

Approved March 27, 1989  
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by VICE CHAIRPERSON SHEILA FRAHM at  
Chairperson

1:30 ~~am~~/p.m. on Wednesday, March 22, 1989 in room 123-S of the Capitol.

All members were present except:

Senator Harder, excused  
Senator Karr, excused

Committee staff present:

Mr. Ben Barrett, Legislative Research Department  
Mrs. Avis Swartzman, Revisor's Office  
Mrs. Millie Randell, Committee Secretary

Conferees appearing before the committee:

SB 352 - Prohibiting boards of education from entering into the lease-purchase of a school building (Ways and Means)

Proponents:

Representative Marvin Smith  
Mr. Craig Grant, Director of Political Action, Kansas-National Education Association

Opponents:

Mr. Norman D. Wilks, Director of Labor Relations, Kansas Association of School Boards  
Mr. Mike Daniels, Manhattan, Kansas State Investment Banking Corporation  
HB 2267 - Children, attendance at school, noncompliance (Heinemann)

Proponents:

Mr. Gerald W. Henderson, Executive Director, United School Administrators of Kansas  
Mr. Craig Grant, Director of Political Action, Kansas-National Education Association

HB 2201 - School Districts, competitive bid requirements (Education)

Proponents:

Ms. Connie Hubbell, Chairman, State Board of Education  
Mr. Gerald W. Henderson, Executive Director, United School Administrators of Kansas  
Dr. Bill Curtis, Assistant Executive Director, Kansas Association of School Boards

Vice Chairperson Sheila Frahm called the meeting to order and then recognized Representative Marvin Smith as the first conferee to speak in support of SB 352, which would prohibit, commencing on or after July 1, 1989, any board of education from entering into any contract for the lease-purchase of a permanent structure for a school building. Representative Smith said he had been apprised of some concerns regarding this procedure which prevents the voters of districts from expressing their positions on such matters. (Attachment 1)

When the Vice Chairperson called upon the next conferee in support of SB 352, Mr. Craig Grant, Kansas-NEA, explained that his organization had requested SB 352 to be introduced as "one way to handle the situation", as described in his testimony found in Attachment 2. Should the Committee not pass SB 352, Mr. Grant said he would recommend that the subject of SB 352 be studied by an interim committee.

Speaking on behalf of the Kansas Association of School Boards, Mr. Norman D. Wilks, opposed the language in SB 352 which would prevent boards of education from entering into lease-purchase of a permanent structure for a school building. (Attachment 3) Replying to questions, Mr. Wilks estimated that there were three to five buildings that might be involved in such contracts. He also emphasized that the local boards are elected representatives of the voters.

Mr. Mike Daniels, Manhattan, who is with the Kansas State Investment Banking

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.

CONTINUATION SHEET

MINUTES OF THE EDUCATION COMMITTEE ON SENATE,  
room 123-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Wednesday, March 22, 19 89

Corporation, informed the Committee that his organization had been involved in two such contracts, and he said he had come to try to answer any Committee questions that might arise. In response to questions, he said that the two contracts to which he referred involved Sabetha and West Franklin and that they were small contracts of about \$200,000. He affirmed that no risk to the school district was involved in such contracts.

When there was no response to a call for more conferees, the Vice Chairperson announced that the hearing on SB 352 was concluded.

HB 2267 - Mr. Gerald W. Henderson was the first proponent called upon to testify in support of HB 2267, relating to the enforcement of the compulsory school attendance law. (Attachment 4)

Mr. Craig Grant, representing Kansas-NEA, also supported the change for reducing the interval after which a school district report is made to the secretary of SRS or to the county or district attorney regarding the compulsory school attendance law.

Following testimony by Mr. Grant and hearing no further response from conferees, the Vice-Chairperson announced that the hearing on HB 2267 was concluded.

HB 2201 - The Chairman of the State Board of Education, Ms. Connie Hubbell, urged passage of HB 2201 which, she explained, grants permission for unified school districts to purchase goods, materials, and wares from the state bid list which is prepared by the State Director of Purchasing. (Attachment 5)

Mr. Gerald W. Henderson, executive director of United School Administrators of Kansas, stated that passage of HB 2201 "allows each district another option to consider in the economic operation of the school system". (Attachment 6)

Dr. Bill Curtis, assistant executive director, Kansas Association of School Boards, also urged passage of HB 2201. (Attachment 7)

Following testimony by Dr. Curtis and hearing no further requests for testimony, Vice Chairperson Frahm announced that the hearing on HB 2201 was concluded.

Senator Kerr moved that minutes of the meeting of March 15 be approved. Senator Anderson seconded the motion, and the motion carried.

Vice Chairperson Frahm called the Committee's attention to additional testimony relating to HB 2234 that had been distributed by the Secretary. She then adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 123-S DATE: Wednesday, March 22, 1989

GUEST LIST

NAME

ADDRESS

ORGANIZATION

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Theresa Dyser	Wichita	USD 259
Marion E. Smith	Topeka	5th Dist
M. Hawes	"	Cap-Journal
Connie Thwezell	Topeka	SL Bd of Ed.
Richard McMillan	Topeka	SL Bd of Ed.
Ken Royce	Topeka	
Matt Taul	Topeka	AP & G E
Bill Curtis	Topeka	KASB
Jack Collins	Pleasanton	USD 341
Tim IREY	Melvern	USD 456
Mike Daniels	Manhattan	K.S. I.B.C.
JAMES WHITE	OSKALOOSA	USD #341
Gerald Pederson	Topeka	USA
Nora Wickes	TOPEKA	KASB
Jay Collins	"	K-NEA
Chris Grant	"	K-NEA
Bronck A. Siles	"	K-NEA
Kathryn Monahan	Lawrence	indiv.
Chas Burnett	Topeka	USD 501 #
Brenda Leerskov	Wichita	KFT
Judy Rickly	Topeka	Ind.

STATE OF KANSAS

MARVIN E. SMITH  
REPRESENTATIVE, FIFTIETH DISTRICT  
SHAWNEE AND JACKSON COUNTIES  
123 N.E. 82ND STREET  
TOPEKA, KANSAS 66617-2209



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
VICE-CHAIRMAN: TAXATION  
MEMBER: EDUCATION  
TRANSPORTATION

March 22, 1989

SENATE EDUCATION COMMITTEE

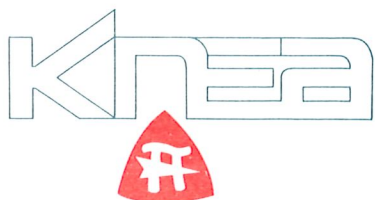
RE: SB 352

Mr. Chairman:

I believe SB 352 is a bill that is needed. One of the school superintendents from Shawnee County appearing before the Shawnee County Delegation in December 1988 indicated he had concern with the problems that could be created by the obligation that could be committed by the present statute.

Marvin E. Smith

Education  
3/22/89  
Attachment 1



Craig Grant Testimony Before The  
Senate Education Committee  
Wednesday, March 22, 1989

Thank you, Mr. Chairman. Members of the Committee, my name is Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about SB 352.

Earlier this session, Kansas-NEA became aware of a few school districts in our state who were using KSA 72-8225, which spoke to leasing real or personal property, to lease a permanent school building with the idea that it would be either a lease-purchase arrangement or just a lease. We do not believe that this was the intent of the legislature when the statute was enacted. What school districts are doing is avoiding a bond issue to build a building. We believe that the real intent of KSA 72-8225 was to lease temporary space because of overcrowding or a disaster which destroys a building until a permanent solution could be arranged. We note the language in lines 27 and 28 of the bill (current law) which limits the length of the lease to 10 years. Building projects are usually paid for in 20 or 25 years, so we are worried that districts will continue to sign a series of 10 year leases to avoid bringing a bond issue to the voters.

Another more serious situation we believe is that boards of education who use this method of leasing can utilize general fund dollars to fund the lease of a building rather than using capital outlay funds. We have worked long and hard to separate general fund expenditures from special fund categories in this state. Through this law, "resourceful" boards can use general fund dollars for building projects. We do not believe the legislature intended

Education  
3/22/89  
Attachment 2

for this to happen and that is why we asked for the bill to be introduced.

Although I have not personally seen any of these lease contracts that school boards have entered into, I understand that several of these agreements are not sound business arrangements for schools and really could leave schools "holding the bag" as far as these buildings are concerned. This is a situation which we believe needs attention by the legislature.

SB 352 is one way to handle the situation. We are pleased and thank the committee for holding a hearing on the bill. We would suggest and ask that a summer study be devoted to this topic. We hope you agree and we can deal with this subject in the interim. Thank you, Mr. Chairman, for listening to concerns of our members.



TESTIMONY ON SUBSTITUTE SENATE BILL NO. 352  
BEFORE THE SENATE EDUCATION COMMITTEE

BY

NORMAN D. WILKS, DIRECTOR OF LABOR RELATIONS  
KANSAS ASSOCIATION OF SCHOOL BOARDS

March 22, 1989

Mr. Chairman and members of the committee, on behalf of the 301 unified school boards of education which are members of the Kansas Association of School Boards, we wish to thank you for this opportunity to express our concerns in opposition to Senate Bill No. 352.

It is the legislative policy as approved by the Delegate Assembly of Kansas Association of School Boards that elected school board members should be allowed the greatest possible degree of local autonomy in the educational decision-making process. We believe that the change as proposed in Senate Bill No. 352 to prohibit lease-purchase of a permanent structure for a school building dramatically limits and reduces the decision-making ability of school board members. We further believe that the board of education should be allowed to explore all methods of providing necessary facilities and equipment, and pursue the best option.

As a result of greater demands on the capital outlay funds of school districts, and in many districts the limited ability to raise capital outlay funds, we believe boards of education should have the right to pursue alternative methods of acquiring necessary facilities and equipment. Further, the

local elected boards of education are in a better position to analyze the financial conditions and facility needs.

We, therefore, request this committee to retain the current leasing authority of school boards in K.S.A. 72-8225, and to oppose the language in Senate Bill No. 352 which would prevent boards of education from entering into lease-purchase of a permanent structure for a school building.

Thank you for your consideration of this issue.





HB 2267

Testimony presented before the Senate Committee on Education  
by Gerald W. Henderson, Executive Director  
United School Administrators of Kansas

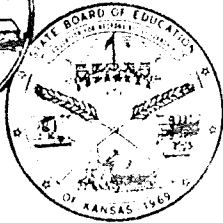
March 22, 1989

Mister Chairman and members of the committee:

United School Administrators of Kansas supports the changes to the compulsory attendance law outlined in HB 2267. Reporting to the SRS or to the county or district attorney on the next school day following return of the restricted mail receipt will present no problem to schools. Most schools have a process in place which causes such reports to be sent automatically upon return of the restricted mail receipt. It is our hope that the process will continue as expeditiously after the reports are made.

GWH/ed

Education  
3/22/89  
Attachment 4



# Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

Mildred McMillon  
District 1

Kathleen White  
District 2

Paul D. Adams  
District 3

Connie Hubbell  
District 4

I. B. "Sonny" Rundell  
District 5

March 22, 1989

Bill Musick  
District 6

Richard M. Robl  
District 7

Evelyn Whitcomb  
District 8

Timothy R. Emert  
District 9

Richard J. Peckham  
District 10

TO: Senate Education Committee  
FROM: State Board of Education  
SUBJECT: 1989 House Bill 2201

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

House Bill 2201 grants permission for unified school districts to purchase goods, materials, and wares from the state bid list which is prepared by the State Director of Purchasing.

The State Board believes this bill has the potential of saving school districts money and because of the increased purchasing volume could also save the state money. Since the bill is permissive, it is not possible to estimate the savings at this time.

The State Board of Education recommends that House Bill 2201 be recommended favorably for passage.

Education  
3/22/89  
Attachment 5



HB 2201

Testimony presented before the Senate Education Committee  
By Charles Stuart, Legislative Liaison  
United School Administrators

Wednesday, March 22, 1989

Mr. Chairman and members of the committee:

I am Chuck Stuart, representing United School Administrators of Kansas. We appreciate the opportunity to testify in support House Bill 2201.

House Bill 2201 amends the statute known to school administrators as the "compulsory bid law". The compulsory bid law requires sealed bids and contracts awarded to the lowest responsible bidder. This requirement is for expenditures of more than \$10,000 for construction, reconstruction or remodeling, and for the purchase of materials, wares or goods by a school district.

The amendment contained in HB 2201 would allow school districts the option of making purchases greater than \$10,000 without competitive bids if the item to be purchased has previously been bid by the state director of purchasing and the school district purchase was made from the approved state provider.

An example of how this amendment would assist school districts is the current practice in the purchase of tires for school district vehicles. Major tire companies submit a bid price to the state for many different sizes of tires. The tire company sends the state bid price information to their dealers. Any political subdivision can then purchase tires at this "state net" price from their local dealer.

The selling price to political subdivisions is less than the purchase price of tires by the dealer. The local dealer provides proof of sale and is then credited for the difference between his purchase price and the lower selling price. The dealer thus avoids a loss from the sale. The dealer is also credited for 5% of the selling price for handling the sale.

In the case of tires, local dealers use this procedure whether the total bid price is below or above the \$10,000 compulsory bid level. It is possible that not all companies submitting bids to the state would handle smaller bids as is done by the tire companies.

The state is one of the largest purchasers of materials and goods similar to those used by a school district. Allowing school districts the option to purchase from the state bid list without a compulsory bid provision for purchases greater than \$10,000 allows each district another option to consider in the economic operation of the school system.

We, therefore, ask your favorable consideration of HB 2201.

(Henderson)  
Education  
3/22/89  
Attachment 6



Testimony on HB 2201 before the Senate Education Committee

by

Bill Curtis, Assistant Executive Director  
Kansas Association of School Boards

March 22, 1989

Mr. Chairman and members of the committee, we appreciate the opportunity to testify today on behalf of the 301 member districts of the Kansas Association of School Boards. HB 2201 permits school districts to access the state bid list. KASB supports HB 2201.

This bill is permissive in allowing school districts to use the state bid list when buying supplies or products necessary for the operation of schools. Some districts already participate in buying cooperatives. The savings realized are due to quantity discounts. If districts should decide to use the state bid list, they should be able to realize savings for the same reason. Bid specifications can be compared to insure that the products are identical.

We appreciate the attention of the committee and urge favorable consideration for HB 2201.