

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

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

10:00 a.m./~~p.m.~~ on April 23, 1990 in room 519-S of the Capitol

All members were present except:

Representative Harder and Representative Jones, excused.

Committee staff present:

Avis Swartzman, Revisor of Statutes Office
Ben Barrett, Legislative Research
Carolyn Rampey, Legislative Research
Dale Dennis, Department of Education
Thelma Canaday, Secretary to the Committee

Conferees appearing before the committee:

Mr. Ben Barrett, Legislative Research
Mr. Dale Dennis, Assistant Commissioner of Education, Department of Education
Mr. Keith Farrar, Chairman, State Board of Tax Appeals
Ms. Pat Baker, Kansas Association of School Boards
Mr. Craig Grant, Kansas National Education Association
Mr. Chuck Stuart, United School Administrators
Mr. Ken Rogg, Schools for Quality Education
Mr. Bill Musick, State Board of Education
Ms. Kathryn Dysart, Wichita USD #259
Mr. Jim Yonally, Shawnee Mission USD #512
Ms. Helen Stephens, Blue Valley USD #229
Mr. Onan Burnett, Topeka USD #501
Mr. Paul Fleener, Kansas Farm Bureau
Mr. Rod Dietz, Director, Budget & Financial Reporting, Hutchinson USD #308
Dr. Harold Vestal, Superintendent, De Soto USD #232

The meeting was called to order by Chairman Crumbaker. The chairman announced the format of the meetings for today and tomorrow and then called on staff members to give explanation of SB 508.

Ben Barrett briefed the committee on the changes in the School District Equalization Act occasioned by SB 508:

- 1) budget per pupil controls for the 1990-91 school year are set at 101 percent to 102 percent. The basic (permanent) budget per pupil control feature is changed from a range of 103 percent to 109 percent to a range of 101 percent to 103 percent.
- 2) each school district will receive in the 1990-91 school year an amount of general state aid equal to the amount per pupil it received in the 1989-90 school year. Also in the 1990-91 school year each school district is guaranteed an amount at least equal to the amount of income tax rebate it received in the 1989-90 school year.
- 3) the definition of taxable income is modified so that the taxable income of a district for any school year is subject to an increase limitation.
- 4) provides for adjustment in the median budget per pupil in the 4th enrollment category by increasing it 7.1 percent.
- 5) the State Board of Education will oversee the distribution of the income tax rebate, replacing the Director of Taxation.

Dale Dennis explained computer printout L9068 which compares the projected general fund mill rates of school finance plans recommended by the Governor (excluding tax lid), Senate Education Committee. and SB 508. Questions from the committee members and discussion took place during Mr. Dennis' presentation.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,

room 519-S, Statehouse, at 10:00 a.m./~~p.m.~~ on April 23, 1990.

Ben Barrett explained the memorandum regarding distribution of general state aid Income Tax Rebate to School Districts. Mr. Barrett pointed out the illustrations showing the flow of general state aid, income tax rebate and general fund property taxes throughout the school district budget. (Attachment 1) Mr. Barrett said the 18 month budget is needed to insure school boards will have revenues to meet their obligations.

The meeting was adjourned by the chair at 11:50 for lunch to reconvene at 1:30 p.m.

In the afternoon session Mr. Keith Farrar of the State Board of Tax Appeals addressed the committee. Mr. Farrar said the Board has received 29,163 county changes of value up to April 16, 1990 and more are anticipated so the final tally will not be known until sometime in late summer. Mr. Farrar pointed out there is no specific type of property that stands out with respect to these changes. Mr. Farrar emphasized that the values the committee may be considering for school finance are not final nor will they be final until the local appeal process is complete and the new values are entered in the computer. (Attachment 2) A loss of value in random selected counties was discussed by Mr. Farrar. (Attachment 3) Mr. Farrar selected random counties to show the average reduction number of parcels and the value reduced. (Attachment 4) Mr. Farrar answered questions from the committee members during his presentation.

Pat Baker expressed a certain amount of frustration with the provisions of SB 508 and its method of financing public schools next year but said it was the best of all the proposals that had been considered in this time of limited dollars, questionable data and taxpayer discontent. Ms. Baker noted the problems in funding education in other states and expressed the desire that Kansas would remain a leader in the field of educational funding. (Attachment 5)

Craig Grant expressed concerns with SB 508 because the 4th enrollment category schools needs are not met and the lack of flexibility would cause many districts to cut programs for the students. Mr. Grant supplied the committee with a study he had done with the printout adopted by the Senate showing the districts who lose money by enrollment, by loss in aid, and by loss in aid per pupil. (Attachment 6)

Chuck Stuart expressed serious concerns about SB 508. Mr. Stuart feels the definition of district wealth given in the bill is neither accurate nor fair; property tax rollback could supply new state funds for schools; permanent budget limits need to be 103 percent - 109 percent; and the 4th enrollment category districts need support. (Attachment 7)

Ken Rogg echoed the statements given by Pat Baker in her testimony. Mr. Rogg said a change in school formula is not wise during a time of reappraisal and classification because the facts are not all in. Since this is a buffer year Mr. Rogg would support SB 508.

Bill Musick said he has three concerns with SB 508. They are 1) equity, 2) property tax and 3) 1-2 percent budget lids.

Kathryn Dysart testified in support of SB 508. Ms. Dysart believes the proposed solution for the 1990-91 school year which sustains basic aid per pupil at the 1989-90 level and allows the income tax rebate to "float" provides a measure of stability in a turbulent year. Ms. Dysart said the budget lids are a problem and will hamper school districts committed to innovation. (Attachment 8)

Mr. Yonally expressed concerns about the budget controls and would rather see a flat 2 percent with no 1 percent "kicker". Mr. Yonally said the Shawnee Mission School District is opening 2 elementary school and will be looking at an 8 10 mill increase if something isn't done.

Ms. Stephens spoke in support of SB 508 as a stop gap measure until study can be

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,

room 519-S, Statehouse, at 10:00 a.m./~~p.m.~~ on April 23, 1990

made in depth of the school finance situation. She said Blue Valley School District has no position on the budget lids as addressed in SB 508.

Chairman Crumbaker drew attention to the written testimony of Mr. Onan Burnett. Mr. Burnett expressed support of SB 508 with one exception. He feels the permanent budget limits of 1 and 3 percent are too low. (Attachment 9)

Mr. Fleener testified in support of SB 508. He recognizes the difficulty, because of so many unknowns brought about by reappraisal and classification, in settling the issue of school finance for the 1990-91 school year. Mr. Fleener said this is not the time to consider removing income from the taxes. He believes there should be greater reliance on income and reduced reliance on property taxes. Mr. Fleener urged the leadership to firmly request a full blown interim committee study to examine school finance in depth looking at the problem from a philosophical viewpoint rather than using computer runs. (Attachment 10)

Mr. Dietz said he was not complaining about the formula but was simply pointing out the Hutchinson schools were not benefiting and their shortfall was becoming a windfall for other school districts. Mr. Dietz said if something isn't done to correct the formula programs will have to be reduced and businesses will be closing in Hutchinson because of taxes imposed. (Attachment 11)

Dr. Vestal said 1 - 2 percent budget limits do not provide for quality education. He said line items have had to be frozen on instructor supplies and books, and given another year of significant losses our ability to do a good job for our students will be more severely curtailed. Dr. Vestal feels the goals of the legislature, the Department of Education, and school districts cannot be achieved with the present funding. Dr. Vestal urged the limits be set at 2 percent and 4 percent.

Hearings on SB 508 were closed by the chairman. After announcing the plans for tomorrow's meeting the chair adjourned the meeting at 3:58 p.m.

The next meeting will be April 24, 1990 in Room 519-S at 9:00 a.m.

DATE April 23, 1990

GUEST REGISTER

HOUSE

EDUCATION COMMITTEE

NAME	ORGANIZATION	ADDRESS
Bell Messer	St Bd of Ed	Memphises
Pat Baker	KASB	Topeka
Harold Justice	De Soto USD 232	De Soto, KS
Jim Sullivan	KC STAR	Overland KS.
Graig Grant	H-NEA	Topeka
Grant Burnett	USD 501 #	Topeka
Don Kemps	DOB	TOPEKA
Alan Steppat	Pete McGill & Associates	Topeka
Tim Honally	USD # 512	Overland Park
Kubak	4th Enrollment USA's	Topeka
Ken Brown	SDE	P. 100
Gerald Waddum	USA of KS	Topeka
Jim P. Franklin	USD # 500	W. City, KS.
Clarence Tricky		EMERSON KS
Ken Burgess	USD 340 and 464	Meriden & Tonganoxie
Bill Curtis	Ks Assoc. of School Bds	Topeka
Deime Apt	Gov's off.	"
Connie Huellett	St Bd of Ed	Topeka
Rod Dietz	USD 308	Hutchinson
Chuck Stuart	United School Adm.	Topeka
J. Marshall	Harris News Service	Hutchinson / Topeka

MEMORANDUM

Kansas Legislative Research Department

Room 545-N - Statehouse
Topeka, Kansas 66612-1586
(913) 296-3181

April 23, 1990

To: House Committee on Education

From: Kansas Legislative Research Department and Division of
Financial Services, State Department of Education

Re: Distribution of General State Aid Income Tax Rebate to School Districts

School districts adopt a budget that covers an 18 month period. The law requires the budget to be filed with the county clerk by August 25. The budget so adopted covers the period from July 1, the month before the budget actually is adopted, through December 1 of the following year. To illustrate: the budget adopted in August of 1990 will cover the period from July 1, 1990, through December 31, 1991. Each year this cycle is repeated so that the last six months of the 18-month period always becomes the first six months of the new budget year.

Historically, the 18-month budget developed from the fact that property taxes were the primary source of revenue for school districts and that neither the school year, which begins in earnest around the first of September, nor the statutory fiscal year coincides with the property tax year. Most of the property taxes levied are collected and distributed during the period of December through June -- which is after the beginning of the current fiscal and school year. This meant that expenses incurred in the first few months of the current school year had to be met by balances carried forward from the previous year or from revenue distributions occurring during this time from state or other sources. Projecting expenditures and revenues through this period helped school districts ensure that they would have sufficient revenue to meet their financial obligations during the time when little property tax revenue flows into the district.

As the various state aid programs have evolved, efforts have been made to establish revenue distribution schedules that help even out the flow of money to school districts.

As a consequence of this budgeting system, when school finance printouts are prepared for review by the Legislature, it is necessary to estimate school revenues and budgets for an 18-month period. In this connection, this memorandum responds to a request that the flow of general state aid, income tax rebate, and general fund property taxes throughout the school district budget year be illustrated.

1. **GENERAL STATE AID.** On September 20, October 20, November 20, December 20, and January 20, school districts receive 10 percent of their state aid entitlement for the preceding school year. On February 20, March 20, and April 20, districts receive 10 percent of their entitlement for the current school year. On May 20, districts receive 12 percent of their entitlement for the current school

*Attachment 1
House Education
4-23-90*

year and on June 15, districts receive their full current year entitlement, less amounts received in September through May.

2. **INCOME TAX REBATE.** School districts are entitled an income tax rebate equal to 23 percent for tax year 1989 and 24 percent for tax year 1990 and thereafter of the resident individual income tax liability in the district. On September 1, districts are paid 20 percent of the amount of such moneys that have been credited to the State General Fund since May 1 of the preceding school year. On October 1 and November 1, payments are made in the same amount as the September 1 payment. On December 1, the payment is equal to twice the amount of the September 1 payment. The February 1 payment consists of any such money remaining in the State General Fund prior to February 1 of the current school year. On May 1 and June 15, districts receive payments, each equal to 50 percent of the amount credited to the State General Fund since February 1.
3. **PROPERTY TAX.** Real and personal property taxes are due on December 20, except that one half may be paid on or before December 20 and one half may be paid on or before June 20. (Legislation enacted in the 1989 Special Session modified this schedule somewhat for 1990 to accommodate protests related to implementation of statewide reappraisal of property.)

Property tax revenues due to school districts and other taxing units are distributed periodically, in accord with statutory guidelines and agreements among governmental units. Distributions based on the specific statutory schedule occur on or before July 20, September 5, October 31, January 20, March 5, and May 20. The January, July, and October distributions are the estimated amounts collected and owed the taxing subdivision, but not less than the amount actually collected as of not more than 20 days before the distribution date. The March, May, and September payments are not less than 95 percent of the estimated amount collected and owed to the taxing subdivisions, but not less than the amount actually collected as of not more than 20 days before the distribution date.

ILLUSTRATION

(In Millions)

<u>Year</u>	<u>General State Aid</u>	<u>Income Tax Rebate</u>	<u>Property Tax Revenue*</u>
1990			
July			204.1
August			
September	53.9	26.7	20.4
October	53.9	26.7	13.6
November	53.9	26.7	
December	53.9	53.4	
1991			
January	53.9		364.6
February	54.6	10.3	
March	54.6		54.7
April	54.6		
May	65.6	21.8	54.7
June	47.4	21.8	
FY Subtotal	546.3	187.4	712.1
July			218.8
August			
September	54.6	29.6	21.9
October	54.6	29.6	14.6
November	54.6	29.6	
December	54.6	59.2	
Subtotal: 6 Months	218.4	148.0	255.3
Total: 18 Months	764.7	335.4	967.4

* Actual distribution practices vary greatly. The spread shown in general represents the overall state pattern.

90-449/BFB

3
A-1-
House Education
4-23-90



BOARD OF TAX APPEALS

*Keith Farrar, Chairman**Docking State Office Building, 10th Floor
Topeka, Kansas 66612-1582
AC-913 296-2388**Victor M. Elliott, Member
Conrad Miller, Jr., Member
Charles F. Laird, Member
Maybelle Mertz, Member*

MEMORANDUM

TO: Representative Don Crumbaker

FROM: Keith Farrar, Chairman, Board of Tax Appeals

DATE: April 23, 1990

Pursuant to your request, I have prepared this memorandum to explain some of what is happening with values at the local level.

1. The Board has received 29,163 county changes of value up to April 16, 1990. These county justifications continue to arrive daily as the counties are still reviewing thousands of appeals. Up to April 16, 1990, 103,893 protests have been filed and entered in the Hearing Tracking system at the local level. The Board does not anticipate knowing what the final tally will be until sometime in the late summer.
2. The Board is seeing rather significant reductions in values across the board. Obviously each case is different, but it is not uncommon for the county to suggest a reduction as high as 50 or 60%. This type of reduction, if very many properties are reduced, can have a significant impact on the total tax base. As the counties discover errors in their appraisals, corrections must be made. The Board has noticed that no specific type of property stands out with respect to these changes; but rather, all types of property are affected. Residential properties, both urban and rural, as well as Ag land and buildings and commercial/industrial properties have been reduced. Based on specific properties under appeal, counties have also discovered errors affecting whole neighborhoods, including properties that were not appealed, that must be corrected which will further reduce the tax base. Again, these changes will not be reflected until later in the year.
3. Procedurally, if the county changes the value the proposed change must be approved by the Board. The Board has 45 days from receipt of the justification to reject it or the proposed value becomes effective by operation of law. I note this so you will understand that the values you may be considering for school finance are not final nor will they be final until the local appeal process is

*Attachment 2
House Education
4-23-90*

Page 2
April 23, 1990
Representative Crumbaker

complete and the new values are entered in the computer. For example, during the 1989 equalization appeals early in the year, counties reduced values that caused taxing districts, including school districts, to experience financial difficulties due to the loss of value.

If you have further questions, please let me know.

*A-2-2
House Ed.
4-23-90*

2

LOSS OF VALUE IN RANDOM SELECTED COUNTIES

<u>COUNTY</u>	<u>VALUE REDUCED</u>	<u>NUMBER OF PARCELS</u>	<u>AVE REDUCTION</u> In Thousands
ATCHISON	416,000	10	41.6
		One parcel reduced from 405,100 to 100,000 = 75% Red. the rest Average	12.3
ALLEN	383,960	35	10.9
ALLEN	530,520	42	12.6
BARBER	136,870	14	9.7
BARBER	94,420	8	11.8
BOURBON	144,000	28	5
FINNEY	44,000	2	22
FINNEY	273,000	29	9
HARVEY	120,600	9	13.4
HARVEY	100,000	12	8
LEAVENWORTH	408,700	9	45.4
PHILLIPS	1,432,000	9	159
RENO	50,300	4	12.5
SEDGWICK	1,088,000	74	15
SHERIDAN	421,000	21	20
THOMAS	331,700	41	8
<hr/>			
Red.			
94%	JOHNSON	445,580 land reduced to 2,200	22
	JOHNSON	2,525,500	178
100%	JOHNSON	60,640 home association values to 0	3
		<hr/>	<hr/>
		3,031,720	203
			14.9
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60%	RILEY	39,800 land value changed	12
			3.3
17%	RILEY Comm.	975,700	15
			65
21%	RILEY Resid.	218,600	18
			12.1
		<hr/>	<hr/>
		1,234,100	45
			27.4 Avg.
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TOTAL	10,240,890	595	17.2
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SHAWNEE	2,257,360	4	564.3
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TOTAL	12,498,250	599	20.8

*Attachment 3
House Education
4-23-90*

<u>COUNTY</u>	<u>AVG. REDUCTION</u>	<u>NUMBER OF PARCELS</u>	<u>VALUE REDUCED</u>
BARBER	28,000	45	835,000
SMITH, GREY AND ELLIS	6,100	105	643,000
RUSSELL	13,000	40	522,000
SEDGWICK	12,600	276	3,480,000
CHEROKEE	5,700	16	92,000
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	11,560	482	5,572,000
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BARTON	35,000	23	789,000
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	12,600	505	6,361,000

*Attachment 4
House Education
4-23-90*



Testimony on Senate Bill 508
House Education Committee

April 23, 1990

by

Patricia Baker, Associate Director/General Counsel
Kansas Association of School Boards

Mr. Chairman, committee members, I appreciate the opportunity to appear before you in reference to Senate Bill 508, the School Finance Bill. It is with mixed emotions that I address this measure on behalf of local boards of education.

We have long supported the concept of a formula which strives for equalization of effort for Kansas students. Likewise, we have worked for a larger share of state participation in public education funding. The Kansas Constitution clearly states that the provision of a system of public education is the duty and responsibility of the State. Over the past years we have frequently heard school districts referred to as "another special interest group." The intent of those so categorizing our schools has not been positive. While I don't agree with the pejorative nature of the name-calling, I do agree with the name. Students served by public schools in Kansas should be viewed as a very special interest. Those students are a special interest to everyone whether or not they have children in school, whether they are employers or employees, whether they own property, whether they live on a farm or in a condominium.

*Attachment 5
House Education
4-23-90*

Yes, the state and local governments spend a great deal on public education. We should. It is our most valuable institution and our greatest source of economic development. Whether in a one-room school near Rolla or a High School in Shawnee Mission, failure to address our educational needs is failure for the State of Kansas.

For several years we have heard that we will "fix" the problem for a short time and maybe next year there will be an opportunity to really address the problem. We have concerns for those students who may be in 1st grade or 8th grade or seniors in high school and wonder if they will later understand that they simply went to school at a time when it wasn't right to "fix" it.

In reviewing the provisions of Senate Bill 508 and its method of financing public schools next year, we are frustrated. We certainly want a finance bill that will pass and will provide a method of distributing available resources. Of all of the proposals before this body, Senate Bill 508 seems the least onerous for the most districts. We appreciate the problems faced by the legislature with limited dollars, questionable data and taxpayer discontent. We are not blind to the many problems facing all of you. We are willing to work with you to do the best that is possible in 1990.

There have been a number of proposals to implement "reform" in the public schools. For the most part, we have supported measures which seek to improve the delivery of education services to our children. There is no guarantee that dollars alone will improve the quality of education. However, we know that equity and resources must be elements in any restructuring. The past couple of years have seen challenges to statewide public education. At this time, the State of Kentucky is involved in a massive, court ordered realignment of public education. The Texas Legislature is embroiled in a controversy on school funding that threatens to close the

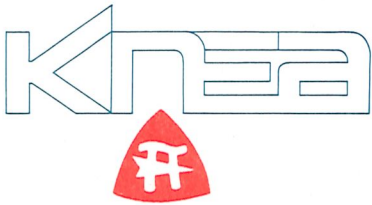
*A-5-2
House Ed.
4-23-90*

schools on May 1. This is also the result of challenges to the equity of funding schools in that State. Oklahoma teachers took the fight to the legislature, with the blessing of their employers and won. Just last week the United States Supreme Court decided that a Federal Judge could order the levying of taxes for the purpose of providing sufficient money for public schools in Kansas City, Missouri.

Kansas has stood for years as a leader in the field of educational funding. We wrote the best formula, for its time. We haven't followed the formula and we haven't provided the resources. I don't want to see the fight over funding decided by the courts. Challenges to inequities and lack of resources are going to sweep the country. I hope Kansas leads the way, again, in showing that the issues can be settled in the place where they should be--this building.

Because we are also realists, we offer our support and assistance on Senate Bill 508 until better information is available. We would like to work with this body to insure the best education we can for A-1 students in Kansas. Thank you.

A-5-3
Blaine Ed.
4-23-90



Craig Grant Testimony Before The
House Education Committee
Monday, April 23, 1990

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about SB 508, this year's school finance plan.

As I look through the component parts of the printout which was adopted by the Senate, I can tell this committee that there are a few elements on which my organization has not taken a stand. The formula of district wealth and income tax rebate deduction is not specifically spoken to in our resolutions. I did look, however, at the printout to study those districts who lose money. I have listed those for you in the enclosures attached to my testimony. I have organized them in three different methods --one by enrollment, one by loss in aid, and one by loss in aid per pupil.

I think the following generalizations can be made about the 58 districts who lose money:

1. The districts basically have less than 1,000 pupils with the median enrollment being 308.5;
2. The median aid lost is about \$12,000 but, more important, the median aid lost is about \$35.00 per pupil; and
3. These districts have a median levy for 1990 of 52.66, which indicates that they certainly are not "low" mill levy districts.

I am not necessarily an advocate for small districts over large districts, but I do believe that if large districts lost \$35 a pupil or as high as \$207.00 a pupil as Pleasanton does, there would be a hue and cry for a "hold harmless" clause. Since a hold harmless under the present SB 508 would cost only \$862,627, I would hope this committee would look at this

concept when it works the bill. Since the basic philosophy of SB 508 is to hold districts harmless, we should extend that to the others.

Kansas-NEA has taken a position on two other aspects of SB 508. We have supported in the past and support now the increase in the 4th enrollment category's budget authority to bring it closer to the 5th enrollment category. Those low spending schools need additional authority to keep them competitive and to allow them to provide quality instruction. The problem with the present construction of SB 508 is that even though the additional 7.1% raises the median 4th enrollment, districts still are stuck with a 2% cap which will not, in reality, bring the 4th category up to the desired level.

That brings us to the other area we have a great deal of concern about--the budget limitations. Kansas-NEA believes that 1-2% budget limitations, even with the 1% "kicker," are unacceptable. When the cost of living is increasing at a 4.6% or greater rate (8.0% for the first three months of 1990) and when the legislature asks local districts to expend resources in parenting education programs, at-risk projects, business-education partnerships, excellence grants, and outcomes-based accreditation, it is unreasonable to expect districts to keep quality programs with only a 1 or 2% increase. There is no flexibility for districts built into SB 508 presently and many districts will need to cut programs for the students.

The double whammy this bill places on teachers and districts is the reduction of the permanent budget lids to 1-3%. This proposal was not discussed in committee and no logical reasons were presented on the Senate

*a-6-2
House Ed.
4-23-90*

floor to justify the amendment. If we really want to dash any hope for future improvements or for real reforms, we can leave that provision in place. The comment was made that 1-3% was closer to today's inflation, yet nothing I have read has ever put inflation at 1%. It has not recently been at 3% either. The amendment offered can only mean that politics will be the only pressure which controls school finance. We strongly believe that amendment should be removed.

We ask for excellence--and we provide no method to achieve such. I realize that the property tax might be a problem in some districts with higher limits--and we have supported a number of measures to help relieve the property tax; however, allowing the flexibility of higher limits does not mean that districts will use such authority. Districts can, and do, choose to use less authority but then they will have unused authority to help them catch up in future years. Districts who need that authority this year can expend the dollars needed to keep the quality. Superintendent Kaufman of Hays stated it best when he spoke before the Senate Education Committee about the at-risk project in his district. He said that unless more spending authority was given to his district it would be forced to drop the "latch-key" program. Districts also need the flexibility to meet mandated programs such as special education and transportation which it appears will not be fully funded.

Kansas-NEA would ask that you provide a way for increased budget authority for schools--at least equal to last year's limits--so schools can meet the challenges of the 90's. We further hope that you will heed our other comments so we can pass a bill we can say was truly the best we could do this year. Thank you for listening to the concerns of our members.

*9-6-3
House Ed.
4-23-90*

ATTACHMENT 1

*R-6-4
Revenue Est.
4-23-90*

DISTRICT	USD	ENROLLMENT	AID LOST	AID/PUPIL LOST	MILLS LOST	1990 EST. MILL RATE	INC. MILL RATE
BUHLER	313	2118	169	0.08	0.00	58.06	5.17
CHANUTE	413	1816	1204	0.66	0.03	71.33	5.00
CHAPMAN	473	1195	2566	2.15	0.07	54.05	3.65
GOODLAND	352	1185	29710	25.07	0.65	54.12	3.78
GARNETT	365	935	60637	64.85	1.93	54.65	6.21
BAXTER SPRINGS	508	875	9999	11.43	0.80	48.78	9.89
ATCH. COUNTY	377	770	12289	15.96	0.58	66.21	3.24
CANEY VALLEY	436	758	18086	23.86	1.13	43.39	4.64
RIVERTON	404	685	48033	70.12	3.18	42.86	10.42
N. OTTAWA	239	630	23961	38.03	1.19	45.17	5.26
WAKEENEY	208	620	4687	7.56	0.19	46.10	3.37
JAYHAWK	346	540	14009	25.94	0.93	53.63	5.94
CENTRAL HIGTS	288	500	22789	45.58	2.20	41.44	9.10
UNIONTOWN	235	490	22501	45.92	2.12	44.01	8.85
LEBO-WAVERLY	243	481	12147	25.25	0.95	52.74	6.14
CHAUT. COUNTY	286	480	403	0.84	0.03	27.05	5.18
PLAINVILLE	270	470	25449	54.15	1.11	51.33	4.47
FAIRFIELD	310	467	22398	47.96	0.96	56.69	2.77
WASHINGTON	222	410	15751	38.42	1.52	57.12	7.74
PLEASANTON	344	400	83031	207.58	12.26	62.61	26.27
PEABODY-BURNS	398	390	24981	64.05	2.13	60.35	7.84
VICTORIA	432	386	18036	46.73	1.35	35.20	5.63
REPUBLICAN VALL	224	380	14637	38.52	0.88	45.86	2.86
CENTRAL	462	380	12068	31.76	1.11	49.55	6.04
ALTOONA-MIDWAY	387	376	32493	86.42	3.34	44.52	10.45
TROY	429	371	469	1.26	0.08	40.15	8.19
ELLIS	388	360	4074	11.32	0.26	44.33	1.95
LACROSSE	395	322	19357	60.11	0.90	50.27	2.41
LEROY-GRIDLEY	245	316	6738	21.32	0.50	46.44	4.01
SOUTH BARBER	255	301	1406	4.67	0.06	46.52	1.02
CENTRE	397	300	7338	24.46	0.57	37.41	2.52
MANKATO	278	285	19364	67.94	2.51	69.85	8.88
MAD-VIRGIL	386	276	30098	109.25	3.03	47.47	6.30
HIGHLAND	425	271	5671	20.93	0.83	52.04	4.06
ELWOOD	486	240	45432	189.30	6.16	55.44	13.49
FLINTHILLS	492	220	16092	73.15	1.40	61.77	3.46
LOGAN	326	215	19621	91.26	1.56	37.32	3.61

9-6-5
 Dover Ed.
 4-23-90

DISTRICT	USD	ENROLLMENT	AID LOST	AID/PUPIL LOST	MILLS LOST	1990 EST. MILL RATE	INC. MILL RATE
SYLVAN GROVE	299	210	10633	50.63	1.14	46.18	4.56
ATTICA	511	210	12025	57.26	1.04	50.90	2.73
ARGONIA	359	210	17332	82.53	1.71	68.87	5.43
MONTEZUMA	371	205	3847	18.77	0.34	62.79	1.78
CEDAR VALE	285	196	1201	6.13	0.16	37.50	3.05
SMOKEY HILL	302	195	1339	6.87	0.11	44.32	1.39
MIDWAY	433	195	16049	82.30	2.05	58.84	4.65
JEWELL	279	188	21598	115.19	2.45	63.76	5.14
GRAINFIELD	292	186	9850	52.96	0.92	64.05	2.80
NORTH CENTRAL	221	176	10625	60.37	1.25	44.76	3.52
ELK VALLEY	283	175	1727	9.87	0.35	53.89	3.09
NORTHERN VALLEY	212	173	16245	93.90	2.39	79.02	5.45
PARADISE	399	162	2409	14.87	0.15	52.58	1.14
DEXTER	471	155	2635	17.00	0.47	44.55	2.97
GRINNELL	291	142	3179	22.47	0.37	68.12	2.05
GOLDEN PLAINS	316	137	1860	13.58	0.21	54.00	1.67
CUBA	455	131	8454	64.53	1.35	72.25	3.91
PRAIRIE HGTS	295	121	234	1.93	0.04	63.01	1.66
W. GRAHAM	280	119	2077	17.53	0.25	56.43	1.85
WEST SOLOMON	213	102	11123	109.05	1.50	64.46	3.54
NES TRES LA GO	301	80	491	6.14	0.05	68.91	1.25

58 DISTRICTS	AVERAGE ENROLLMENT	TOTAL AID LOST	AVERAGE AID/PUPIL LOST	MEDIAN MILL LEVY LOST	AVERAGE 1990 MILL LEVY	AVERAGE MILL LEVY INCREASE
	425.52	862627.00	34.95		53.02	5.06
	MEDIAN ENROLLMENT	MEDIAN AID LOST	MEDIAN AID/PUPIL LOST	MEDIAN MILL LEVY LOST	MEDIAN 1990 MILL LEVY	MEDIAN 1990 LEVY INCREASE
	308.50	12046.50	34.89	0.94	52.66	4.03

ATTACHMENT 2

*9-6-6
House Ed.
4-23-90*

DISTRICT	USD	ENROLLMENT	AID LOST	AID/PUPIL LOST	MILLS LOST	1990 EST. MILL RATE	INC. MILL RATE
PLEASANTON	344	400	83031	207.58	12.26	62.61	26.27
GARNETT	365	935	60637	64.85	1.93	54.65	6.21
RIVERTON	404	685	48033	70.12	3.18	42.86	10.42
ELWOOD	486	240	45432	189.30	6.16	55.44	13.49
ALTOONA-MIDWAY	387	376	32493	86.42	3.34	44.52	10.45
MAD-VIRGIL	386	276	30098	109.25	3.03	47.47	6.30
GOODLAND	352	1185	29710	25.07	0.65	54.12	3.78
PLAINVILLE	270	470	25449	54.15	1.11	51.33	4.47
PEABODY-BURNS	398	390	24981	64.05	2.13	60.35	7.84
N. OTTAWA	239	630	23961	38.03	1.19	45.17	5.26
CENTRAL HIGTS	288	500	22789	45.58	2.20	41.44	9.10
UNIONTOWN	235	490	22501	45.92	2.12	44.01	8.85
FAIRFIELD	310	467	22398	47.96	0.96	56.69	2.77
JEWELL	279	188	21598	115.19	2.45	63.76	5.14
LOGAN	326	215	19621	91.26	1.56	37.32	3.61
MANKATO	278	285	19364	67.94	2.51	69.85	8.88
LACROSSE	395	322	19357	60.11	0.90	50.27	2.41
CANEY VALLEY	436	758	18086	23.86	1.13	43.39	4.64
VICTORIA	432	386	18036	46.73	1.35	35.20	5.63
ARGONIA	359	210	17332	82.53	1.71	68.87	5.43
NORTHERN VALLEY	212	173	16245	93.90	2.39	79.02	5.45
FLINTHILLS	492	220	16092	73.15	1.40	61.77	3.46
MIDWAY	433	195	16049	82.30	2.05	58.84	4.65
WASHINGTON	222	410	15751	38.42	1.52	57.12	7.74
REPUBLICAN VALL	224	380	14637	38.52	0.88	45.86	2.86
JAYHAWK	346	540	14009	25.94	0.93	53.63	5.94
ATCH. COUNTY	377	770	12289	15.96	0.58	66.21	3.24
LEBO-WAVERLY	243	481	12147	25.25	0.95	52.74	6.14
CENTRAL	462	380	12068	31.76	1.11	49.55	6.04
ATTICA	511	210	12025	57.26	1.04	50.90	2.73
WEST SOLOMON	213	102	11123	109.05	1.50	64.46	3.54
SYLVAN GROVE	299	210	10633	50.63	1.14	46.18	4.56
NORTH CENTRAL	221	176	10625	60.37	1.25	44.76	3.52
BAXTER SPRINGS	508	875	9999	11.43	0.80	48.78	9.89
GRAINFIELD	292	186	9850	52.96	0.92	64.05	2.80
CUBA	455	131	8454	64.53	1.35	72.25	3.91
CENTRE	397	300	7338	24.46	0.57	37.41	2.52

A-6-7
 Abuse Ed.
 4-23-90

DISTRICT	USD	ENROLLMENT	AID LOST	AID/PUPIL LOST	MILLS LOST	1990 EST. MILL RATE	INC. MILL RATE
LERROY-GRIDLEY	245	316	6738	21.32	0.50	46.44	4.01
HIGHLAND	425	271	5671	20.93	0.83	52.04	4.06
WAKEENEY	208	620	4687	7.56	0.19	46.10	3.37
ELLIS	388	360	4074	11.32	0.26	44.33	1.95
MONTEZUMA	371	205	3847	18.77	0.34	62.79	1.78
GRINNELL	291	142	3179	22.47	0.37	68.12	2.05
DEXTER	471	155	2635	17.00	0.47	44.55	2.97
CHAPMAN	473	1195	2566	2.15	0.07	54.05	3.65
PARADISE	399	162	2409	14.87	0.15	52.58	1.14
W. GRAHAM	280	119	2077	17.53	0.25	56.43	1.85
GOLDEN PLAINS	316	137	1860	13.58	0.21	54.00	1.67
ELK VALLEY	283	175	1727	9.87	0.35	53.89	3.09
SOUTH BARBER	255	301	1406	4.67	0.06	46.52	1.02
SMOKEY HILL	302	195	1339	6.87	0.11	44.32	1.39
CHANUTE	413	1816	1204	0.66	0.03	71.33	5.00
CEDAR VALE	285	196	1201	6.13	0.16	37.50	3.05
NES TRES LA GO	301	80	491	6.14	0.05	68.91	1.25
TROY	429	371	469	1.26	0.08	40.15	8.19
CHAUT. COUNTY	286	480	403	0.84	0.03	27.05	5.18
PRAIRIE HGTS	295	121	234	1.93	0.04	63.01	1.66
BUHLER	313	2118	169	0.08	0.00	58.06	5.17

58 DISTRICTS	AVERAGE ENROLLMENT	TOTAL AID LOST	AVERAGE AID/PUPIL LOST	MEDIAN MILL LEVY LOST	AVERAGE 1990 MILL LEVY	AVERAGE MILL LEVY INCREASE
	425.52	862627.00	34.95		53.02	5.06
	MEDIAN ENROLLMENT	MEDIAN AID LOST	MEDIAN AID/PUPIL LOST	MEDIAN MILL LEVY LOST	MEDIAN 1990 MILL LEVY	MEDIAN 1990 LEVY INCREASE
	308.50	12046.50	34.89	0.94	52.66	4.03

ATTACHMENT 3

*A-6-8
House Ed.
4-23-90*

DISTRICT	USD	ENROLLMENT	AID LOST	AID/PUPIL LOST	MILLS LOST	1990 EST. MILL RATE	INC. MILL RATE
PLEASANTON	344	400	83031	207.58	12.26	62.61	26.27
ELWOOD	486	240	45432	189.30	6.16	55.44	13.49
JEWELL	279	188	21598	115.19	2.45	63.76	5.14
MAD-VIRGIL	386	276	30098	109.25	3.03	47.47	6.30
WEST SOLOMON	213	102	11123	109.05	1.50	64.46	3.54
NORTHERN VALLEY	212	173	16245	93.90	2.39	79.02	5.45
LOGAN	326	215	19621	91.26	1.56	37.32	3.61
ALTOONA-MIDWAY	387	376	32493	86.42	3.34	44.52	10.45
ARGONIA	359	210	17332	82.53	1.71	68.87	5.43
MIDWAY	433	195	16049	82.30	2.05	58.84	4.65
FLINTHILLS	492	220	16092	73.15	1.40	61.77	3.46
RIVERTON	404	685	48033	70.12	3.18	42.86	10.42
MANKATO	278	285	19364	67.94	2.51	69.85	8.88
GARNETT	365	935	60637	64.85	1.93	54.65	6.21
CUBA	455	131	8454	64.53	1.35	72.25	3.91
PEABODY-BURNS	398	390	24981	64.05	2.13	60.35	7.84
NORTH CENTRAL	221	176	10625	60.37	1.25	44.76	3.52
LACROSSE	395	322	19357	60.11	0.90	50.27	2.41
ATTICA	511	210	12025	57.26	1.04	50.90	2.73
PLAINVILLE	270	470	25449	54.15	1.11	51.33	4.47
GRAINFIELD	292	186	9850	52.96	0.92	64.05	2.80
SYLVAN GROVE	299	210	10633	50.63	1.14	46.18	4.56
FAIRFIELD	310	467	22398	47.96	0.96	56.69	2.77
VICTORIA	432	386	18036	46.73	1.35	35.20	5.63
UNIONTOWN	235	490	22501	45.92	2.12	44.01	8.85
CENTRAL HIGTS	288	500	22789	45.58	2.20	41.44	9.10
REPUBLICAN VALL	224	380	14637	38.52	0.88	45.86	2.86
WASHINGTON	222	410	15751	38.42	1.52	57.12	7.74
N. OTTAWA	239	630	23961	38.03	1.19	45.17	5.26
CENTRAL	462	380	12068	31.76	1.11	49.55	6.04
JAYHAWK	346	540	14009	25.94	0.93	53.63	5.94
LEBO-WAVERLY	243	481	12147	25.25	0.95	52.74	6.14
GOODLAND	352	1185	29710	25.07	0.65	54.12	3.78
CENTRE	397	300	7338	24.46	0.57	37.41	2.52
CANEY VALLEY	436	758	18086	23.86	1.13	43.39	4.64
GRINNELL	291	142	3179	22.47	0.37	68.12	2.05
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7-6-9
 House Ed.
 4-23-90

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HIGHLAND	425	271	5671	20.93	0.83	52.04	4.06
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DEXTER	471	155	2635	17.00	0.47	44.55	2.97
ATCH. COUNTY	377	770	12289	15.96	0.58	66.21	3.24
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GOLDEN PLAINS	316	137	1860	13.58	0.21	54.00	1.67
BAXTER SPRINGS	508	875	9999	11.43	0.80	48.78	9.89
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SMOKEY HILL	302	195	1339	6.87	0.11	44.32	1.39
NES TRES LA GO	301	80	491	6.14	0.05	68.91	1.25
CEDAR VALE	285	196	1201	6.13	0.16	37.50	3.05
SOUTH BARBER	255	301	1406	4.67	0.06	46.52	1.02
CHAPMAN	473	1195	2566	2.15	0.07	54.05	3.65
PRAIRIE HGTS	295	121	234	1.93	0.04	63.01	1.66
TROY	429	371	469	1.26	0.08	40.15	8.19
CHAUT. COUNTY	286	480	403	0.84	0.03	27.05	5.18
CHANUTE	413	1816	1204	0.66	0.03	71.33	5.00
BUHLER	313	2118	169	0.08	0.00	58.06	5.17

58 DISTRICTS	AVERAGE ENROLLMENT	TOTAL AID LOST	AVERAGE AID/PUPIL LOST	AVERAGE 1990 MILL LEVY	AVERAGE MILL LEVY INCREASE	
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	MEDIAN ENROLLMENT	MEDIAN AID LOST	MEDIAN AID/PUPIL LOST	MEDIAN 1990 MILL LEVY	MEDIAN 1990 LEVY INCREASE	
	308.50	12046.50	34.89	0.94	52.66	4.03



SB 508

Testimony presented before the House Committee on Education
by Charles L. 'Chuck' Stuart, Legislative Liaison
United School Administrators of Kansas

April 21, 1990

Mister Chairman and members of the committee, I am Chuck Stuart representing United School Administrators of Kansas. Many persons interested in K-12 education in Kansas watched the evolution that brought SB 508 from the Senate Committee on Education through the Senate in the last days of the regular session. We heard a number of discussions of how to make the SDEA work under the new valuation figures resulting from reappraisal and classification. We also heard talk of no new money for education and at the same time heard about property tax rollback. We witnessed confusion as a floor amendment set the permanent budget lids at 101% and 103%.

We are well aware of the political realities which brings you SB 508. We hope the interval of time since the passage of SB 508 in the Senate has brought new insight and possible new solutions.

We have been proud of the leadership role Kansas has taken in attempting to provide every child an equal educational opportunity regardless of his or her place of residence. Many states have tried to follow this pattern and we commend you and past legislators and governors for this leadership.

However, we have serious concerns about SB 508. The attempt to maintain a 1989-90 status quo for the 1990-91 school year is in our opinion a step backward. Yes, it gives each district the same state aid per pupil. Yes, it allows budget limits of one and two percent which may be stretched in some cases to three or four percent. And yes, all or essentially all financed by local ad valorem property tax based on reappraised valuations.

We urge this committee to review some of the preliminary thinking of the Senate Education Committee related to the definition of district wealth. You have been thoroughly briefed by your quite excellent staff on the changes in the relative impact of property valuation and income on that definition of district wealth. Granted, using a definition which takes this shift into account creates more "winners and losers" on the printouts, but the real question should not totally be one dedicated to the effect on individual districts, but rather to what the formula does to the continuous striving for equal educational opportunity for all Kansas children.

There were no problems in the printouts using new definitions of wealth that could not

*Attachment 7
House Education
4-23-90*

be cured by the infusion of additional funds into the SDEA formula. We therefore urge your review of the proposals which would use a portion of the projected funds designed for property tax rollback to finance an improved SDEA. One only needs to look at the present extreme variations in local ad valorem property tax paid for schools to know that property tax relief would be better served through the formula.

Without such action the poor will get poorer and equity so nobly sought with permanent budget limits of 5%-15% will have been reduced to political expediency and a permanent budget limit of 1%-3% if no action is taken.

In summary, we believe:

1. The definition of district wealth as currently exists in SB 508 is neither accurate nor fair. Using assessed valuation as the sole definition of district wealth and deducting the income tax rebate as local effort is the correct approach to this problem. If necessary deduct as local effort an amount fractionally greater than the actual income tax rebate, gradually reducing this amount in future years until it becomes a "pure" formula.
2. Any major changes to the SDEA formula have in past years been accompanied by the infusion of significant new state funds. These funds could be made available if there is legislation for property tax rollback.
3. Most school districts can live with the proposed 1%-2% budget limits plus the 1% kicker if that added authority can be dedicated to general fund needs. If, however, finding for transportation, special education, in-service, vocational education, and other categorical expenses is not supported by state appropriations, then one and two percent is not adequate. We must return to a minimum of 103%-109% permanent budget limits.
4. The provisions of SB 508 which bring the budget limits of the 4th enrollment category districts to 95% of the 5th enrollment category is worth support.
5. There are some districts which have experienced unusual circumstances which warrant your consideration.

United School Administrators greatly appreciates the willingness of this committee to spend two additional days on the job and for the added time spent by committee leadership.

SB508h/gwh

*a-7-2
House Ed.
4-23-90*



*Legal, Intergovernmental and
Employment Relations*

**Testimony on SB 508
before the House Education Committee
April 23, 1990
by Kathryn Dysart, Supervisor of Intergovernmental Affairs
Wichita Public Schools, USD 259**

Mr. Chairman, Members of the Committee,

I appreciate the opportunity to testify before you in support of Senate Bill 508. In doing so we acknowledge that it is a single year holding action and does not represent a solution to some of the systemic formula problems created by changes in the state's wealth structure.

The Senate Education Committee worked diligently on this bill. More than 60 runs were completed examining options which ranged from minor to extreme changes in our School District Equalization Act. Several proposals offered creative solutions which may represent the direction finance reform should take. However, without substantial new state monies committed to education, those changes would create dramatic funding shifts and cause serious financial burdens on some school districts. Consequently, we think the proposed solution for the 1990-91 school year which sustains basic aid per pupil at the 1989-90 level and allows the income tax rebate to "float" provides a measure of stability in a turbulent year.

We do have a major concern about the budget lids. Eighty-five percent of our \$156 million general fund budget goes to salaries. It takes 2% to fund our

negotiated salary schedule. That does not include the costs of any promotions or raises, increases in the costs of books or supplies, or a projected 4.6% rate of inflation which will affect needed purchases.

We are serious about our performance and the achievement of our students, and we are making real progress. We are providing all day kindergarten and preschool programs for disadvantaged children. We are offering customized training to vocational students to meet the demands of community industries clamoring for competent workers. We are serving severely multiply handicapped students who, in most other districts are referred to state institutions and educated at total state expense. We are operating parent education programs, special projects for at-risk students, and latch-key operations for children who must go home to empty houses. We know that you share our conviction that these are important efforts. We remind you, however, that we must rob resources from regular education to pay for them since you do not allow us to count many of the children served as part of our FTE or budget for the special services outside the lids. The 1-2% cap, even with a 1% "kicker", is a stranglehold on school districts committed to innovation. Thank you for listening to our concerns.



Testimony on Senate Bill No. 508

before the
House Education Committee
April 23, 1990

Mr. Chairman and members of committee:

My name is Onan C. Burnett and I represent USD 501, Topeka, Kansas.

USD 501 heartily supports Senate Bill No. 508, as passed out of the Senate, with one exception. We believe the permanent budget limits of 1 and 2 percent are too low.

We are also very much concerned with the declining motor vehicle tax. We recognize the difficult job you are facing this session but would hope that an interim study on School Finance would be forthcoming this summer.

Also, we are deeply concerned with the present definition of "wealth." For example: if \$200,000,000 were put into the state equalization formula at this time, USD 501 would receive a modest increase totaling only \$70,000.

Thank you for your attention and concern.



PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON EDUCATION

RE: S.B. 508 - School Finance

April 23, 1990
Topeka, Kansas

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

Mr. Chairman and Members of the Committee:

My name is Paul E. Fleener. I am the Director of Public Affairs for Kansas Farm Bureau. We welcome the opportunity to comment on school finance for the 1990-91 school year. We have found this to be a most difficult year to advance any particular philosophy on school finance. Therefore, Mr. Chairman and Members of the Committee, we do address S.B. 508 as proponents.

This piece of legislation is what is needed at this time ... the 90th day plus in the 1990 Legislative Session. This piece of legislation is not innovative. It is not new. It maintains the status quo ... rightly or wrongly. But as hard fought as it was to get a piece of legislation passed in 1989, with all of the computer printouts from that year, all of the debate from that Legislative Session about how much money to put in, who to hold harmless and to what degree, how much income tax to rebate, and how much over and above the Governor's money should be put in, a compromise was worked and legislation was passed in '89.

*Attachment 10
House Education
4-23-90*

Now, comes 1990, the 11th hour and the 59th minute of this Session, and you are called upon to pass legislation for the most important function ... education of our elementary and secondary students in this state.

S.B. 508 maintains what you did last year. For all practical purposes it sets aside the School District Equalization Act (SDEA) for one very unusual year. It sets it aside because you don't have good information on valuations in any of the school districts in this state. And that is true for reasons you understand very well. Values can't be certified when they are changing daily due to the appeals process.

Mr. Chairman, the computer printouts accompanying S.B. 508, and the bill brief (Supplemental Note) on this piece of legislation bears out what we are saying ... that S.B. 508 simply maintains the status quo, maintains what you did last year, gives everyone the same amount of state aid, the same income tax rebate. Then, if there is some additional money prorata shares go to those who receive anything at all. Of course, it does nothing in state aid for 15 school districts.

There were dangerous thoughts and ideas expressed in your counterpart committee. Some would propose to do away with income as a factor in district wealth. Mr. Chairman, and Members of the Committee, the degree of balance and equity brought through school finance by measuring two portions of wealth at least ... property (no longer a good measure of wealth) and income (the best measure of wealth) ... came to pass when the SDEA was enacted in 1973. The initial rebate was 10 percent. It has grown to 20 ... now to 24 percent of income tax collections. But there are those who continue to say it should not be there.

On the contrary, there should be greater reliance on income.

There should be reduced reliance on property taxes!!

So, Mr. Chairman, you don't have a perfect piece of legislation to work on. You may not have as much room to make as many changes as some members of this committee would like to make. And that is true because of so many unknowns. It is true because each and everyone on this committee has at one time or another said we need to hold the property tax down. Even under this plan it will increase an estimated \$49 million. But, though it tilts in one direction as opposed to another, though it sets aside "equalization" for a year, we support this bill and urge this committee to support it.

We also urge this committee to support the request that must surely be made by you, Mr. Chairman, and by your counterpart from the Senate, to have a full-blown, indepth, philosophical examination of funding elementary and secondary education in Kansas. That examination should begin soon after adjournment of this Legislature for 1990 and prior to reconvening a new Legislature in 1991. The examination should be on philosophy. The examination should not be on computer printouts. We urge, encourage an indepth study of school finance. We will seek to be a part of that study. We will seek to make a positive contribution to that study.

We thank you for the opportunity to share these thoughts and ideas with your committee today. Mr. Chairman we support S.B. 508. We would be pleased to respond to any questions.

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.

*a-10-4
House Ed.
4-23-90*

TESTIMONY PRESENTED TO THE HOUSE EDUCATION COMMITTEE
 April 23, 1990

by

Rod Dietz, Director of Budget and Financial Planning
 HUTCHINSON PUBLIC SCHOOLS
 HUTCHINSON, KANSAS

*Attachment 11
 House Education
 4-23-90*

	(1)	(2)	(3)	(4)
	JULY EST 1989-1990	GOV PLAN 1989-1990 (L9004)	SB 508 1989-1990 (L9063)	SB 508 1989-1990 1990-1991 (L9063)
Equalization Aid	4,267,725	1,818,003	2,710,091	2,719,530
Income Tax Rebate	2,435,766	3,925,129	3,925,129	2,836,225
Income Tax Rebate "Hold Harmless"	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,088,904</u>
Total	6,703,491	5,743,132	6,635,220	6,644,659