

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

3:30 ~~xxx~~ a.m./p.m. on Wednesday, April 4, 1990 in room 527-S of the Capitol.

All members were present except:

Senator Allen, 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 Finance

After calling the meeting to order, Chairman Joseph C. Harder stated that he had been in error at the previous Committee meeting when he had allowed a substitute motion to prevail before allowing sufficient opportunity for the primary motion to be seconded. At the request of the Chairman, Senator Steineger withdrew his substitute motion. Senator Parrish withdrew her primary motion.

After the Chair opened the floor for further Committee action, Senator Kerr made a conceptual motion that SB 508 be amended with a 100 percent "hold harmless" provision as described by Senator Steineger in the substitute motion he had withdrawn. Senator Kerr explained that he would like to see the proposed "hold harmless" amendment in a more workable form if the Committee should wish to consider it further, and he made the following clarifications: the provision would apply on a per pupil basis to total aid and would apply only to those districts which receive basic aid so as to avoid large gainers and losers. For the purpose of calculating the current year's distribution of basic aid, the 75 percent taxable income growth cap would apply. He explained that these provisions would address the problems of Huchinson and Buhler. Senator Steineger seconded the motion. The Chair opened the meeting for discussion.

Responding to a question, Mr. Dale Dennis, staff, explained that capping school districts' per pupil equalization aid and income tax rebate (combined) to no more than a 2.5 percent increase or decrease for the 1990-91 school year would tend to narrow the gap between the increases and decreases of schools receiving basic aid.

Responding to a Committee concern, Mr. Dennis confirmed that by reducing the percentage amount in the penalty clause to less than 80 percent, the penalty would be reduced.

Concern was expressed that since this is a transitional year because of reappraisal and classification, a multitude of new concepts which have not been experienced could compound the problem of school aid distribution and create further disparity among districts. Committee concern was expressed also that income has played too important a role in the distribution of school aid over the past several years.

Senator Parrish made a substitute motion to recommend SB 508, as amended, favorably for passage. Senator Kerr seconded the motion.

At the request of the Chairman, Senator Parrish reviewed the provisions of the amendment to SB 508 (as passed by the Committee on April 2):

For one year only, for school districts receiving basic aid, a school district's per pupil equalization aid and income tax rebate (combined) are limited to an increase/decrease of no more than five percent for the 1990-

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 527-S, Statehouse, at 3:30 ~~xx~~ p.m. on Wednesday, April 4, 1990

91 school year; utilization of the penalty clause on school districts whose projected median mill levy for the 1990-91 school year only is less than 80 percent of the projected statewide general fund mill levy median; district wealth is defined as assessed valuation; 100 percent deduction of income tax rebate from basic aid; for one year only, increasing the median budget per pupil of schools in the fourth enrollment category by a percentage necessary to make it equal to 95 percent of the median of the fifth enrollment category; a 75 percent taxable income growth cap beginning in 1989-90; budget controls for the 1990-91 school year will include an additional, optional one percent per pupil in budget authority, subject to a protest petition/election provision.

When the Chair called for a vote on the substitute motion made by Senator Parrish and seconded by Senator Kerr to recommend SB 508, as amended, favorably for passage, the Chair ruled that the motion had failed.

The Chair referred Committee attention to the primary motion made by Senator Kerr.

Senator Karr made a conceptual substitute motion requesting that the Committee reconsider its action on the substitute motion made by Senator Parrish and seconded by Senator Kerr and recommend SB 508, as amended, favorably for passage, based on two modifications: capping a school district's per pupil equalization aid and income tax rebate (combined) at no more and no less than 2.5 percent for the 1990-91 school year and utilization of the penalty clause on school districts whose projected median mill levy for the 1990-91 school year is less than 75 percent of the projected statewide general fund mill levy median. Senator Kerr seconded the motion.

Mr. Dale Dennis, responding to a question, estimated that an additional, optional one percent per pupil budget authority provision, if used by half the school districts, could result in a statewide property tax increase of approximately \$11.7 million.

When the Chair called for a vote on the substitute motion made by Senator Karr and seconded by Senator Kerr, following a call for a division, he ruled that the motion had failed on a tie vote.

The Chair then referred Committee attention to the primary motion made by Senator Kerr and seconded by Senator Steineger.

Senator Parrish made a conceptual substitute motion to amend SB 508 with a "hold harmless" provision whereby every school district would receive the same amount of basic aid it received last year. Senator Anderson seconded the motion.

Following further discussion, Vice Chairman Frahm requested that Senator Parrish withdraw her substitute motion, and Senator Parrish conceded to the request.

Senator Frahm then made a substitute motion that the Committee reconsider its action on Senator Parrish's substitute motion to recommend SB 508, as amended, favorably for passage. Senator Anderson seconded the motion, and the motion carried.

Senator Frahm moved that SB 508, as amended with the revisions noted in Computer Printout L9047, Revision #1, be recommended favorably for passage. The motion was seconded by Senator Parrish, and the Chair ruled that the motion had carried.

The Chair adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 3:30 p.m. PLACE: 527-South DATE: Wednesday, April 4, 1990

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Gerald Anderson	Topeka	USA of KS
Chuck Stuart	Topeka	USA of KS
Bill Munch	Murray	St. 300 E
Ken Rogg	Paoli	S O E
Craig J. Sant	Topeka	Hi-NEA
Tim Yonally	Overland Park	USD #572
Paul E. Fleener	Manhattan	Kansas Farm Bureau
Kathryn Dysal	Wichita	USD 259
John Kreyer	Topeka	KAEB
Pat Becker	Topeka	KAEB
Helen Stephens	P.O.	Blue Valley 229
Ann Durnell	Topeka	USD 581
M. H. Gice	Vi	Cig. Secco