

Approved May 1, 1990
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by SENATOR JOSEPH C. HARDER at
Chairperson

9:30 a.m./~~pm~~ on Monday, April 2, 1990 in room 123-S of the Capitol.

All members were present except:

Senator Anderson, excused

Committee staff present:

Mr. Ben Barrett, Legislative Research Department
Ms. Avis Swartzman, Revisor of Statutes
Mr. Dale Dennis, Assistant Commissioner of Education
Mrs. Millie Randell, Committee Secretary

Conferees appearing before the committee:

SB 508 - School districts, budget limitations for 1990-91 school year,
payments from school district income tax fund

After calling the meeting to order, Chairman Joseph C. Harder advised that he would like for the Committee to arrive at a consensus regarding the components of SB 508, relating to school district funding through the School District Equalization Aid formula. He then asked the Committee for its consideration of budget controls. He pointed out that all of the computer printouts which had been requested were based on budget controls of 101 percent to 102 percent for the 1990-91 school year.

Senator Parrish made a conceptual motion that SB 508 be amended to provide districts the option of a one percent increase in per pupil budget authority, subject to a protest petition/election provision, to provide greater flexibility for the districts. Senator Kerr seconded the motion. During Committee discussion it was established that budget controls remain at 101 percent to 102 percent.

Responding to a question, Mr. Dale Dennis, staff, stated that tighter budget controls result in more districts utilizing the one percent optional budget authority provision. He estimated that probably one-half to three-fourths of the districts would use this provision. Assuming that half the districts used the provision, Mr. Dennis estimated that statewide property taxes would increase by approximately \$11 million.

When the Chair called for the motion to amend SB 508, he ruled that the amendment was adopted.

The Chairman advised that district wealth is the next item for Committee consideration. He noted district wealth was based on one year's assessed valuation, with no averaging, in the last two computer printouts.

Senator Kerr made a conceptual motion to amend SB 508 by adopting the following components:

District wealth equals assessed valuation; income tax rebate is a direct deduction from basic aid; imposition of a 75% cap on the increased amount of 1988 taxable income filed in 1989 as compared to the 1987 taxable income filed in 1988; for one year only, limiting to no more than five percent the increased or decreased deviations in per pupil total aid limitations to school districts; penalizing those districts which have a projected mill levy below 41.30 so as to cause their mill levies to increase to 41.30, which amount is equal to 80 percent of the expected statewide median mill levy rate. (Penalty would not affect no-aid districts.) The motion was seconded by Senator Parrish.

During discussion, Mr. Barrett, legislative research department, reminded the Committee that after the 1989-90 school year, under Senator Kerr's

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 SENATE COMMITTEE ON EDUCATION,
room 123-S, Statehouse, at 9:30 a.m./~~p.m.~~ on Monday, April 2, 1990

proposal, taxable income will not be a component of the school finance formula; income tax rebate, however, will continue to be a deduction from basic aid. (See printout L9047, which is computed based on an amount of \$8 million above the Governor's recommended budget for funding school districts under the SDEA.)

In response to a Committee question, Senator Kerr, with approval from Senator Parrish who had seconded his proposed amendment to SB 508, requested permission to modify his proposed amendment so as to include language whereby the median budget per pupil of the fourth enrollment category is fixed at 95 percent of the median budget per pupil of the fifth enrollment category for the purposes of determining state aid and per pupil budget controls of school districts.

Responding to a question, Mr. Dale Dennis, State Department of Education, replied that the lower taxable income districts are benefitting more under the current formula than they would be in the formula change in the proposed amendment. Conversely, he continued, high taxable income districts are losing rather significantly under current law.

Responding to a question regarding the fourth enrollment category, Mr. Dennis replied that the five percent corridor would take precedence over the 95 percent provision.

Committee concerns were expressed that districts in the fourth enrollment category had not been able to keep pace with districts in the fifth enrollment category.

Senator Kerr requested permission to amend his previous motion relating to the fourth enrollment category so as to increase the median budget per pupil in the fourth enrollment category by a percentage necessary to achieve the goal of equaling the 95 percent median of the fifth enrollment category. Senator Parrish, who had seconded Senator Kerr's previous motion, agreed to the proposed modification, and the Committee consented.

When the Chair called for a vote on the primary motion made by Senator Kerr to amend SB 508, he ruled that the amendment had been adopted. Senator Frahm requested that her nay vote be recorded.

By consensus of the Committee, Senator Kerr received approval to amend the language in his original motion by making the fourth enrollment category provision applicable for one year only.

Senator Parrish moved to amend SB 508 with a provision which would allow school districts to transfer moneys from the General Fund into the Special Education Fund without being penalized for this transfer. (Attachment 1) The revisor explained that the proposed amendment would allow a school district to use the estimated amount of money it plans to transfer from the General Fund into the Special Education Fund to increase its budget for the current school year. The revisor further explained that other automatic budget increases are based on a prior year's experience, and this proposed amendment is based on an estimate for the forthcoming year with a budget adjustment the following school year.

When the Chair asked the Committee's pleasure on Senator Parrish's motion, seconded by Senator Karr, he ruled that the amendment was not adopted.

A Committee request was made to recommend the subject of the school finance formula for interim study.

A Committee request was made to run a computer printout based on today's Committee action using the Governor's recommended budget for funding to school districts.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION,
room 123-S, Statehouse, at 9:30 a.m./~~p.m.~~ on Monday, April 2, 1990

Another Committee request was made to ensure that certain provisions of SB 508 become effective with publication in the Kansas Register, and the Chair acknowledged this request.

The Chair indicated he would like to have a Committee hearing on SB 508 tomorrow and that the Committee will be advised as to the time and place.

The Chair adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 9:30 a.m. PLACE: 123-S DATE: Monday, April 2, 1990

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Craig Grant	Topeka	K-NEA
Kim Coles	Topeka	K-NEA
Pat Baker	Topeka	KASB
Ken Baker	Topeka	Missouri Enrollment USD's
Connie Hesse	Topeka	SE Bd of Ed.
Bill Munn	Mps	SE Bd of Ed.
Dan Hermes	Topeka	BUDGET
Oyan Burnett	Topeka	USD 50
George Barber	Topeka	His Consulting Engrs.
Mike Jones	Topeka	KRC