

Approved 3/20/89  
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Chairman Don E. Crumbaker at  
Chairperson

3:30 ~~am~~ p.m. on March 15, 1989 in room 519-S of the Capitol.

All members were present except:

Representatives Blumenthal, Empson, Lowther, 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:

Mr. John Koepke, Executive Director, Kansas Association of School Boards  
Dr. Robert Haderlein, Chairman, Finance Task Force, Kansas Association of School Boards  
Mr. Craig Grant, Kansas National Education Association  
Mr. Chuck Stuart, United Schools Administrators  
Mr. Bill Musick, State Board of Education  
Mr. Paul Fleener, Kansas Farm Bureau

The meeting was called to order by Chairman Crumbaker.

Hearings on School Finance were opened and the chairman recognized Mr. John Koepke who introduced Dr. Robert Haderlein.

Dr. Haderlein gave a review of the report given to the Kansas Association of School Boards Delegate Assembly by the Finance Committee. (Attachment 1).

Mr. John Koepke shared his organization's feeling that this is the year to address making a change in the school formula. Mr. Koepke summarized the resolutions as presented to the KASB Delegate Assembly. (Attachment 2)

Mr. Craig Grant spoke about the opportunities to structure a finance act which will carry Kansas schools into the 21st century. Mr. Grant outlined several elements which he believes should be part of any school finance bill passed. (Attachment 3)

Mr. Chuck Stuart gave the major positions of his organization as being district wealth, district revenue, fourth enrollment category, categorical aid and SDEA funding. Mr. Stuart offered assistance in developing an adequate school finance package. (Attachment 4).

Mr. Bill Musick said the State Board of Education recommends increasing the state school equalization aid by \$100 million and an increase of 6.5 percent in the overall general fund budget for fiscal year 1990. (Attachment 5).

Mr. Paul Fleener referred to the provisions relating to education and funding of schools found in Article 6 of the Kansas Constitution. Mr. Fleener asked for authorization for and creation of a school income tax to relieve property tax payers. Mr. Fleener also asked the committee to look carefully at mandated programs. (Attachment 6).

Chairman Crumbaker announced hearings on School Finance would continue at tomorrow's meeting. The chairman also said there would be possible action on SB 13 at tomorrow's meeting.

The meeting was adjourned at 4:50 p.m.

The next meeting will be March 16, 1989 at 3:30 p.m. in Room 519-S.

DATE March 15, 1989

## GUEST REGISTER

HOUSE

EDUCATION COMMITTEE

NAME	ORGANIZATION	ADDRESS
Whimsey Danson	Coffey County	Topeka
Alan Steepat	Kansas Legislative Policy Group	Topeka
Bill Muesel	St. Bd of Ed	Myers
L. P. Magnus	KC Times	"
Don C. Jauer	USD #441	Salatha
Charles J. Stewart	USA	Topeka
Serald W. Wilkerson	USA	Topeka
Anthony D. Sart	USD 259	Wichita
Craig Grant	K-NEA	Topeka
Pat V. Joder	DOB	" "
Judy Grant	-	Lawrence
Bella Highline Scott	USA	Topeka
Brenda Koberskov	KFT	Wichita
James C. Chodawick	USD #300	Coltsville
Ken Regan	SBE	Paola
Maule Hill	KACC	Topeka
Ken Baker	Peterson's Assoc.	Topeka
Debbie Galt	gov - off.	Topeka
Jim Yonally	USD #512	Railroad Park
David L. Busk	USD #500	Kansas City
Kerry P. Franklin	USD #500	Kansas City
Doree DeMass	Southeast Educ. Soc. Ctr.	Greenwich
W.B. Larry Curdler	St Bd of Ed	Lynsare
Ann B. Burnett	USD 501 #	Topeka



REPORT OF THE  
KASB FINANCE COMMITTEE  
SUBMITTED TO THE KASB DELEGATE ASSEMBLY

December 10, 1988

KASB FINANCE COMMITTEE

Dr. Robert V. Haderlein, Chairman  
USD 248 (Girard)

Mr. Phil Anderson  
USD 373 (Newton)

Mr. Jack Jones  
USD 259 (Wichita)

Mrs. Mary Lett  
USD 443 (Dodge City)

Mr. John Mickey  
USD 318 (Atwood)

Mrs. Judy Norris  
USD 336 (Holton)

Mr. Bill Preheim  
USD 209 (Moscow)

*Attachment 1  
House Education  
3/15/89*

## II. FINANCE

### 1 A. STATE SCHOOL FINANCE.

2 KASB believes that the financing of the educational opportunity of  
3 every child should be a function of the taxable wealth of the state and  
4 should not be limited to the taxing ability of the local school dis-  
5 trict in which the child resides. KASB believes that any state plan  
6 for funding unified school districts should incorporate the following  
7 elements:

RATIONALE: The opening paragraph of our finance policies states  
our commitment to the concept of equal educational opportunity as  
it relates to the obligation of the state to provide an equitable  
funding system. It says that we subscribe to the underlying  
principles found in the court cases of the early 1970's which  
guided the legislature in the development of the present School  
District Equalization Act.

#### 8 1. STATE AID GENERAL FUND DISTRIBUTION FORMULA

9 Any formula for the allocation of state funds to local school  
10 districts involves two major elements: (1) a method of establishing the  
11 share of education costs to be borne by the state and (2) a plan for  
12 determining that portion of the cost of education which is to be borne  
13 by local sources.

RATIONALE: While this statement may appear to state the obvious,  
it also can be used to express opposition to any scheme which  
would attempt to provide for full state funding or to eliminate  
all state assistance. The heading also makes clear that this  
portion of the policy deals with general fund assistance and does  
not address other forms of aid such as categorical aids which are  
addressed later in these policies.

14 a. STATE CONTRIBUTION. State aid distributed to local school  
15 districts through the equalization formula should be distributed on a  
16 per pupil basis rather than upon classroom units or teacher units.  
17 KASB would also support the concept of providing some level of state  
18 assistance to every school district on a per pupil basis. Because of

1 the widely varying needs of pupils in Kansas and the varying nature of  
2 school districts in the state, KASB endorses the concept of pupil  
3 weighting wherever it can be shown that local variations necessarily  
4 result in differing expenditures per pupil unit. Some of the types of  
5 weighting which should be considered are:

6 (1) Special types of students (special education, vocational educa-  
7 tion) which can be demonstrated to produce higher unit costs.

8 (2) Grade level of students (kindergarten, elementary, junior  
9 high, and senior high).

10 (3) Density/sparsity of pupil population.

11 (4) Size of district (total pupil enrollment).

RATIONALE: Several major statements are contained in this para-  
graph regarding the distribution of general fund aid to local  
school districts. The first states our support for calculating  
aid on the basis of the smallest possible unit, the student. Use  
of other measures, such as classroom units or teacher units could  
be used to dictate such measures as class size. The second sen-  
tence indicates our support for a new concept, that of providing  
some level of support to every school district in general fund  
aid. The final portion of this policy section provides for the  
protection of counting weighted students based on their cost to  
educate. This would be crucial should we ever eliminate categori-  
cal aids and fund all costs through the school district general  
fund.

12 b. LOCAL DISTRICT CONTRIBUTION. In establishing the local con-  
13 tribution rate, the following factors should be considered:

14 (1) The measure of ability to finance the local district's share  
15 of education funding should be determined by considering only those tax  
16 resources that generate revenue for local school districts.

17 (2) The wealth of each local school district should consist of the  
18 sum of the assessed valuation of real and personal tangible property in  
19 the school district and the net taxable income of all Kansas residents  
20 of the district. A portion of the net income tax collected by the

1 state on Kansas taxable income should be distributed back to the school  
2 district in which the individual income taxpayer resides. A minimum  
3 level of local contribution from combined property and income sources  
4 should be fixed by the state legislature. In the event that the mini-  
5 mum local contribution exceeds the state authorized maximum budget, the  
6 school district would be required to rebate the excess amount to the  
7 state for redistribution through the formula.

RATIONALE: This section is at the heart of any state aid distribu-  
tion formula. The first section continues our long standing policy  
that only those things should be counted in district wealth that  
provide revenue to a school district. This would eliminate any  
sources, such as revenue bond property, inventories or any other  
items that are not taxable. The second paragraph states our be-  
lief that district wealth, which determines state aid, should  
consist of two factors: assessed valuation (rather than the ad-  
justed valuation used presently) and taxable income as it is used  
presently. The statement also expresses our support for continua-  
tion of an income tax rebate, although we would oppose any deduc-  
tion of that revenue from state aid. Finally, the policy express-  
es our belief that the Legislature should establish a minimum  
local contribution from combined income and property resources.  
If that minimum local effort exceeded a school district's maximum  
authorized budget, the excess would be returned to the state for  
redistribution through the formula to other school districts.

8 c. SCHOOL DISTRICT AID CATEGORIES. The legislature should be  
9 encouraged to study the creation of categories of school districts with  
10 like characteristics, both for the calculation of state equalization  
11 aid and for the establishment of the budget control, wherever justifi-  
12 able differences may be established on the basis of objective criteria.

RATIONALE: This statement would expand our present position of  
support for enrollment categories to allow us to consider support  
for the creation of categories in other areas. Such categories  
might allow us to address more readily the concerns of the fourth  
enrollment category and to address such issues as geographic  
isolation.

13 d. STATE SHARE OF SCHOOL FUNDING. KASB supports the concept of  
14 raising the share of state funding of school district general fund  
15 budgets to the 50% level.

RATIONALE: The Committee believes that seeking to raise state funding to the 50% level is a realistic and desirable goal. They also believe that this policy does not restrict us from supporting a level above 50%.

1        2. TAX REVENUE SOURCES

2            a. LOCAL. Tax sources available at the local level should in-  
3        clude the ad valorem property tax, the intangibles tax, and a personal  
4        income tax.

RATIONALE: The Committee believes that we should continue to support, as we have in the past, the expansion of the tax base at the local level. This would include the reimposition of the intangibles tax and access to the individual income tax on a local option basis.

5            b. STATE. The legislature, in considering sources of state reve-  
6        nue, should also take into consideration the flexibility of the state  
7        tax sources selected.

RATIONALE: The Committee believes that we should continue to urge the legislature to consider whether the sources for state funding for education are responsive to general economic conditions. This would tend to cause us to support general revenue sources such as sales and income taxes, rather than special taxes such as severance taxes or lottery revenue for funding the state share of the cost of education.

8        3. OTHER STATE SCHOOL FINANCE RECOMMENDATIONS

9            a. LOCAL CONTROL. The state school finance plan should provide  
10        for the greatest degree of local autonomy in the educational decision-  
11        making process.

RATIONALE: This is a sweeping policy statement which we have used in the past to assert various local control positions, due to their financial implications.

12           b. LOCAL DISCRETION. Boards of education should be authorized  
13        to enrich their educational programs beyond the level of the state  
14        authorized budget maximum, so long as all districts can exercise the  
15        same degree of discretion by making the same amount of effort.



RATIONALE: This policy reiterates our commitment to the concept of equalization and seeks to insure that school districts with more local resources would not be allowed to expand their programs more rapidly than less fortunate districts.

1           c. BUDGET LIMITATION. It is recognized that there must be some  
2 limitation on school budgets. However, any such limitation must be  
3 reasonable and should include at least the following features:

4           (1) The limitation should be established on a per pupil basis in  
5 order to provide flexibility for districts faced with either increasing  
6 or decreasing enrollment.

7           (2) Budget limits should be established on a variable basis relat-  
8 ed to expenditures per pupil by school district category with a ratio  
9 of 3 to 1 between the upper and lower limits.

10           (3) The effects of inflation should be recognized.

11           (4) An appeal procedure should be provided to the State Board of  
12 Education for emergencies that cannot be anticipated at the time the  
13 budget is prepared.

RATIONALE: The Committee is recommending several changes in our budget limit policy while retaining the basic concept that budget limits are both necessary and desirable. The major new position is that there be a 3 to 1 ratio between the upper and lower limits rather than a 10 point spread. The Committee believes that this is a more realistic position in light of present economic conditions. While it is not a change in position, the Committee also would like to point out that our present position calls for budget appeals to be decided by the State Board of Education rather than the Board of Tax Appeals.

14           d. FINANCIAL INCENTIVES. Financial incentives should be used to  
15 encourage the attainment of objectives and the development of programs  
16 which are of sufficient importance to be made a matter of state policy.

RATIONALE: This is an important policy statement of long standing. It has been used to support legislation to provide funding for such things as programs for at "risk youth" as well as innovative educational practices and remedial programs.

1 e. PENALTY FUNDING. KASB is opposed to the establishment of  
2 penalties under the equalization aid law for districts that do not meet  
3 prescribed state standards.

RATIONALE: This is a new policy statement which the Committee believes clearly reinforces the views expressed in the previous statement. In combination, the two policies state the view that if the legislature wants to encourage certain policies in school districts, they should do so with incentives rather than penalties.

4 f. AID REDUCTION. The state plan should provide that a reduc-  
5 tion in state aid to any school district, which occurs because of the  
6 operation of the state aid formula, may be phased in through some mecha-  
7 nism such as wealth averaging to spread the loss over a number of  
8 years.

RATIONALE: The Committee has restated our basic position that steps should be supported which have the effect of softening drastic shifts which occur in aid distribution. They also want to make clear that this does not bind us to support the notion that no school district should ever receive less aid than they did the previous year.

9 g. TAX LIMITATIONS. KASB opposes legislation which would assign  
10 arbitrary limits on the amount of property tax which could be levied by  
11 school districts upon real or tangible personal property.

RATIONALE: This important policy states our opposition to the notion of controlling school district expenditures through a tax lid. We believe we are better served by budget limitations rather than tax restrictions.

12 h. CATEGORICAL AIDS. KASB supports a system of categorical aid  
13 programs for financial assistance outside the school district general  
14 fund. KASB also believes that it is imperative that these aid programs  
15 be fully funded by formula, particularly the aid programs for special  
16 education and transportation.

RATIONALE: Since most of our finance policies deal with distribution of general fund aid, the Committee felt it was important to explicitly affirm our support for our categorical aid programs in

formulas which are fully funded at 100% of the applicable formula.

1           i. EARMARKING FUNDS. KASB will oppose legislation which would  
2 have the effect of earmarking any portion of school district general  
3 fund receipts or expenditures for any particular purpose or cause.  
4 KASB is also opposed to the earmarking of state revenue sources for  
5 public education expenditures.

RATIONALE: In addition to expressing our long standing opposition to legislation which would earmark school district funds, regardless of their origin, the Committee believes we should expressly state our opposition to the earmarking of state revenue sources, due to their unpredictability.

6           j. STATE GENERAL FUND TRANSFERS. KASB is opposed to legislation  
7 which would result in the transfer of state general fund dollars to  
8 other state funds which have traditionally been funded by user fees.

RATIONALE: The Committee recommends we continue this policy which is based on the view that the use of state general fund dollars for special fund purposes lessens their availability for general fund purposes such as aid to education.

9           k. STATE TUITION TAX CREDITS AND VOUCHER SYSTEMS. KASB is op-  
10 posed to legislation which would use tuition tax credits or voucher  
11 systems as a method of providing aid to private schools at the elementa-  
12 ry or secondary level.

RATIONALE: This policy statement strengthens our basic philosophy that public funds should only be used to aid public schools.

13           l. STATE ASSISTANCE FOR CAPITAL EXPENDITURES. KASB believes  
14 that a program of state assistance should be established for capital  
15 expenditures in school districts. The funds should be distributed on  
16 an equalized basis.

RATIONALE: This is a totally new policy recommendation. The Committee believes that a commitment to equalization concepts on the part of the state should require it to provide some measure of equalization in the ability of school districts to make capital expenditures.

1 m. GASOLINE TAX EXEMPTION. KASB supports legislation providing  
2 that no state gasoline tax be paid by school districts. KASB also  
3 supports legislation that would provide state gas tax refunds to those  
4 school districts with contracted bus service.

RATIONALE: This policy statement simply restates a long standing KASB position. This statement would become particularly useful should the gas tax be increased dramatically as part of a highway funding program.



**Resolution Presented to 1988 KASB Delegate Assembly**

**On Behalf of KASB Board of Directors**

**By the KASB School Finance Committee**

1           WHEREAS the 1989 session of the Kansas Legislature faces the  
2 monumental task of dealing with the effects of reappraisal and  
3 classification on the funding of elementary and secondary  
4 education; and

5           WHEREAS the Kansas Association of School Boards believes that  
6 it is imperative that the 1989 session of the Kansas Legislature  
7 also address other critical issues of school aid distribution at  
8 the same time; and

9           WHEREAS the Kansas Association of School Boards also believes  
10 that these issues are best addressed at a time when state  
11 resources are sufficient to deal with these issues without  
12 imposing severe burdens on any school district;

13           NOW, THEREFORE BE IT RESOLVED by the Delegate Assembly of the  
14 Kansas Association of School Boards that the association ask the  
15 1989 session of the Kansas Legislature to address all pending  
16 issues relating to the distribution of aid to elementary and  
17 secondary school districts in Kansas; and

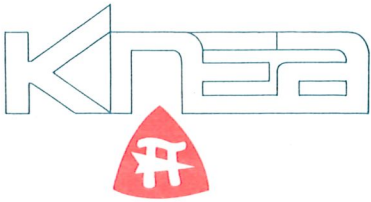
1           BE IT FURTHER RESOLVED that the association ask the 1989  
2 session of the Kansas Legislature to establish budget limits for  
3 the succeeding school year of 105-115%; and

4           BE IT FURTHER RESOLVED that the association ask the 1989  
5 session of the Kansas Legislature to appropriate at least \$100  
6 million additional dollars for SDEA assistance over the  
7 appropriation for the preceding year; and

8           BE IT FURTHER RESOLVED that the association support efforts  
9 to suspend the deadlines for consideration of school finance  
10 measures during the 1989 Legislative Session, as well as altering  
11 the impasse deadline under the Professional Negotiations Act for  
12 1989; and

13           BE IT FURTHER RESOLVED that the association support efforts  
14 in the 1989 legislative session to provide greater access to  
15 unused budget authority for school districts which have  
16 accumulated such authority.

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*3/15/89*



Craig Grant Testimony Before The  
House Education Committee  
Wednesday, March 15, 1989

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the House Education Committee on school finance.

Many legislators talked to me about the enormous problems Kansas was going to face--especially in school finance--when reappraisal and classification come into effect in 1989. That certainly was one way to look at the situation; however, I prefer to look at this time as an opportunity--an opportunity to structure a finance act which will carry our schools into the 21st century. It is time for Kansas to take this chance and seize the opportunity. It is time to throw away provincialism and work to meet the needs of all the school children in Kansas.

But the task will not be easy. Now, during the next few weeks, we need to discuss what the schools of Kansas need to provide a sound education for our citizens of the next century; then after we agree on those needs and what they cost we can decide how we should best fund those needs. We can be philosophical today as we cannot develop those printouts which many times only revert us back to our provincial nature. I have seen it too often--that talk about what the needs of children are soon changes to cries of "unfair to our district" once the printouts are distributed. As an alternative, at least as long as we can, let us talk about how we can best offer an education to all and then see what we can do to achieve that goal.

Now to the specifics. Kansas-NEA would like to suggest that the

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following elements be part of any school finance bill which is passed:

1. **Budget Lids** - Kansas-NEA believes that budget lids need to be at a 5-15% range. School districts have been caught in a fiscal crunch over the last three years with budget controls being at their lowest levels in history. When inflation was holding at the 3% level, 2-4% budget lids might have been tolerable; however, with inflation moving at a 4.5% rate (and it appears that the economic pressures are moving it higher), districts must have higher authority if they are to keep pace with the cost of living and also be able to grow. We ask our schools to do so much--to deal with the at-risk students, to deal with curriculum changes recommended, and, yes, to deal with teachers fairly by providing salary increases--that we must give them the flexibility to meet the challenges of educating our youth.

The upper end of the range we believe needs to be at least three times greater than the lower number to give lower spending districts a chance to "catch up" with high spending districts. We did a good job of "equalizing" expenditures the first twelve years of the SDEA. Our studies find that the last three years the spread of expenditures has started to widen again. That spread of three times the lowest number is important to start us back down the road to allow equalization.

2. **Funding Issues** - Although the bill you will discuss does not deal with funding per se, Kansas-NEA wants the committee to know that we support funding increases of \$100 million in general fund assistance from the state, 100% funding of the excess costs of special education and 100% funding of the transportation formula. School district

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flexibility is hampered if those 100% goals are not met.

Additionally, we believe \$100 million is necessary to allow growth and adjust for the shifts caused by reappraisal and classification.

3. **District Wealth** - Kansas-NEA believes that the interim proposal which measures district wealth by adding the assessed valuation of a USD to the individual taxable income of resident taxpayers is the proper policy to adopt. This measure seems to be an appropriate one which has been used successfully in the past.
4. **Income Tax Rebate & Deduction** - Kansas-NEA believes that the income tax rebate should be continued at the rate established by SB 24 and that the 85% deduction not be included in any new formula. Since income is already included in the measure of district wealth, it seems to us that we are double emphasizing income if we include the 85% deduction.
5. **Enrollment Categories** - Kansas-NEA supports continuation of the present enrollment categories and, as we stated in previous testimony, the interim proposal to increase the fourth enrollment category median by 2½% each year for two years.
6. **Unused Budget Authority** - Kansas-NEA supports the interim proposal to allow districts spending below the median budget per pupil greater access to any unused budget authority they might have accumulated.
7. **Averaging of District Wealth** - Kansas-NEA certainly believes that longer averaging of district wealth would be desirable to smooth out the "bumps" which occur from year to year because of shifts in district wealth. We have testified that even an eight year averaging could be beneficial and might cause more stability in our school

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funding. This certainly would take away the yearly struggle about averaging which has occurred in recent years.

The above recommendations would provide changes in the formula which will better equip school districts to offer quality education for the children of Kansas. Kansas-NEA believes that we should seize this opportunity to provide districts the tools they need to do the job. If we provide this needed flexibility, we are confident that the school boards, administrators, and teachers will deliver a good product--that product being children who are educated to their fullest potential.

I apologize for taking a great deal of your time, but this is the number one issue we believe you will deal with this year or for many years to come. We are ready to work with you to seize the chance we have to improve our schools. I thank you for listening to the concerns of our members.

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School Finance Proposals  
presented to the House Committee on Education  
by Charles L. Stuart, Legislative Liaison  
United School Administrators of Kansas

March 15, 1989

Mr. Chairman and members of the committee:

United School Administrators of Kansas appreciates the opportunity to express its views on school finance without having to deal with the incessant "runs" from Dale's office. An adequate school finance proposal for 1989-90 and the following years is a major priority of our organization.

We have followed the Interim Committee on School Finance and are appreciative of what that committee has done and what you will do. We realize this is a complex issue and applaud HCR 5003 calling for a ultimate goal of 50% state funding of elementary and secondary education.

The major positions of our organization are:

1. **District Wealth**
  - o That taxable income continue to be included in the definition of wealth.
  - o That assessed valuation replace adjusted valuation in the definition of district wealth.
  - o That assessed valuation and adjusted assessed valuation not be mixed. USA does not oppose the averaging of district wealth over more than one year when assessed valuation data is available for more than one year.
  
2. **District Revenue**
  - o That the income tax rebate at whatever percentage no longer be deducted in determining general state aid.
  - o That the principle of equal educational opportunity govern the distribution of general state aid to districts.
  
3. **Fourth Enrollment Category**
  - o That adjustments be made in the SDEA formula to address discrepancies in allowable budget per pupil in the fourth enrollment category. Adequate state funding should be provided so this adjustment is not at the expense of other districts.

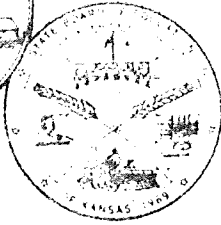
*Attachment 4*  
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4. **Categorical Aid**
  - o That the current method distributing state funds for special education and pupil transportation be retained.
  - o That special education be funded at 100% of excess costs.
  - o That the formula for pupil transportation be fully funded.
5. **SDEA Funding**
  - o That a minimum of \$100 million new dollars be appropriated for SDEA as recommended by the State Board of Education.

We realize that these last two areas lie outside the responsibility of this committee, but we mention them here for emphasis.

United School Administrators of Kansas appreciates the opportunity to present this testimony and stand ready to assist the committee in any way possible in the development of an adequate school finance package.

CLS/ed



# 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

I. B. "Sonny" Rundell  
District 5

Richard M. Robl  
District 7

Timothy R. Emert  
District 9

Paul D. Adams  
District 3

March 15, 1989

Richard J. Peckham  
District 10

TO: House Education Committee  
FROM: State Board of Education  
SUBJECT: School Finance

My name is Bill Musick, Legislative Chairman of the State Board of Education. It is a pleasure for me to appear before this Committee on behalf of the State Board.

The State Board of Education has spent much time discussing and reviewing the needs of the Kansas public school system. State Board members and local school officials have a major concern with the continued rise in the property tax for school districts. As a result of the decline in the agri-business community and the oil industry, the growth in property tax has created problems for Kansas schools. In many urban/suburban school districts, state aid has declined primarily as a result of decreased district wealth in rural areas. Because of limited state funding, many local boards of education have difficulty in maintaining quality programs which they believe are essential without increasing the property tax substantially.

The State Board is very concerned about the effects of classification/reappraisal. It is estimated that approximately \$1.4 billion in assessed valuation will be dropped from the tax rolls as a result of repealing merchants' inventory, manufacturers' inventory, livestock, and the adjustments in business machinery and equipment. This assessed valuation produced in excess of \$100 million for Kansas school districts during the 1988-89 school year.

The State Board of Education recommends the following increases for fiscal year 1990.

1. State school equalization aid by \$100,000,000
2. Overall general fund budget by 6.5 percent

#### INCREASED STATE FUNDING WILL:

1. Eliminate substantial increases in state property tax.

Property taxes are estimated to decrease \$16 million or an overall average of 1.4 mills. If there is no increase in state aid to the general fund, there would be a potential increase in excess of \$100 million to the property tax. The increased budget authority of 6.5 percent includes the growth in enrollment of approximately 1 percent or at least 4,000 students.

2. Increase overall general fund budget by 6.5 percent in order to compete with business and industry in attracting competent teaching staff.

Kansas is currently ranked 32nd in the nation in teacher salaries. During each of the last two years, teacher salary increases have been below the national average. It is anticipated that the national average will continue at approximately 6 percent. If Kansas is to compete with business and industry for hiring staff, it is essential that salaries be at a level that attracts and retains quality teachers. The retention of quality teachers is particularly difficult in selected curricular areas at the secondary level such as science and mathematics.

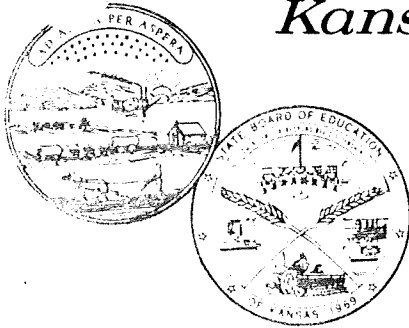
3. Permit maintenance of existing quality educational programs.

Kansas has traditionally ranked above the national average on ACT or SAT test scores. The state also has one of the lowest dropout rates in the nation. If Kansas is to continue its quality educational programs, it is important that the state provide the resources necessary to maintain and to improve the quality of the educational programs.

The School District Equalization Act was funded by the state during the 1979-80 school year at 46.7 percent. It is anticipated that during fiscal year 1989 the state will provide 44.0 percent of the general operating fund of public schools. Since the percentage of decline in state aid has placed a greater burden on the property tax, it is essential that a reasonable increase in state funding be provided.

We appreciate the opportunity to express the State Board's concerns on school finance to this Committee.

*a-5-2*  
*3/15/89*



# *Kansas State Department of Education*

*Kansas State Education Building*

120 East 10th Street Topeka, Kansas 66612-1103

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February 13, 1989

TO: House Education Committee

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)
- 8 - 1988 Mill rate if merchants' inventory, manufacturers' inventory, livestock, and the reduction in business machinery and equipment had been excluded from assessed valuation for the 1988-89 school year
- 9 - Difference (Column 8 - 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.

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	MERCHANTS	MANUFACTURERS	66 %	1988	1988				
DISTRICT NAME	#	INVENTORY	INVENTORY LIVESTOCK	BUS MACH	TOTAL	MILL	ADJUSTED	DIFFERENCE		
				EQUIPMENT		RATE (COL 5 X 6)	RATE (COL 8 - 6)	(COL 8 - 6)		
ALLEN	001									
HARMATON VALLEY	00256	88,075	139,320	484,335	532,990	1,244,720	51.06	83,535	57.65	6.59
IOLA	00257	1,233,890	2,235,975	306,495	243,332	4,019,692	68.42	275,027	79.51	11.09
HUMBOLDT	00258	108,435	373,220	328,950	123,192	933,797	38.87	36,297	41.29	2.42
ANDERSON	002									
GARNETT	00365	1,216,850	1,107,829	1,025,785	379,465	3,730,129	50.32	187,700	57.40	7.08
CREST	00479	25,595	0	336,050	126,522	488,167	43.11	21,045	45.90	2.79
ATCHISON	003									
ATCHISON CO COMM SCHOOLS	00377	233,360	360,240	760,249	215,596	1,569,445	77.60	121,789	85.92	8.32
ATCHISON PUBLIC SCHOOLS	00409	1,325,545	758,475	75,085	4,531,214	6,690,319	81.92	548,071	103.08	21.16
BARBER	004									
BARBER COUNTY NORTH	00254	504,600	474,700	1,112,340	588,308	2,679,948	56.10	150,345	60.94	4.84
SOUTH BARBER	00255	356,875	1,785	471,046	150,459	980,165	68.07	66,720	71.47	3.40
BARTON	005									
CLAFLIN	00354	149,350	0	296,700	169,115	615,165	56.12	34,523	58.51	2.39
ELLINWOOD PUBLIC SCHOOLS	00355	269,590	29,465	327,810	361,858	988,723	47.63	47,093	50.14	2.51
GREAT BEND	00428	6,380,645	2,103,640	172,805	4,910,529	13,567,619	71.01	963,437	84.12	13.11
HOBBSINGTON	00431	268,270	678,875	434,835	1,243,433	2,625,413	60.91	139,914	67.77	6.86
BOURBON	006									
FT SCOTT	00234	1,656,075	804,545	511,420	2,075,895	5,047,935	70.69	356,839	81.90	11.21
UNIONTOWN	00235	107,515	15,465	658,140	71,072	852,192	45.63	38,886	49.85	4.22
BROWN	007									
HIAMATHA	00415	899,170	1,779,880	741,505	683,117	4,103,672	70.93	291,073	82.71	11.78
BROWN COUNTY	00430	218,665	98,860	375,825	197,762	891,112	84.04	74,889	90.79	6.75
BUTLER	008									
LEON	00205	37,235	717	600,516	334,883	973,351	50.37	49,028	53.33	2.96
REMINGTON-WHITEWATER	00206	269,165	0	582,807	339,536	1,191,508	70.81	84,371	75.98	5.17
CIRCLE	00375	907,041	7,969,812	201,806	4,575,327	13,653,986	41.67	568,962	57.76	16.09
ANDOVER	00385	727,436	860,254	74,705	654,213	2,316,608	96.64	223,877	105.17	8.53
ROSE HILL PUBLIC SCHOOLS	00394	46,331	42,720	66,645	275,914	431,610	86.62	37,386	89.43	2.81
DOUGLASS PUBLIC SCHOOLS	00396	94,787	2,414	164,233	93,183	354,617	60.50	21,454	62.99	2.49
AUGUSTA	00402	1,075,430	149,105	109,733	1,247,160	2,581,428	82.09	211,909	91.39	9.30
EL DORADO	00490	1,361,984	1,438,799	167,696	5,010,527	7,979,006	73.41	585,739	90.29	16.88
FLINTHILLS	00492	6,424	12,569	330,315	17,316	366,624	77.82	28,531	80.30	2.48
CHASE	009									
CHASE COUNTY	00284	301,100	15,035	826,535	231,950	1,374,620	47.23	64,923	49.99	2.76

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME		MERCHANTS	MANUFACTURERS	66 %	1988	1988				
DISTRICT NAME		INVENTORY	INVENTORY LIVESTOCK	BUS MACH	MILL	ADJUSTED	DIFFERENCE			
				EQUIPMENT	RATE (COL 5 X 6)	RATE (COL 8 - 6)	(COL 8 - 6)			
CHAUTAQUA 010										
CEDAR VALE	D0285	56,750	19,630	467,120	231,432	774,932	45.93	35,593	51.30	5.37
CHAUTAQUA COUNTY COMMUNI	D0286	179,695	40,260	605,715	254,041	1,079,711	38.27	41,321	42.12	3.85
CHEROKEE 011										
RIVERTON	D0404	34,930	0	134,400	79,514	248,844	54.30	13,512	55.41	1.11
COLUMBUS	D0493	580,865	701,090	546,560	2,838,858	4,667,373	80.90	377,590	96.55	15.65
GALENA	D0499	106,875	454,150	27,140	240,491	828,656	50.10	41,516	59.61	9.51
BAXTER SPRINGS	D0508	369,915	179,625	50,400	616,216	1,224,156	59.10	72,348	66.91	7.81
CHEYENNE 012										
CHEYLIN	D0103	26,275	0	574,938	162,181	763,394	73.59	56,178	77.45	3.86
ST FRANCIS COMMUNITY SCHO	D0297	88,268	0	986,966	487,816	1,563,050	59.69	93,298	67.03	7.34
CLARK 013										
MINNEOLA	D0219	62,270	0	79,493	65,838	207,601	47.21	9,801	47.92	0.71
ASHLAND	D0220	155,095	0	592,590	108,521	856,206	42.25	36,175	43.59	1.34
CLAY 014										
CLAY CENTER	D0379	1,085,897	337,507	1,362,611	849,815	3,635,830	48.97	178,047	54.91	5.94
CLOUD 015										
CONCORDIA	D0333	1,998,150	504,670	510,065	632,363	3,645,248	59.97	218,606	67.75	7.78
SOUTHERN CLOUD	D0334	122,500	0	409,680	59,888	592,068	35.66	21,113	37.55	1.89
COFFEY 016										
LEKO-WAVERLY	D0243	180,320	3,200	357,150	17,002	557,672	73.62	41,056	78.06	4.44
BURLINGTON	D0244	669,965	0	216,285	8,854	895,104	13.15	11,771	13.17	0.02
LEROY-GRIDLEY	D0245	71,930	30,980	432,881	1,723	537,514	55.94	30,069	58.38	2.74
COMANCHE 017										
COMANCHE COUNTY	D0300	266,650	49,675	1,856,232	176,081	1,548,638	52.00	80,529	54.90	2.90
CONLEY 018										
CENTRAL	D0462	92,115	215	527,763	58,697	678,790	56.16	39,121	59.66	3.50
UDALL	D0463	28,640	23,675	168,978	41,526	262,819	77.16	20,279	80.33	3.17
WINFIELD	D0465	1,864,760	2,581,270	377,335	5,536,425	10,359,790	78.11	809,203	99.18	21.07
ARKANSAS CITY	D0470	2,078,668	2,999,875	243,344	3,851,503	9,173,390	81.84	750,750	98.20	16.36
DEXTER	D0471	5,570	0	408,955	12,689	427,214	67.20	28,789	72.09	4.89
CRAWFORD 019										
NORTHEAST	D0246	138,675	37,565	98,605	761,637	1,036,482	66.63	69,061	77.78	11.15
CHEROKEE	D0247	133,250	292,780	354,325	289,545	1,069,900	68.13	72,892	73.97	5.84
GIRARD	D0248	518,375	401,730	509,095	464,092	1,893,292	47.38	89,704	53.72	6.34
FRONTENAC PUBLIC SCHOOLS	D0249	406,390	5,615	54,295	119,935	586,235	57.77	33,867	63.75	5.98
PITTSBURG	D0250	3,086,330	2,696,660	69,430	3,499,845	9,352,265	87.35	816,920	109.95	22.60

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	MERCHANTS	MANUFACTURERS	66 7	1988	1988				
DISTRICT NAME	#	INVENTORY	INVENTORY	LIVESTOCK	BUS MACH	HILL	ADJUSTED	DIFFERENCE		
					EXHIBENT	RATE (COL 5 X 6)	RATE (COL 8 - 6)	(COL 8 - 6)		
*****										
DECATUR	020									
BERLIN	00294	41,120	0	1,160,277	127,975	1,329,372	46.94	62,401	49.91	2.97
PRAIRIE HEIGHTS	00295	30,232	0	417,752	12,333	460,317	75.05	34,547	81.94	6.89
DICKINSON	021									
SOLOMON	00393	176,435	0	126,010	88,229	390,674	64.02	25,011	66.65	2.63
ABILENE	00435	1,144,050	69,960	181,925	959,597	2,355,532	74.56	175,628	82.07	7.51
CHAPMAN	00473	390,535	313,870	1,159,005	1,304,978	3,168,388	50.24	159,180	55.79	5.55
RURAL VISTA	00481	142,005	275	881,080	91,031	1,114,391	64.45	71,822	71.29	6.84
HERINGTON	00487	374,435	64,070	167,400	218,602	824,507	75.91	62,588	83.39	7.48
DOMIPHAN	022									
WATHERA	00406	78,635	85,379	106,972	157,941	428,927	43.68	19,386	47.54	3.86
HIGHLAND	00425	103,343	0	176,310	87,173	366,826	73.51	26,965	79.14	5.63
TROY PUBLIC SCHOOLS	00429	51,091	6,225	125,387	214,414	397,117	52.89	21,004	57.60	4.71
MIDWAY SCHOOLS	00433	35,597	0	198,395	15,150	249,142	84.58	21,072	88.30	3.72
ELWOOD	00486	294,411	2,937,892	0	1,103,594	4,335,897	41.79	181,197	86.26	44.47
DOUGLAS	023									
BALDWIN CITY	00348	412,600	75,685	372,595	5,785	866,665	91.81	79,569	98.50	6.69
EUDORA	00491	302,790	160,775	135,425	3,419	602,409	57.65	34,729	62.44	4.79
LAWRENCE	00497	18,449,840	15,825,685	298,865	447,724	35,022,114	90.45	3,167,750	109.28	18.83
EDWARDS	024									
KINSLEY-OFFERLE	00347	295,390	49,664	304,763	207,318	857,135	76.77	85,802	81.31	4.54
LEWIS	00502	66,014	232,006	188,535	268,019	754,574	48.58	36,657	51.90	3.32
ELK	025									
WEST ELK	00282	259,740	40,765	1,048,300	328,139	1,676,944	45.58	76,435	50.62	5.04
ELK VALLEY	00283	17,815	6,061	233,372	31,994	289,242	50.19	14,517	53.55	3.36
ELLIS	026									
ELLIS	00388	133,522	15,751	491,268	97,995	738,536	61.63	45,516	64.58	2.95
VICTORIA	00432	107,817	8,602	386,593	115,742	618,694	40.28	24,921	42.28	2.00
HAYS	00489	4,403,950	374,759	584,997	3,181,380	8,465,086	84.19	712,676	94.51	18.32
ELLSWORTH	027									
ELLSWORTH	00327	492,710	227,609	794,457	519,964	2,034,740	75.72	154,071	85.20	9.48
LORRAINE	00328	275,081	102,501	590,577	1,273,531	2,241,690	60.92	136,564	64.34	3.42
FINNEY	028									
HOLCOMB	00363	179,700	5,100	15,195	2,164,318	2,364,313	39.22	92,728	40.08	0.86
GARDEN CITY	00457	7,017,355	1,178,345	303,840	4,538,186	13,037,726	66.35	865,053	72.54	6.19
FORD	029									
SPEARVILLE-WINDTHORPE	00381	92,310	104,885	149,903	142,210	489,308	57.09	27,935	60.45	3.36
DODGE CITY	00443	5,268,270	2,323,495	311,575	5,714,260	13,617,600	70.44	939,224	82.82	12.38
BUCKLIN	00459	233,810	0	187,780	79,847	501,437	48.08	24,189	50.19	2.11

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME	#	MERCHANTS	MANUFACTURERS		66 %	1988	1988			
DISTRICT NAME	#	INVENTORY	INVENTORY	LIVESTOCK	BUS MACH	TOTAL	MILL	(COL 5 X 6)	ADJUSTED	DIFFERENCE
					EQUIPMENT		RATE		RATE	(COL 8 - 6)
*****										
FRANKLIN	030									
WEST FRANKLIN	00287	65,080	0	667,760	80,860	813,700	60.23	49,009	64.14	3.91
CENTRAL HEIGHTS	00288	115,930	175	261,315	39,270	416,690	40.95	17,063	43.05	2.10
WELLSVILLE	00289	146,839	60,875	248,495	201,379	657,608	78.07	51,339	83.01	4.94
OTTAWA	00290	2,164,590	1,328,335	300,900	2,353,874	6,147,699	76.14	468,086	92.10	15.96
GEARY	031									
JUNCTION CITY	00475	2,266,275	1,036,830	378,865	4,536,705	8,218,675	48.03	394,743	95.10	7.07
GOVE	032									
GRINWELL PUBLIC SCHOOLS	00291	190,297	0	406,165	164,263	760,725	51.46	39,147	56.80	5.34
GRAINFIELD	00292	191,317	0	519,461	159,067	869,845	78.76	68,589	85.34	7.08
QUINTER PUBLIC SCHOOLS	00293	278,374	260,495	1,266,566	234,989	2,040,424	53.25	108,653	62.93	9.68
GRAHAM	033									
WEST GRAHAM-MORLAND	00280	99,190	0	420,410	57,598	577,198	54.64	31,538	58.83	4.19
HILL CITY	00281	452,935	45	434,445	259,027	1,146,452	54.69	62,699	57.84	3.15
GRANT	034									
ULYSSES	00214	2,193,874	225,681	204,960	2,498,887	5,123,402	36.52	187,107	37.71	1.19
GRAY	035									
CINARRON-ENGLISH	00102	536,275	1,791	245,512	342,846	1,126,424	59.17	66,651	62.70	3.53
MONTEZUMA	00371	475,559	19,901	125,075	312,897	933,432	70.59	65,891	77.30	6.71
COPELAND	00476	157,757	0	90,449	315,027	563,233	86.91	48,951	91.83	4.92
INGALLS	00477	74,996	3,575	132,832	134,497	345,980	54.88	18,983	56.95	1.67
GREELEY	036									
GREELEY COUNTY	00280	379,675	59,970	373,785	185,587	979,017	60.56	59,289	62.92	2.36
GREENWOOD	037									
MADISON-VIRGIL	00386	139,675	20,175	357,725	108,243	625,818	64.02	40,065	68.27	4.25
EUREKA	00389	428,364	206,195	1,049,584	723,705	2,407,848	87.87	211,578	98.89	11.02
HAMILTON	00390	14,520	0	265,125	40,679	320,324	44.44	14,235	46.59	2.15
HAMILTON	038									
SYRACUSE	00494	295,078	5,495	214,304	216,445	731,322	51.61	37,744	52.78	1.17
HARPER	039									
ANTHONY-HARPER	00361	884,075	510,047	770,075	479,538	2,643,735	60.45	159,814	65.00	4.55
ATTICA	00511	74,063	32,240	206,272	100,150	412,725	64.79	26,740	66.96	2.17
HARVEY	040									
BURRTON	00369	35,410	0	88,269	105,706	229,385	72.41	16,610	74.54	2.13
NEWTON	00373	2,468,890	2,123,270	200,333	2,158,068	6,950,561	98.78	686,576	113.80	15.02
SEDGWICK PUBLIC SCHOOLS	00439	113,981	0	75,245	147,920	337,146	64.53	21,756	68.83	4.30
HALSTEAD	00440	182,151	529,895	305,658	741,657	1,759,361	79.75	140,309	89.92	10.17
HESSTON	00460	540,825	7,246,835	129,495	2,361,307	10,278,962	58.84	604,814	99.72	40.88

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3/15/89

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	MERCHANTS	MANUFACTURERS	66 %	1988	1988				
DISTRICT NAME	#	INVENTORY	INVENTORY LIVESTOCK	BUS MACH EQUIPMENT	TOTAL	MILL RATE	(COL 5 X 6)	ADJUSTED RATE	DIFFERENCE (COL 8 - 6)	
*****										
HASKELL	041									
SURLETTE	D0374	708,265	73,460	52,534	521,641	1,355,900	38.00	51,524	39.19	1.19
SATANTA	D0507	272,234	0	67,515	763,556	1,103,305	26.97	29,756	27.37	0.40
HODGENAH	042									
JETHORE	D0227	109,414	0	371,223	79,073	559,710	58.09	32,514	60.19	2.10
HANSTON	D0228	52,195	0	458,624	31,034	541,853	54.45	29,504	57.64	3.19
JACKSON	043									
NORTH JACKSON	D0335	54,935	1,760	519,613	49,464	625,772	54.82	34,305	60.50	5.68
HOLTON	D0336	979,430	81,855	536,760	575,319	2,173,364	62.10	134,966	73.85	11.55
MAYETTA	D0337	30,585	750	290,475	46,385	368,115	59.90	22,050	62.76	2.86
JEFFERSON	044									
VALLEY FALLS	D0338	168,710	0	220,280	210,893	599,883	55.32	33,186	61.87	6.55
JEFFERSON COUNTY NORTH	D0339	177,096	6,090	201,310	191,238	575,734	78.30	45,080	85.86	7.56
JEFFERSON WEST	D0340	136,822	30	155,975	160,331	453,158	73.18	33,162	76.89	3.71
OSKALOUSA PUBLIC SCHOOLS	D0341	232,300	0	202,020	169,752	604,072	71.50	43,191	76.51	5.01
MCLOUTH	D0342	33,015	40,210	273,050	320,664	666,939	62.50	41,684	67.74	5.24
PERRY PUBLIC SCHOOLS	D0343	230,780	102,900	318,970	502,629	1,155,279	73.93	85,410	80.47	6.54
JEWELL	045									
WHITE ROCK	D0104	84,292	0	926,175	60,521	1,070,988	68.03	72,859	75.61	7.58
MANKATO	D0278	175,209	0	317,340	170,662	663,211	57.04	37,830	62.79	5.75
JEWELL	D0279	140,330	0	327,195	81,745	549,270	69.82	38,350	75.25	5.43
JOHNSON	046									
SOUTHEAST JOHNSON CO	D0229	2,279,230	447,280	79,944	20,061,415	22,867,869	123.98	2,835,158	140.90	16.92
SPRING HILL	D0230	139,793	0	150,560	177,539	467,892	135.79	63,535	140.97	5.18
GARDNER-EDGERTON-ANTIUCH	D0231	354,730	2,622,815	183,377	5,789,832	8,950,754	104.95	939,382	141.93	36.98
DESOTO	D0232	895,145	145,380	51,245	1,135,431	2,227,201	100.75	224,391	112.16	11.41
PLATHE	D0233	9,025,020	10,356,900	60,130	22,763,912	42,205,962	116.49	4,916,573	142.78	26.29
SHAWNEE MISSION PUBLIC SC	D0512	43,284,195	17,418,180	17,205	58,012,446	118,732,026	81.33	9,656,476	95.33	14.00
KEARNY	047									
LAWH	D0215	199,845	0	308,219	727,034	1,235,098	23.00	28,487	23.23	0.23
DEERFIELD	D0216	76,955	0	246,818	270,852	594,625	30.91	18,330	31.34	0.43
KINGMAN	048									
KINGMAN	D0331	1,238,304	237,380	881,314	559,843	2,916,841	60.81	177,373	64.71	3.90
CUNNINGHAM	D0332	181,257	29,220	556,573	413,028	1,180,078	49.80	58,768	51.61	1.81
KIOWA	049									
GREENSBURG	D0422	510,861	19,695	181,813	433,077	1,145,446	39.44	45,176	41.33	2.39
MULLINVILLE	D0424	16,019	0	198,612	91,467	306,098	66.73	20,426	68.35	1.62
HAVILAND PUBLIC SCHOOLS	D0474	124,143	0	419,694	138,120	681,957	74.49	50,799	79.09	4.60

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME		MERCHANTS	MANUFACTURERS		66 %	1988		1988		
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUS MACH	MILL	(COL 5 X 6)	ADJUSTED	DIFFERENCE	
					EQUIPMENT	RATE		RATE	(COL 8 - 6)	
*****										
LAKETTE	050									
PARSONS	00503	1,464,210	1,195,320	91,480	1,749,515	4,500,525	75.11	338,034	88.97	13.86
OSNEGB	00504	203,130	402,520	85,395	317,381	1,008,726	43.43	43,809	48.11	4.68
CHECOPA	00505	155,045	200,020	109,540	165,254	629,859	52.31	32,948	59.63	7.32
LAKETTE COUNTY	00506	350,905	607,180	873,905	857,036	2,689,026	56.79	152,710	63.01	6.22
LANE	051									
HEALY PUBLIC SCHOOLS	00468	475,286	0	208,811	88,536	772,633	80.27	62,019	86.84	6.57
DIGHTON	00482	399,381	2,089	230,898	539,623	1,171,991	57.34	67,202	60.91	3.57
LEAVENWORTH	052									
EASTON	00449	39,265	515	281,945	543,127	864,852	69.80	60,367	75.32	6.02
LEAVENWORTH	00453	2,371,390	5,204,240	5,995	4,133,957	11,715,582	83.38	976,845	102.19	18.81
BASEHOR-LINWOOD	00458	80,110	144,450	176,365	645,549	1,046,474	85.97	89,965	92.10	6.13
TOMCANDIE	00464	259,025	6,805	301,020	625,502	1,192,352	91.53	109,136	98.26	6.73
LANSING	00469	246,755	136,215	102,545	763,719	1,249,234	82.55	103,124	89.02	6.47
LINCOLN	053									
LINCOLN	00298	349,370	0	849,820	135,358	1,334,548	40.90	54,583	44.20	3.30
SYLVAN GROVE	00299	101,365	0	666,885	44,048	812,298	40.65	33,020	44.26	3.61
LINN	054									
PLEASANTON	00344	209,596	23,098	176,985	142,770	552,449	46.45	25,661	51.53	5.08
JAYHAWK	00346	100,354	26,611	667,590	152,866	947,421	64.19	60,815	69.05	4.86
PRAIRIE VIEW	00362	188,984	12,310	583,868	2,504,727	3,289,889	34.18	112,448	35.28	1.10
LOGAN	055									
OKLEY	00274	700,405	1,107	452,082	835,225	1,988,819	60.49	120,304	66.13	5.64
TRIPLAINS	00275	54,681	61,032	401,449	234,547	751,629	57.81	43,452	62.37	4.56
LYON	056									
NORTH LYON COUNTY	00251	71,940	915	659,515	69,188	801,558	58.35	42,763	55.33	2.48
SOUTHERN LYON COUNTY	00252	71,140	30,805	338,875	119,599	560,419	55.13	30,896	57.39	2.26
EMPORIA	00253	4,043,655	4,391,350	456,565	5,529,959	14,421,529	77.15	1,112,621	93.33	16.18
MARION	057									
CENTRE	00397	99,840	0	634,094	129,196	863,130	43.02	37,132	45.99	2.97
PEABODY-BURNS	00398	161,111	20,275	425,020	102,311	708,717	63.63	45,096	67.93	4.30
MARION	00408	353,043	8,958	361,628	574,747	1,298,376	55.43	71,969	60.90	5.47
DURHAM-HILLSBORO-LENIGH	00410	454,148	77,730	520,309	584,915	1,637,102	61.75	101,091	68.42	6.67
GOESSEL	00411	82,024	1,130	248,264	33,811	364,429	62.98	22,952	67.01	4.03
MARSHALL	058									
MARYSVILLE	00364	1,386,425	795,401	697,733	1,027,245	3,906,804	69.30	270,742	81.07	11.77
VERMILLION	00380	381,849	8,267	656,399	134,526	1,181,041	47.62	56,241	51.56	3.94
ARTELL	00488	168,545	4,135	328,967	86,916	788,563	57.69	45,492	62.47	4.78
VALLEY HEIGHTS	00498	245,959	145,594	347,625	282,441	1,021,619	70.22	71,738	78.01	7.79

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME		MERCHANTS	MANUFACTURERS		66 %	1988		1988	
DISTRICT NAME		INVENTORY	INVENTORY	LIVESTOCK	BUS MACH	HILL	(COL 5 X 6)	ADJUSTED	DIFFERENCE
					EQUIPMENT	TOTAL	RATE	RATE	(COL 8 - 6)
*****									
MCPHERSON	059								
LINDSEBORG	D0400	405,118	256,200	241,718	540,155	1,443,191	72.08	104,025	4.62
MCPHERSON	D0418	5,257,415	12,458,165	0	6,538,328	24,273,908	70.07	1,700,873	32.78
CANTON-GALVA	D0419	171,985	96,600	0	476,180	744,765	51.76	38,549	3.18
MOUNDRIIDGE	D0423	204,860	1,429,545	39,270	410,461	2,084,136	75.42	157,186	11.46
IRMAN	D0448	175,370	538,615	10,040	119,457	843,482	59.43	50,128	4.30
MEADE	060								
FOWLER	D0225	77,930	0	254,971	29,373	362,274	65.07	23,573	2.18
MEADE	D0226	245,505	0	305,800	135,851	686,356	33.52	23,007	0.44
MIAMI	061								
OSAWATOMIE	D0367	1,001,296	149,859	154,037	433,777	1,738,969	74.78	130,040	9.24
PADLA	D0368	856,173	665,566	448,291	1,058,490	3,028,520	87.00	263,481	10.27
LOUISBURG	D0416	203,913	13,396	484,290	415,288	1,116,887	70.19	78,394	3.97
MITCHELL	062								
WACONDA	D0272	442,725	18,905	619,345	213,876	1,294,851	64.28	83,233	5.59
BELOIT	D0273	1,491,475	218,700	637,805	564,062	2,852,042	48.65	138,752	6.22
MONTGOMERY	063								
CANEY VALLEY	D0436	242,396	260,053	231,072	559,108	1,292,629	44.48	57,496	4.29
COFFEYVILLE	D0445	2,055,881	2,616,480	282,784	6,168,281	11,128,426	72.47	806,115	19.94
INDEPENDENCE	D0446	1,584,319	2,217,747	323,766	2,786,393	6,912,225	66.07	456,691	11.16
CHERRYVALE	D0447	165,693	296,314	194,162	647,386	1,303,555	52.42	68,332	9.44
MORRIS	064								
MORRIS COUNTY	D0417	479,755	457,350	1,109,750	477,711	2,524,566	48.26	121,836	5.04
MORTON	065								
ROLLA	D0217	54,625	12,516	191,574	142,711	401,426	25.84	10,373	0.18
ELKHART	D0218	1,052,836	0	227,759	761,941	2,042,536	44.25	90,382	2.18
NENAWA	066								
SADETHA	D0441	593,632	583,532	902,232	899,815	2,979,211	59.97	178,663	9.44
NENAWA VALLEY SCHOOLS	D0442	810,872	221,210	505,323	441,611	1,978,216	47.91	94,776	9.73
B & B	D0451	25,880	0	394,435	29,372	449,687	28.48	12,807	2.69
NEOSHO	067								
ERIE-ST PAUL	D0101	341,785	53,910	887,445	292,463	1,575,603	55.23	87,021	4.29
CHAMUTE PUBLIC SCHOOLS	D0413	1,676,905	3,875,270	225,820	2,280,640	8,058,635	99.20	799,417	27.86
NESS	068								
NESS TRES LA GO	D0301	26,820	945	147,652	96,532	271,949	73.37	19,953	2.08
SNOWY HILL	D0302	74,365	124,340	421,335	243,394	863,434	44.23	38,190	3.42
NESS CITY	D0303	672,255	31,290	349,655	889,901	1,943,101	60.15	116,878	6.08
BAZINE	D0304	46,105	0	312,690	123,671	482,466	67.15	32,398	3.76

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME		MERCHANTS	MANUFACTURERS	66 %	1988	1988			
DISTRICT NAME		INVENTORY	INVENTORY LIVESTOCK	BUS MACH	MILL	TOTAL	RATE (COL 5 X 6)	ADJUSTED RATE (COL 8 - 6)	DIFFERENCE (COL 8 - 6)
				EQUIPMENT					
*****									
NORTON 069									
NORTON COMMUNITY SCHOOLS D0211	617,535	191,990	514,790	330,409	1,654,724	67.01	110,883	75.71	8.70
NORTHERN VALLEY D0212	55,550	0	473,130	32,439	561,119	66.78	37,472	72.59	5.81
WEST SOLOMON VALLEY SCHOOLS D0213	48,670	0	344,638	42,636	435,944	68.80	29,993	73.85	5.05
OSAGE 070									
OSAGE CITY 00420	783,335	621,885	170,815	472,134	2,048,169	41.45	84,897	50.03	8.58
LYNDON 00421	179,720	41,515	145,515	147,688	514,438	59.94	30,835	64.43	4.49
SANTA FE TRAIL 00434	407,150	0	309,220	197,363	913,733	58.58	53,526	62.51	3.93
BURLINGAME PUBLIC SCHOOLS 00454	108,370	8,340	109,520	101,531	327,761	46.82	15,346	50.31	3.49
MARAIS DES CYGNES VALLEY 00456	88,490	1,150	164,610	95,185	349,435	49.00	17,122	52.01	3.01
OSBORNE 071									
OSBORNE COUNTY 00392	668,705	39,295	831,590	217,173	1,756,763	34.94	61,381	39.14	4.20
OTTAWA 072									
NORTH OTTAWA COUNTY 00239	787,580	892,235	487,561	309,656	2,477,032	40.35	99,948	45.43	5.08
TWIN VALLEY 00240	81,315	0	336,930	52,572	470,817	50.50	23,776	52.38	1.88
PANNEE 073									
FT LARNED 00495	1,058,300	23,730	2,503,840	537,085	4,122,955	67.11	276,692	76.19	9.08
PANNEE HEIGHTS 00496	142,900	9,610	314,113	42,061	508,684	71.19	36,213	74.86	3.67
PHILLIPS 074									
EASTERN HEIGHTS 00324	24,170	0	409,900	38,587	472,657	54.07	25,557	58.56	4.49
PHILLIPSBURG 00325	755,625	1,266,980	854,625	610,081	3,487,311	55.73	194,348	65.90	10.17
LOGAN 00326	87,640	0	637,805	83,239	808,684	40.63	32,857	43.36	2.73
POTTAWATOMIE 075									
HAMEGO 00320	594,365	249,510	389,445	676,190	1,909,510	55.92	106,780	62.02	6.10
KAN VALLEY 00321	478,303	82,132	410,635	491,821	1,462,891	24.78	36,250	24.94	0.16
OMAHA-HAVENSVILLE-WHEATON 00322	146,170	1,260	638,622	126,234	912,286	64.39	58,742	70.39	6.00
WESTMORELAND 00323	70,050	8,310	463,210	105,339	646,909	74.89	48,447	80.21	5.32
PRATT 076									
PRATT 00382	2,108,390	293,222	199,555	1,329,876	3,931,043	57.81	227,234	64.16	6.35
SKYLINE SCHOOLS 00438	158,840	0	380,520	93,961	633,321	49.97	31,647	51.62	1.65
RAWLINS 077									
HERNDON 00317	21,920	0	277,380	3,699	302,999	73.34	22,222	78.60	5.26
ATWOOD 00318	356,765	39,165	822,560	161,446	1,379,936	68.27	94,208	75.03	6.76
RENO 078									
HUTCHINSON PUBLIC SCHOOLS 00308	8,597,300	13,231,234	300	2,932,346	24,761,180	77.92	1,929,391	99.77	21.85
NICKERSON 00309	1,113,803	3,792,280	366,249	893,478	6,165,810	62.00	382,280	76.45	14.45
FAIRFIELD 00310	17,263	590	626,459	301,685	945,997	54.76	51,803	57.60	2.84
PRETTY PRAIRIE 00311	40,533	0	377,510	143,163	561,206	67.78	38,039	72.41	4.63
HAVEN PUBLIC SCHOOLS 00312	833,107	1,453,503	685,528	675,044	3,647,182	48.27	176,049	54.72	6.45

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	MERCHANTS	MANUFACTURERS		66 %	1988	1988			
DISTRICT NAME	#	INVENTORY	INVENTORY	LIVESTOCK	BUS MACH	MILL	ADJUSTED	DIFFERENCE		
					EQUIPMENT	RATE (COL 5 X 6)	RATE (COL 8 - 6)	(COL 8 - 6)		
*****										
REMO	078									
BURLER	00313	1,035,499	705,081	274,670	1,103,825	3,119,075	71.33	222,484	76.57	5.24
REPUBLIC	079									
PIKE VALLEY	00426	112,645	0	320,520	60,235	493,400	54.23	26,757	57.23	3.00
BELLEVILLE	00427	694,770	104,385	610,415	365,343	1,774,913	50.79	90,148	55.77	4.98
CUDA	00455	36,855	294,150	15,206	13,299	359,510	67.08	24,116	70.62	3.54
RICE	080									
STERLING	00376	263,970	216,475	192,816	201,829	875,090	48.06	42,057	51.08	3.02
CHASE	00401	63,305	0	150,525	195,631	409,461	51.75	21,190	53.30	1.55
LYONS	00405	609,880	218,115	236,060	990,564	2,054,619	55.06	113,127	60.39	5.33
LITTLE RIVER	00444	145,975	429,140	226,650	614,348	1,416,113	44.08	62,422	46.86	2.78
RILEY	081									
RILEY COUNTY	00378	152,165	88,955	408,560	344,071	993,751	73.22	72,762	81.44	8.22
MANHATTAN	00383	6,248,365	847,240	298,380	7,645,169	15,039,154	81.86	1,231,185	92.50	10.64
BLUE VALLEY	00384	82,597	733	810,851	42,723	936,904	66.76	62,548	75.79	9.03
ROOKS	082									
PALCO	00269	16,605	0	344,298	36,739	397,642	56.17	22,336	57.66	1.49
PLAINVILLE	00270	845,870	174,315	479,428	256,660	1,756,273	48.40	85,004	52.21	3.81
STOCKTON	00271	285,890	0	589,125	177,177	1,052,192	49.83	52,431	52.70	2.87
RUSH	083									
LACROSSE	00395	336,431	162,527	427,409	250,587	1,176,954	47.11	55,446	49.46	2.35
UTIS-DISON	00403	297,400	228	416,438	138,383	852,449	45.17	38,585	47.59	2.42
RUSSELL	084									
PARADISE	00399	30,195	0	722,579	49,837	802,611	50.19	40,283	52.48	2.29
RUSSELL COUNTY	00407	1,434,805	273,595	1,123,641	1,473,209	4,305,250	65.60	282,424	71.53	5.93
SALINE	085									
SALINA	00305	9,680,760	6,502,445	105,945	2,099,797	18,388,947	95.64	1,758,719	111.00	15.36
SOUTHEAST OF SALINE	00306	882,680	1,101,530	419,490	3,778,338	6,182,038	53.76	332,346	68.97	15.21
ELL-SALINE	00307	57,130	4,710	557,868	6,257	625,965	54.70	34,240	59.65	4.95
SCOTT	086									
SCOTT COUNTY	00466	1,350,349	0	463,242	497,827	2,318,618	74.29	171,656	79.57	5.28
SEDGWICK	087									
WICHITA	00259	67,100,282	69,379,964	40,033	108,095,946	244,616,225	86.10	21,061,457	110.01	23.91
DERBY	00260	70,141,666	0	34,546	29,434,615	99,610,827	53.43	5,322,206	136.36	82.93
HAYSVILLE	00261	871,734	327,806	17,963	2,527,544	3,745,047	83.58	313,011	91.80	8.22
VALLEY CENTER PUBLIC SCHD	00262	253,353	317,273	95,148	1,411,098	2,076,872	79.05	164,177	85.99	6.94
MULVANE	00263	200,048	53,932	73,539	884,931	1,212,450	78.55	95,238	84.69	6.14
CLEARWATER	00264	136,632	622,202	171,712	6,500,174	7,439,720	71.29	529,736	101.36	30.07
GOODARD	00265	1,029,632	3,114,848	72,571	1,942,503	6,159,554	92.00	566,679	111.53	19.53

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME #	MERCHANTS	MANUFACTURERS		66 %	1988	1988			
DISTRICT NAME #	INVENTORY	INVENTORY	LIVESTOCK	BUS MACH	MILL	TOTAL	RATE (COL 5 X 6)	ADJUSTED	DIFFERENCE
				EQUIPMENT	RATE			RATE (COL 8 - 6)	(COL 8 - 6)
*****									
SEDGWICK 087									
MAIZE D0266	343,016	261,472	61,405	3,096,395	3,762,288	83.50	314,151	97.36	13.86
RENWICK D0267	670,581	104,837	503,393	1,540,005	2,818,816	68.82	193,991	75.08	6.26
CHEWEY D0268	237,029	38,120	202,985	825,791	1,303,925	59.70	77,844	66.64	6.94
SEWARD 088									
LIBERAL D0480	4,326,675	499,920	46,270	5,214,647	10,087,512	78.76	794,492	88.99	10.23
KISMET-PLAINS D0483	79,475	212,135	512,085	491,241	1,294,936	52.80	68,373	54.99	2.19
SHAWNEE 089									
SEAMAN D0345	3,967,530	3,422,435	140,820	21,015,110	28,545,895	62.26	1,777,267	94.18	31.92
SILVER LAKE D0372	125,190	0	59,280	436,316	620,786	65.76	40,823	70.74	4.98
AUBURN WASHBURN D0437	4,370,810	4,296,710	200,125	7,340,150	16,207,795	65.40	1,059,990	82.98	17.58
SHAWNEE HEIGHTS D0450	503,480	811,795	200,815	3,784,196	5,300,286	77.30	409,712	85.40	8.10
TOPEKA PUBLIC SCHOOLS D0501	16,642,220	6,946,895	815	28,463,728	52,053,658	92.05	4,791,539	109.19	17.14
SHERIDAN 090									
HOXIE COMMUNITY SCHOOLS D0412	297,722	123,106	668,062	101,296	1,190,186	78.62	93,572	84.85	6.23
SHERMAN 091									
GOODLAND D0352	1,441,040	125,705	517,605	746,764	2,831,114	72.62	205,595	78.94	6.32
SMITH 092									
SMITH CENTER D0237	735,380	120,670	1,079,765	239,445	2,175,260	62.22	135,945	69.62	7.40
WEST SMITH COUNTY D0238	133,305	600	459,215	30,472	623,592	76.61	47,773	84.59	7.98
STAFFORD 093									
STAFFORD D0349	201,005	29,025	213,505	128,924	572,459	81.02	46,381	85.29	4.27
ST JOHN-HUDSON D0350	179,180	45,015	385,955	131,927	742,077	56.81	42,157	59.09	2.28
MACKSVILLE D0351	128,029	0	217,164	185,939	451,132	51.33	23,157	52.32	0.99
STANTON 094									
STANTON COUNTY D0452	745,669	5,455	427,455	271,405	1,449,984	32.73	47,458	33.48	0.75
STEVENS 095									
MOSCOW PUBLIC SCHOOLS D0209	48,751	0	154,423	289,881	493,055	20.90	10,305	21.06	0.16
HUGOTON PUBLIC SCHOOLS D0210	763,960	6,300	339,460	1,054,756	2,164,416	20.96	45,366	21.22	0.26
SUMNER 096									
WELLINGTON D0353	871,549	1,357,784	125,393	2,629,412	4,984,138	84.67	422,007	101.74	17.07
CONWAY SPRINGS D0356	60,538	16,656	172,662	256,657	506,513	81.35	41,205	86.08	4.73
BELLE PLATNE D0357	88,371	534,404	42,212	387,668	1,052,655	95.01	100,013	109.33	14.32
OXFORD D0358	100,344	5,400	100,996	288,659	495,399	59.89	29,669	63.30	3.41
ARGONIA PUBLIC SCHOOLS D0359	88,841	1,610	112,141	168,311	370,903	73.70	27,336	77.04	3.34
CALDWELL D0360	243,794	1,986	172,329	255,077	673,186	84.08	56,601	90.30	6.22
SOUTH HAVEN D0509	23,725	0	100,542	121,294	245,561	55.23	13,562	57.27	2.04

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME		MERCHANTS	MANUFACTURERS	66 %	1988	1988			
DISTRICT NAME		INVENTORY	INVENTORY LIVESTOCK	BUS MACH EQUIPMENT	TOTAL	MILL RATE (COL 5 X 6)	ADJUSTED RATE (COL 8 - 6)	DIFFERENCE (COL 8 - 6)	
*****									
THOMAS 097									
BREMSTER 00314	115,827	0	235,765	19,326	370,918	73.75	27,355	76.68	2.93
COLBY PUBLIC SCHOOLS 00315	1,583,970	55,328	251,378	378,441	2,269,117	60.96	138,325	65.52	4.56
GOLDEN PLAINS 00316	148,676	25,899	309,878	48,087	526,740	70.05	36,898	75.53	5.48
TREGO 098									
WAKEENEY 00208	462,429	52,089	839,764	359,504	1,713,786	52.07	89,237	56.42	4.35
WABAUNSEE 099									
ALMA 00329	127,070	68,485	757,185	243,091	1,195,831	62.63	74,895	67.81	5.18
WABAUNSEE EAST 00330	115,860	1,080	414,035	123,852	654,827	65.05	42,596	68.54	3.49
WALLACE 100									
WALLACE COUNTY SCHOOLS 00241	281,350	0	714,121	140,896	1,136,367	48.43	55,034	52.67	4.24
WESKAM 00242	18,054	0	126,299	4,740	149,093	41.04	6,119	41.82	0.78
WASHINGTON 101									
NORTH CENTRAL 00221	75,420	0	419,732	44,128	539,280	45.53	24,553	48.49	2.96
WASHINGTON SCHOOLS 00222	673,066	6,520	418,254	279,234	1,377,074	50.31	69,281	58.40	8.09
BARNES 00223	394,577	55,139	1,133,736	249,751	1,833,203	58.86	187,982	65.62	6.76
REPUBLICAN VALLEY 00224	229,143	0	432,946	154,288	816,377	39.43	32,190	41.53	2.18
WICHITA 102									
LEOTI 00467	607,640	0	380,331	348,689	1,336,660	62.14	83,860	65.21	3.07
WILSON 103									
ALTONKA-MIDWAY 00387	53,785	585	406,975	69,937	531,282	40.53	21,533	42.91	2.38
NEEDSHA 00461	379,935	1,142,590	161,920	832,502	2,516,947	54.57	137,350	66.47	11.90
FREDONIA 00484	546,930	233,070	695,281	1,418,845	2,894,126	66.71	193,867	76.56	9.85
WOODSON 104									
WOODSON 00366	340,803	95,156	612,176	299,297	1,347,432	40.29	54,288	48.36	3.07
WYANDOTTE 105									
TURNER-KANSAS CITY 00202	3,182,875	8,176,905	1,120	6,411,701	17,692,601	80.06	1,416,470	117.43	37.37
PIPER-KANSAS CITY 00203	21,845	0	26,705	288,866	337,416	88.75	29,946	91.78	3.03
BONNER SPRINGS 00204	2,650,180	3,115,675	27,670	4,279,998	18,073,443	113.15	1,139,810	162.56	49.41
KANSAS CITY 00500	26,138,385	20,986,170	1,300	39,985,800	87,111,655	63.13	5,499,359	86.07	22.94
*****									
STATE TOTALS	447,978,394	302,553,851	113,759,497	576,543,779	1,440,835,521	18,881.07	21,123.25		2,242.18

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# PUBLIC POLICY STATEMENT

## HOUSE EDUCATION COMMITTEE

RE: School Finance

Topeka, Kansas  
March 15, 1989

Presented by:  
Paul E. Fleener, Director  
Public Affairs Division  
Kansas Farm Bureau

**Mr. Chairman and Members of the Committee:**

We sincerely appreciate the opportunity to make a statement to your Committee on behalf of farmers and ranchers in Kansas. Mr. Chairman, we want to include some things in this statement today that really are as much for our own edification as for the members of this Committee ... but, perhaps together we can take a look at constitutional provisions relating to education and the funding of our schools. We include here some of the provisions from Article 6 of the Kansas Constitution concerning education. In Section 1 of Article 6 it says:

**The Legislature shall provide for intellectual, educational, vocational and scientific improvement by establishing and maintaining public schools, educational institutions and related activities which may be organized and changed in such manner as may be provided by law.**

Section 2 of Article 6 relates to the State Board of Education, and, in part, says:

**The Legislature shall provide for a State Board of Education which shall have general supervision of public schools ...**

*Attachment 6  
House Education  
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Importantly, Section 5 speaks to local public schools. That section indicates:

**Local public schools under the general supervision of the State Board of Education shall be maintained, developed and operated by locally-elected boards. When authorized by law, such boards shall make and carry out agreements for cooperative operation and administration of educational programs under the general supervision of the State Board of Education ...**

Finally, in regard to the constitution, one portion of Section 6, Article 6, sets forth the matter of finance:

**(b) the Legislature shall make suitable provision for finance of the educational interests of the state. No tuition shall be charged for attendance at any public school to pupils required by law to attend such school, except such fees or supplemental charges as may be authorized by law.**

Mr. Chairman, and Members of the Committee, you have a unique opportunity and an awesome responsibility as you develop and refine the school district equalization act to fund elementary and secondary schools in Kansas using newly-determined property valuations and the most recent taxable income figures for our school districts. You're looking at the SDEA, and as you do you are looking at what the constitution directs the Legislature to provide.

There have been changes in valuation, changes in income, changes in revenue sources, changes in enrollment as our population moves. Economic growth is taking place in this state. We are pleased that some of that from time to time relates to agriculture. Agriculture business and industry are progressive and growing. We ask you to keep one thing firmly in mind as you review this and other topics in this Legislative Session:

**Agriculture is ... and agriculture will continue to be the basic industry, the foundation of the economy of the State of Kansas.**

For that reason, as well as for reasons of social consciousness and the desire for educational excellence and equal educational opportunity, farmers and ranchers have had and continue to have an abiding interest in the development and maintenance of an equitable financial structure for our elementary and secondary schools.

Farmers and ranchers believe there should be **minimal reliance on the property tax** for the support of elementary and secondary schools. The property tax has been, the property tax is the basic source of revenue for local units of government. But the reliance on the property tax for the support of education in the State of Kansas is becoming burdensome, onerous.

In 1972, there was a Study Committee on school finance. That Committee, out in front of the power curve, out in front of final determination by courts of law in cases from California to Texas to New Jersey ... and yes, here in Kansas ... came to the conclusion this state needed at that time to revamp the financial mechanism for funding elementary and secondary schools. The outgrowth of the study and the recommendation made by that Committee was the School District Equalization Act, enacted into law in 1973. It was an important change in law, an important change in direction, in consideration of items that make it possible for the citizens of this state to fund the schools.

Incorporated in that law was a provision for utilization (rebate) of 10% of the income taxes collected from resident individuals. The amount of money from that 10% was returned to the district of origin to assist in funding schools. As you know, of course, 20% is now returned. We ask you take the next logical step. Give to locally elected Boards of Education the authority to tax income for the support of schools. You may want to mandate a certain beginning point on both income and property. But the mandate should provide for a **balance in revenue sources**, then leave to locally elected Boards the option of levying against income or property. Therefore, we recommend legislation to create a school district income tax to be collected by the state from every resident individual with the proceeds from such tax to be returned by the state to the school district of residence of the individual taxpayer.

We would support a recommendation from this Committee to place increased reliance on the state sales tax for financing elementary and secondary education in order to reduce reliance on property taxes.

We ask you to consider carefully and to recommend to the full Legislature a tax structure for this state which would enhance the revenues in the State General Fund for the purpose of providing properly for school finance. By that we mean, increasing the rates of income and privilege taxes imposed on corporations, financial institutions, insurance companies, and non-resident

individuals who derive some portion of their income in Kansas and pay taxes to the State of Kansas.

Finally, Mr. Chairman, and Members of the Committee, we ask you to look carefully, **closely**, at mandated programs. Are they necessary? Should they be continued? If your answer **in any case, for any program**, is yes, then we submit to you that any state-mandated program should be fully funded by the state. We believe the same to be true about federally mandated programs, and your strong recommendation to members of the Kansas Congressional Delegation and to their colleagues in the Congress of the United States should be: If the Congress mandates a program of education, the Congress of the United States should fully fund that mandate.

Our full policy position on School Finance is attached to this statement. If you have questions on our position I would be pleased to respond to them at this time.

We thank you for the opportunity to address the Committee.



## **School Finance**

We believe the Kansas Legislature should develop a school finance formula to assist in the delivery of and funding for a "basic education" for every child enrolled in public schools in each unified school district in the state.

We continue to believe that there should be minimal reliance on the property tax for support of our elementary and secondary schools. As long as property is used as a measure of wealth, then intangible property should be a part of such measurement of wealth.

We support legislation to create a school district income tax to be collected by the state from every resident individual and returned by the state to the school district of residence of the individual taxpayer.

We will oppose the application or use of a local income or earnings tax by any other local unit of government.

We support legislation to place increased reliance on the state sales tax for financing elementary and secondary education in order to reduce reliance on property taxes now levied for school finance.

State General Fund revenues should be enhanced for school finance purposes by increasing the rates of income and privilege taxes imposed on corporations, financial institutions, insurance companies, and non-resident individuals.

We believe that federally and state-mandated programs should be fully funded by the federal or state government, whichever mandates a given program.

We have opposed in the past, and we continue to oppose efforts to establish a statewide property tax levy.