327	13,653,986	41.67	568,962
ANDOVER	D0385	727,436	860,254	74,705	654,213	2,316,608	96.64	223,877
ROSE HILL PUBLIC SCHOOLS	D0394	46,331	42,720	66,645	275,914	431,610	86.62	37,386
DOUGLASS PUBLIC SCHOOLS	D0396	94,787	2,414	164,233	93,183	354,617	60.50	21,454
AUGUSTA	D0402	1,075,430	149,105	109,733	1,247,160	2,581,428	82.09	211,909
EL DORADO	D0490	1,361,984	1,438,799	167,696	5,010,527	7,979,006	73.41	585,739
FLINTHILLS	D0492	6,424	12,569	330,315	17,316	366,624	77.82	28,531
CHASE 009								
CHASE COUNTY	D0284	301,180	15,035	826,535	231,950	1,374,620	47.23	64,923

a-3-3
2/9/89

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
COUNTY NAME		MERCHANTS	MANUFACTURERS		66 Z		1980
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUSINESS MACHINE	TOTAL	HILL
					EQUIPMENT		RATE
							(5 X 6)
CHAUTAQUO 010							
CEDAR VALE	00285	56,750	19,630	467,120	231,432	774,932	45.93
CHAUTAQUO COUNTY COMMUNI	00286	179,695	40,260	605,715	254,041	1,079,711	38.27
CHEROKEE 011							
RIVERTON	00404	34,930	0	134,400	79,514	248,844	54.30
COLUMBUS	00493	580,865	701,890	546,560	2,838,858	4,667,973	80.90
CALENA	00499	106,875	454,150	27,140	240,491	828,656	50.10
BAXTER SPRINGS	00508	369,915	179,625	58,400	616,216	1,224,156	59.10
CHEYENNE 012							
CHEYLIN	00103	26,275	0	574,930	162,181	763,394	73.59
ST FRANCIS COMMUNITY SCHO	00297	88,260	0	986,966	487,816	1,563,050	59.69
CLARK 013							
WIRREOLA	00219	62,270	0	79,493	65,838	207,601	47.21
ASHLAND	00220	155,095	0	592,590	108,521	856,206	42.25
CLAY 014							
CLAY CENTER	00379	1,085,897	337,507	1,362,611	849,815	3,635,830	48.97
CLOUD 015							
CINCINNIA	00333	1,998,150	504,670	518,065	632,363	3,645,248	59.97
SOUTHERN CLOUD	00334	122,500	0	489,680	59,888	592,068	35.66
COFFEY 016							
LEBO-AVERLY	00243	180,320	3,200	357,150	17,002	557,672	73.62
BURLINGTON	00244	669,965	0	216,285	3,854	895,104	13.15
LEROY-GRIDLEY	00245	71,930	80,980	432,881	1,723	537,514	55.94
COMANCHE 017							
COMANCHE COUNTY	00300	266,650	49,675	1,056,232	176,081	1,548,638	52.00
COMBLEY 018							
CENTRAL	00462	92,115	215	527,763	58,697	678,790	56.16
UDALL	00463	28,640	23,675	168,978	41,526	262,819	77.16
WINFIELD	00465	1,864,760	2,381,270	377,335	5,536,425	10,359,790	78.11
OKMANSAS CITY	00470	2,078,668	2,999,875	243,344	3,851,503	9,173,390	81.84
DEXTER	00471	5,570	0	408,955	12,689	427,214	67.20
CRAWFORD 019							
NORTHEAST	00246	138,675	37,565	98,685	761,637	1,096,482	66.63
CHEROKEE	00247	133,250	292,780	354,325	289,545	1,069,900	68.13
GIKARD	00248	518,375	401,730	509,095	464,092	1,893,292	47.38
FRONTENAC PUBLIC SCHOOLS	00249	406,390	5,615	54,295	119,935	586,235	57.77
PITTSBURG	00250	3,086,330	2,696,660	69,430	3,499,845	9,352,265	87.35

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
COUNTY NAME		MERCHANTS	MANUFACTURERS	66 %		1988	
DISTRICT NAME	#	INVENTORY	INVENTORY	LIVESTOCK	BUSINESS MACHINE EQUIPMENT	TOTAL	HILL RATE
							(5 X 6)
DECATUR 020							
BERLIN	00294	41,120	0	1,160,277	127,975	1,329,372	46.94
PRAIRIE HEIGHTS	00295	30,232	0	417,752	12,333	460,317	75.05
DICKINSON 021							
SOLON	00393	176,435	0	126,010	88,229	390,674	64.02
ABILENE	00435	1,144,050	69,960	181,925	959,597	2,355,532	74.56
CHAPMAN	00473	390,535	313,870	1,159,005	1,304,978	3,168,388	50.24
RURAL VISTA	00481	142,005	275	881,080	91,031	1,114,391	64.45
HERINGTON	00487	374,435	64,070	167,400	218,602	824,507	75.91
DONIPHAN 022							
MATHERA	00406	70,635	85,379	106,972	157,941	420,927	43.68
HIGHLAND	00425	103,943	0	176,310	87,173	366,826	73.51
TROY PUBLIC SCHOOLS	00429	51,091	6,225	125,387	214,414	397,117	52.89
MIDWAY SCHOOLS	00433	35,597	0	198,395	15,150	249,142	84.58
ELMODO	00486	294,411	2,937,892	0	1,103,594	4,335,897	41.79
DOUGLAS 023							
BALDWIN CITY	00348	412,600	75,685	372,595	5,785	866,665	91.81
EUDORA	00491	302,790	160,775	135,425	3,419	602,409	57.65
LAURENCE	00497	18,449,840	15,825,685	298,865	447,724	35,022,114	90.45
EDWARDS 024							
KINSLEY-OFFERLE	00347	295,390	49,664	304,763	207,318	857,135	76.77
LEMIS	00502	66,014	232,006	188,535	268,019	754,574	48.58
ELK 025							
NEST ELK	00282	259,740	40,765	1,048,300	328,139	1,676,944	45.58
ELK VALLEY	00283	17,815	6,861	233,372	31,994	289,242	50.19
ELLIS 026							
ELLIS	00388	133,522	15,751	491,268	97,995	738,536	61.63
VICTORIA	00432	107,817	8,602	386,533	115,742	618,694	48.28
HAYS	00489	4,403,950	374,759	584,997	3,101,380	8,465,086	84.19
ELLSMORTH 027							
ELLSMORTH	00327	492,710	227,609	794,457	519,964	2,034,740	75.72
LORRAINE	00328	275,081	102,501	590,577	1,273,531	2,241,690	60.92
FINNEY 028							
WILCOX	00363	179,700	5,100	15,195	2,164,318	2,364,313	39.22
GARDEN CITY	00457	7,017,355	1,178,345	303,840	4,538,186	13,037,726	66.35
FORD 029							
SPEARVILLE-MINDYHORST	00381	92,310	104,885	149,903	142,210	489,308	57.09
DODGE CITY	00443	5,268,270	2,323,495	311,575	5,714,260	13,617,600	70.44
BUCKLIN	00459	233,810	0	187,780	79,847	501,437	48.08

a-3-4
2/9/89

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
COUNTY NAME		MERCHANTS	MANUFACTURERS		66 %		1988	
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUSINESS MACHINE EQUIPMENT	TOTAL	TAX RATE	
							(5 % 6)	
FRANKLIN 030								
NEXT FRANKLIN	00287	43,080	0	467,760	80,860	913,700	60.23	49,009
CENTRAL HEIGHTS	00288	115,930	175	261,315	39,270	416,690	40.95	17,069
NELLSVILLE	00289	146,859	60,875	240,495	201,379	657,608	78.07	51,339
OTTAWA	00290	2,164,590	1,328,335	300,900	2,353,874	6,147,699	76.14	468,086
GEARY 031								
JUNCTION CITY	00475	2,266,275	1,036,830	378,865	4,536,705	8,218,675	48.03	394,743
GOVE 032								
GRINWELL PUBLIC SCHOOLS	00291	190,297	0	406,165	164,263	760,725	51.46	39,147
GRAINFIELD	00292	191,317	0	519,461	159,067	869,845	79.76	60,569
QUINTER PUBLIC SCHOOLS	00293	278,374	260,495	1,266,566	234,989	2,040,424	53.25	109,653
GRAHAM 033								
NEXT GRAHAM-NORLAND	00280	99,190	0	420,410	57,598	577,198	54.64	31,538
HILL CITY	00281	452,935	45	494,445	259,027	1,146,452	54.69	62,699
GRANT 034								
ULYSSES	00214	2,193,874	225,681	204,960	2,498,887	5,123,402	36.52	187,187
GRAY 035								
CINARRON-ENSIGH	00102	536,275	1,791	245,512	342,846	1,126,424	59.17	66,651
MORTEZUMA	00371	475,559	19,901	125,075	312,897	933,432	70.59	65,891
COPELAND	00476	157,757	0	90,449	315,027	563,233	86.91	48,951
INCALLS	00477	74,996	3,575	132,832	134,497	345,900	54.88	18,983
GREELEY 036								
GREELEY COUNTY	00200	379,675	59,970	373,785	165,587	979,017	60.56	59,289
GREENHOOD 037								
MADISON-VIRGIL	00386	139,675	20,175	357,725	108,243	625,818	64.02	40,065
EUREKA	00389	428,364	206,193	1,049,584	723,705	2,407,848	87.87	211,578
HAMILTON	00390	14,520	0	265,125	40,679	320,324	44.44	14,235
HAMILTON 038								
SYRACUSE	00494	295,078	5,495	214,304	216,443	731,322	51.61	37,744
HARPER 039								
ANTHONY-HARPER	00361	884,075	510,047	770,075	479,538	2,643,735	60.45	159,814
ATTICA	00511	74,063	32,240	206,272	100,150	412,725	64.79	26,740
HARVEY 040								
BURRTON	00369	35,410	0	88,269	105,706	229,385	72.41	16,610
NEWTON	00373	2,468,890	2,123,270	200,333	2,158,068	6,950,561	98.78	686,576
SEDGWICK PUBLIC SCHOOLS	00439	113,981	0	75,245	147,920	337,146	64.53	21,756
HALSTEAD	00440	182,151	529,895	305,658	741,657	1,759,361	79.75	140,309
NESSTON	00460	540,825	7,246,835	129,495	2,361,807	10,278,962	58.84	604,814

(1) (2) (3) (4) (5) (6) (7)

COUNTY NAME	DISTRICT NAME	MERCHANTS INVENTORY	MANUFACTURERS INVENTORY	LIVESTOCK	66 % BUSINESS MACHINE EQUIPMENT	1988 MILL RATE	(5 X 6)
MASKELL	041						
SUBLETTE	D0374	708,265	73,460	52,584	521,641	1,355,900	51,524
SATANTA	D0507	272,234	0	67,515	763,556	1,103,305	29,756
HODGENAN	042						
JETHRE	D0227	109,414	0	371,223	79,073	559,710	32,514
HANSTON	D0228	52,195	0	458,624	31,034	541,853	29,504
JACKSON	043						
NORTH JACKSON	D0335	54,935	1,760	519,613	49,464	625,772	34,305
HOLTON	D0336	979,430	81,855	536,760	575,319	2,173,364	134,966
MAYETTA	D0337	30,505	750	290,475	46,385	368,115	22,050
JEFFERSON	044						
VALLEY FALLS	D0338	168,710	0	220,280	210,893	599,883	33,186
JEFFERSON COUNTY NORTH	D0339	177,096	6,090	201,310	191,238	575,734	45,080
JEFFERSON WEST	D0340	136,822	30	155,975	160,331	453,158	33,162
OSKALOUSA PUBLIC SCHOOLS	D0341	232,300	0	202,020	169,752	604,072	43,191
MCLOUTH	D0342	33,015	40,210	273,050	320,664	666,939	41,684
PERRY PUBLIC SCHOOLS	D0343	230,780	102,900	318,970	502,629	1,155,279	85,410
JENELL	045						
WHITE ROCK	D0104	84,292	0	926,175	60,521	1,070,988	72,859
HANKATO	D0278	175,209	0	317,340	170,662	663,211	37,830
JENELL	D0279	140,330	0	327,195	81,745	549,270	38,350
JOHNSON	046						
SOUTHEAST JOHNSON CO	D0229	2,279,230	447,280	79,944	20,061,415	22,867,869	2,835,158
SPRING HILL	D0230	139,793	0	150,560	177,539	467,892	63,535
GARDNER-EDGERTON-ANTIUCH	D0231	354,730	2,622,815	183,377	5,789,832	8,950,754	939,382
DESOTO	D0232	895,145	145,380	51,245	1,135,431	2,227,201	224,391
DLATHE	D0233	9,025,020	10,356,900	60,130	22,763,912	42,205,962	4,916,573
SHAWNEE MISSION PUBLIC SC	D0512	43,284,195	17,418,180	17,205	58,012,446	118,732,026	9,656,476
KEARNY	047						
LAKIN	D0215	199,845	0	308,219	727,034	1,235,098	28,487
DEERFIELD	D0216	76,955	0	246,810	270,852	594,625	18,380
KINGMAN	048						
KINGMAN	D0331	1,238,304	237,380	881,314	559,843	2,916,841	177,373
CUMMINGHAM	D0332	181,257	29,220	556,573	413,028	1,180,078	58,768
KIDMA	049						
GREENSBURG	D0422	510,861	19,695	181,813	433,077	1,145,446	45,176
MULLINVILLE	D0424	16,019	0	198,612	91,467	306,098	28,426
HAVILAND PUBLIC SCHOOLS	D0474	124,143	0	419,694	138,120	681,957	50,799

a-3-5
2/9/89

		(1)	(2)	(3)	(4)	(5)		(7)
COUNTY NAME		MERCHANTS	MANUFACTURERS		66 %		1988	
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUSINESS MACHINE	TOTAL	TAX	(5 X 6)
					EQUIPMENT		RATE	
LARETTE 050								
PARSONS	00503	1,464,210	1,195,320	91,480	1,749,515	4,500,525	75.11	338,034
OSNEGO	00504	203,130	402,520	85,395	317,681	1,088,726	43.43	43,809
CHEYEA	00505	155,045	200,020	109,540	165,254	629,859	52.31	32,940
LARETTE COUNTY	00506	350,905	607,180	873,905	857,036	2,689,026	56.79	152,710
LANE 051								
HEALY PUBLIC SCHOOLS	00468	475,286	0	208,811	88,536	772,633	80.27	62,019
DIGHTON	00482	399,381	2,089	230,898	539,623	1,171,991	57.34	67,202
LEAVENWORTH 052								
EASTON	00449	39,265	515	281,945	549,127	864,852	69.80	60,367
LEAVENWORTH	00453	2,371,390	5,204,240	5,995	4,133,957	11,715,582	83.38	976,845
BASEHOR-LIMMUD	00458	80,110	144,450	176,365	645,549	1,046,474	85.97	89,965
TORGANXIE	00464	259,025	6,805	301,020	625,562	1,192,352	91.53	109,136
LANSING	00469	246,755	186,215	102,545	763,719	1,249,234	82.55	103,124
LINCOLN 053								
LINCOLN	00298	349,370	0	849,820	135,358	1,334,548	40.90	54,583
SYLVAN GROVE	00299	101,365	0	666,885	44,048	812,298	40.65	33,020
LINN 054								
PLEASANTON	00344	209,596	23,098	176,985	142,770	552,449	46.45	25,661
JAYHAWK	00346	108,354	26,611	667,590	152,866	947,421	64.19	60,815
PRAIRIE VIEW	00362	188,984	12,310	583,868	2,504,727	3,289,889	34.18	112,446
LOGAN 055								
BAKLEY	00274	700,405	1,107	432,082	835,225	1,988,819	60.49	120,304
TRIPLAINS	00275	54,601	61,832	401,449	234,547	751,629	57.81	43,452
LYON 056								
NORTH LYON COUNTY	00251	71,940	915	659,515	69,188	801,558	53.35	42,763
SOUTHERN LYON COUNTY	00252	71,140	30,805	338,875	119,599	560,419	55.13	30,896
EMPORIA	00253	4,043,655	4,391,350	456,565	5,529,959	14,421,529	77.15	1,112,621
MARION 057								
CENTRE	00397	99,840	0	634,094	129,196	863,130	43.02	37,132
PEARODY-BURNS	00398	161,111	20,275	425,020	102,311	708,717	63.63	45,096
MARION	00408	353,043	8,958	361,628	574,747	1,298,376	55.43	71,969
DURHAM-HILLSEARD-LEHIGH	00410	454,148	77,730	520,309	584,915	1,637,102	61.75	101,091
GUESSEL	00411	62,024	1,130	248,264	33,011	364,429	62.98	22,952
MARSHALL 058								
MARYSVILLE	00364	1,386,425	795,401	697,733	1,027,245	3,906,804	69.30	270,742
VERMILLION	00380	381,849	8,267	656,399	134,526	1,181,041	47.62	56,241
AXTELL	00488	168,545	4,135	528,967	86,916	788,563	57.69	45,492
VALLEY HEIGHTS	00498	245,959	145,594	347,625	282,441	1,021,619	70.22	71,738

(1) (2) (3) (4) (5) (6) (7)

COUNTY NAME	#	MERCHANTS INVENTORY	MANUFACTURERS INVENTORY	LIVESTOCK	66 % BUSINESS MACHINE EQUIPMENT	TOTAL	1988 MILL RATE	(5 X 6)
DISTRICT NAME	#							
MC PHERSON 059								
LYNDSBORG	00400	405,118	256,200	241,718	548,155	1,443,191	72.08	104,025
MC PHERSON	00418	5,257,415	12,458,165	0	6,558,328	24,273,908	70.07	1,700,873
CANTON-CALVA	00419	171,985	96,600	0	476,180	744,765	51.76	38,549
HOUNDRISE	00423	204,860	1,429,545	39,270	410,461	2,084,136	75.42	157,186
INMAN	00448	175,370	538,615	10,040	119,457	843,482	59.43	50,128
MEADE 060								
FOWLER	00225	77,930	0	254,971	29,373	362,274	65.07	23,573
MEADE	00226	245,505	0	305,000	135,851	686,356	33.52	23,007
MIAMI 061								
OSAMATHONIE	00367	1,001,296	149,859	154,037	433,777	1,738,969	74.78	130,040
PADLA	00368	856,173	665,566	448,291	1,058,490	3,028,520	87.00	263,431
LOUISBURG	00416	203,913	13,396	484,290	415,288	1,116,887	70.19	76,394
MITCHELL 062								
MACONDA	00272	442,725	18,905	619,345	213,876	1,294,851	64.28	83,233
BELOIT	00273	1,431,475	218,700	637,805	564,062	2,852,042	48.65	138,752
MONTGOMERY 063								
CANEY VALLEY	00436	242,396	260,053	231,072	559,108	1,292,629	44.48	57,496
COFFEYVILLE	00445	2,055,881	2,616,480	282,784	6,168,281	11,123,426	72.47	806,115
INDEPENDENCE	00446	1,584,319	2,217,747	323,766	2,786,393	6,912,225	66.07	456,691
CHERRYVALE	00447	165,693	296,314	194,162	647,366	1,303,555	52.42	68,332
MORRIS 064								
MORRIS COUNTY	00417	479,755	457,350	1,109,750	477,711	2,524,566	48.26	121,836
NORTH 065								
NEOLA	00217	54,623	12,516	191,574	142,711	401,426	25.84	10,373
ELKHART	00218	1,052,836	0	227,759	761,941	2,042,536	44.25	90,382
NEHAMA 066								
SADETHA	00441	593,632	583,532	902,232	899,815	2,979,211	59.97	178,663
NEHAMA VALLEY SCHOOLS	00442	810,072	221,210	505,323	441,611	1,978,216	47.91	94,776
B & B	00451	25,880	0	394,435	29,372	449,687	28.48	12,807
NEOSHO 067								
ERIE-ST PAUL	00101	341,785	53,910	887,445	292,463	1,575,603	55.23	87,821
CHANUTE PUBLIC SCHOOLS	00413	1,676,905	3,875,270	225,820	2,280,640	8,058,635	99.20	799,417
NESS 068								
NESS TRES LA GO	00301	26,820	945	147,652	96,532	271,949	73.37	19,953
SMOXY HILL	00302	74,365	124,340	421,335	243,394	863,434	44.23	38,190
NESS CITY	00303	672,255	31,290	349,655	889,901	1,943,101	60.15	116,878
BAZINE	00304	46,185	0	312,690	123,671	482,466	67.15	32,398

		(1)	(2)	(3)	(4)	(5)		(7)
COUNTY NAME		MERCHANTS	MANUFACTURERS		66 2		1989	
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUSINESS MACHINE	TOTAL	MILL	(5 X 6)
					EQUIPMENT		RATE	
NORTON 069								
NORTON COMMUNITY SCHOOLS	D0211	617,335	191,990	514,790	330,409	1,654,724	67.01	110,883
NORTHERN VALLEY	D0212	55,550	0	473,130	32,439	561,119	66.78	37,472
NEST SALOMON VALLEY SCHOOLS	D0213	48,670	0	944,638	42,636	435,944	68.80	29,993
OSAGE 070								
OSAGE CITY	D0420	783,395	621,835	170,815	472,134	2,048,169	41.45	84,897
LYNDON	D0421	179,720	41,515	145,515	147,688	514,438	59.94	30,835
SANTA FE TRAIL	D0434	407,150	0	309,220	197,363	913,733	58.58	53,526
BURLINGAME PUBLIC SCHOOLS	D0454	108,370	8,340	109,520	101,531	327,761	46.82	15,346
MARAIS DES CYGNES VALLEY	D0456	88,490	1,150	164,610	95,185	349,435	49.00	17,122
OSBORNE 071								
OSBORNE COUNTY	D0392	668,705	99,295	831,590	217,173	1,756,763	34.94	61,381
OTTAWA 072								
NORTH OTTAWA COUNTY	D0239	787,580	892,235	487,561	308,656	2,477,032	48.35	98,948
TWIN VALLEY	D0240	81,315	0	336,930	52,572	470,817	58.50	23,776
PANTEE 073								
FT LARNED	D0495	1,058,300	23,730	2,583,840	537,085	4,122,955	67.11	276,692
PANTEE HEIGHTS	D0496	142,900	9,610	314,113	42,061	588,684	71.19	36,213
PHILLIPS 074								
EASTERN HEIGHTS	D0324	24,170	0	409,900	38,587	472,657	54.07	25,557
PHILLIPSBURG	D0325	755,625	1,266,980	854,625	610,081	3,487,311	55.73	194,348
LUGAN	D0326	87,640	0	637,805	83,239	808,684	40.63	32,857
POTTAWATOMIE 075								
MAREGO	D0320	594,365	249,510	389,445	676,190	1,909,510	55.92	106,780
KAH VALLEY	D0321	478,303	82,132	410,635	491,821	1,462,891	24.78	36,250
DIACA-HAVENSVILLE-WHEATON	D0322	146,170	1,260	638,622	126,234	912,286	64.39	58,742
METHUENLAND	D0323	70,050	8,310	463,210	105,339	646,909	74.89	48,447
PRATT 076								
PRATT	D0382	2,108,390	293,222	199,555	1,329,876	3,931,043	57.81	227,254
SKYLINE SCHOOLS	D0438	158,840	0	388,520	93,961	633,321	49.97	31,647
RAWLINS 077								
MERNDON	D0317	21,920	0	277,380	3,699	302,999	73.34	22,222
ATHOOD	D0318	356,765	89,165	822,560	161,446	1,379,936	68.27	94,268
RENE 078								
NUTCHINSON PUBLIC SCHOOLS	D0308	8,597,300	13,231,234	300	2,932,346	24,761,180	77.92	1,929,391
NICKERSON	D0309	1,113,803	3,792,280	366,249	893,478	6,165,810	62.00	382,280
FAIRFIELD	D0310	17,263	590	626,459	301,685	945,997	54.76	51,883
PRETTY PRAIRIE	D0311	40,533	0	377,510	143,163	561,206	67.78	38,039
HAVEN PUBLIC SCHOOLS	D0312	833,107	1,453,583	685,528	675,044	3,647,182	48.27	176,049

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
COUNTY NAME					66 %		1988	
DISTRICT NAME		MERCHANTS INVENTORY	MANUFACTURERS INVENTORY	LIVESTOCK	BUSINESS MACHINE EQUIPMENT	TOTAL	MILL RATE	(5 % 6)
WEND	078							
DUNLER	00313	1,035,499	705,081	274,670	1,103,825	3,119,075	71.33	222,484
REPUBLIC	079							
PIKE VALLEY	00426	112,645	0	320,520	60,235	493,400	54.23	26,757
BELLEVILLE	00427	694,770	104,385	610,415	365,343	1,774,913	50.79	90,148
CUSA	00455	36,855	294,150	15,206	13,299	359,510	67.08	24,116
RICE	080							
STERLING	00376	263,970	216,475	192,816	201,829	875,090	48.06	42,057
CHASE	00401	63,305	0	150,525	195,631	409,461	51.75	21,190
LYONS	00405	609,880	218,115	236,060	990,564	2,054,619	55.06	113,127
LITTLE RIVER	00444	145,975	429,140	226,650	614,348	1,416,113	44.08	62,422
RILEY	081							
RILEY COUNTY	00378	152,165	88,955	408,560	344,071	993,751	73.22	72,762
MANHATTAN	00383	6,248,365	847,240	298,380	7,645,169	15,039,154	81.86	1,231,105
BLUE VALLEY	00384	82,597	733	810,851	42,723	936,904	66.76	62,548
ROOKS	082							
PALCO	00269	16,605	0	344,298	36,739	397,642	56.17	22,336
PLAINVILLE	00270	845,870	174,315	479,428	256,660	1,756,273	48.40	85,004
STOCKTON	00271	285,890	0	589,125	177,177	1,052,192	49.83	52,431
RUSH	083							
LACROSSE	00395	336,431	162,527	427,409	250,587	1,176,954	47.11	55,446
BTIS-BISON	00403	297,400	228	416,438	138,383	852,449	45.17	38,505
RUSSELL	084							
PARADISE	00399	30,195	0	722,579	49,837	802,611	50.19	40,283
RUSSELL COUNTY	00407	1,434,805	273,595	1,123,641	1,473,209	4,305,250	65.60	282,424
SALINE	085							
SALINA	00305	9,680,760	6,502,445	105,945	2,099,797	18,388,947	95.64	1,758,719
SOUTHEAST OF SALINE	00306	882,680	1,101,530	419,490	3,778,338	6,182,038	53.76	332,346
ELL-SALINE	00307	57,130	4,710	557,868	6,257	625,965	54.70	34,240
SCOTT	086							
SCOTT COUNTY	00466	1,350,349	0	463,242	497,027	2,310,619	74.29	171,656
SEDGWICK	087							
WICHITA	00259	67,100,282	69,379,964	40,033	108,095,946	244,616,225	86.10	21,061,457
DERRY	00260	70,141,666	0	34,546	29,434,615	99,610,827	53.43	5,322,206
WAYSVILLE	00261	871,734	327,806	17,963	2,527,544	3,745,047	83.58	313,011
VALLEY CENTER PUBLIC SCHG	00262	253,353	317,273	95,148	1,411,098	2,076,872	79.05	164,177
MULVARE	00263	200,048	53,932	73,539	884,931	1,212,450	78.55	95,238
CLEARWATER	00264	136,632	622,202	171,712	6,500,174	7,430,720	71.29	529,736
GODDARD	00265	1,029,632	3,114,848	72,571	1,942,509	6,159,554	92.00	566,679

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
COUNTY NAME		MERCHANTS	MANUFACTURERS		66 %		1988	
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUSINESS MACHINE	TOTAL	RATE	(5 X 6)
					EQUIPMENT			
SEDGWICK 087								
MAIZE	D0266	943,016	261,472	61,405	3,096,395	3,762,288	83.50	314,151
REMNICK	D0267	670,581	104,837	503,393	1,540,005	2,818,816	63.82	193,991
CHENEY	D0268	237,029	38,120	202,985	825,791	1,303,925	59.70	77,844
SEWARD 088								
LIBERAL	D0480	4,326,675	499,920	46,270	5,214,647	10,087,512	78.76	794,492
KISHET-PLAINS	D0483	79,475	212,135	512,085	491,241	1,294,936	52.80	68,373
SHAMNEE 089								
SEAMAN	D0345	3,967,530	3,422,435	140,820	21,015,110	28,545,895	62.26	1,777,267
SILVER LAKE	D0372	125,190	0	59,280	436,316	620,786	65.76	40,823
AUBURN WASHBURN	D0437	4,370,810	4,296,710	200,125	7,340,150	16,207,795	65.40	1,053,990
SHAMNEE HEIGHTS	D0450	503,480	811,795	200,815	3,784,196	5,300,286	77.30	409,712
TOPEKA PUBLIC SCHOOLS	D0501	16,642,220	6,946,895	815	28,463,728	52,053,658	92.05	4,791,539
SHERIDAN 090								
MOXIE COMMUNITY SCHOOLS	D0412	297,722	123,106	668,062	101,296	1,190,186	78.62	93,572
SHERMAN 091								
GOODLAND	D0352	1,441,040	125,705	517,605	746,764	2,831,114	72.62	205,595
SMITH 092								
SMITH CENTER	D0237	735,380	120,670	1,079,765	239,445	2,175,260	62.22	135,945
WEST SMITH COUNTY	D0238	133,305	600	459,215	30,472	623,592	76.61	47,773
STAFFORD 093								
STAFFORD	D0349	201,005	29,025	213,505	128,924	572,459	81.02	46,361
ST JOHN-ROBSON	D0350	179,130	45,015	385,955	131,927	742,077	56.81	42,157
WACKSVILLE	D0351	128,029	0	217,164	105,939	451,132	51.33	23,157
STANTON 094								
STANTON COUNTY	D0452	745,669	5,455	427,455	271,405	1,449,984	32.73	47,458
STEVENS 095								
ROSCON PUBLIC SCHOOLS	D0209	48,751	0	154,423	289,881	493,055	20.90	10,305
HUGOTON PUBLIC SCHOOLS	D0210	763,980	6,300	339,460	1,054,756	2,164,416	20.96	45,366
SUMNER 096								
WELLINGTON	D0353	871,549	1,357,784	125,393	2,629,412	4,984,138	84.67	422,007
CONWAY SPRINGS	D0356	60,538	16,656	172,662	256,657	506,513	81.35	41,205
BELLE PLAINE	D0357	88,371	534,404	42,212	387,668	1,052,655	95.01	100,013
OXFORD	D0358	100,344	5,400	100,996	288,659	495,399	59.89	29,669
ARGONIA PUBLIC SCHOOLS	D0359	88,841	1,610	112,141	168,311	370,903	73.70	27,336
CALDWELL	D0360	243,794	1,986	172,329	255,077	673,186	84.08	56,601
SOUTH HAVEN	D0509	23,725	0	180,542	121,294	245,561	55.23	13,562

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
COUNTY NAME		MERCHANTS	MANUFACTURERS	66 %		1988	
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUSINESS MACHINE EQUIPMENT	TOTAL	HILL RATE
							(5 X 6)
THOMAS 097							
BREMSTER	00314	115,827	0	235,765	19,326	870,918	27,355
COLBY PUBLIC SCHOOLS	00315	1,588,970	55,328	251,378	378,441	2,269,117	138,825
GOLDEN PLAINS	00316	148,676	25,899	309,078	43,087	526,740	36,898
TRECH 098							
MAKEENEY	00208	462,429	52,089	839,764	359,504	1,713,786	89,237
MARION 099							
ALMA	00329	127,070	68,485	757,185	243,091	1,195,831	74,895
MARION EAST	00330	115,860	1,080	414,835	123,852	654,827	42,596
MARION 100							
MARION COUNTY SCHOOLS	00241	281,358	0	714,121	148,896	1,136,367	55,034
MARION	00242	18,054	0	126,299	4,740	149,093	6,119
MARION 101							
NORTH CENTRAL	00221	75,420	0	419,732	44,128	539,280	24,559
MARION SCHOOLS	00222	673,066	6,520	418,254	279,234	1,377,074	69,281
BARNES	00223	394,577	55,139	1,133,736	249,751	1,833,203	107,902
REPUBLICAN VALLEY	00224	229,143	0	432,946	154,288	816,377	32,190
MARION 102							
LENTI	00467	607,640	0	388,331	348,689	1,336,660	83,860
MARION 103							
ALTONA-MIDWAY	00387	53,785	585	406,975	69,937	581,282	21,533
HEIDESHA	00461	379,935	1,142,590	161,920	832,502	2,516,947	137,350
FREDONIA	00484	546,930	233,070	695,281	1,418,845	2,894,126	193,067
MARION 104							
MOOREHEAD	00366	340,803	95,156	612,176	299,297	1,347,432	54,288
MARION 105							
TURNER-KANSAS CITY	00202	3,102,875	8,176,905	1,120	6,411,701	17,692,601	1,416,470
PIPER-KANSAS CITY	00203	21,845	0	26,705	288,866	337,416	29,946
BOWNER SPRINGS	00204	2,650,100	3,115,675	27,670	4,279,998	10,073,443	1,159,810
KANSAS CITY	00500	26,138,385	20,986,170	1,300	39,985,800	87,111,655	5,499,959
STATE TOTALS							
		447,978,394	302,553,951	113,759,497	576,543,779	1,440,835,521	107,878,847

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