

Approved May 15, 1991
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

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

1:30 ~~am~~/p.m. on Tuesday, March 5, 1991 in room 123-S of the Capitol.

All members were present except:

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 224 - School districts impacted by state activities, financial assistance

Proponents:

Senator Nancy Parrish, primary sponsor of SB 224
Dr. Gary Livingston, Superintendent, USD 501, Topeka (written testimony only)
Mr. Onan Burnett, Director, Governmental Affairs, USD 501, Topeka
Mr. Charles L. (Chuck) Stuart, Legislative Liaison, United School Admin-
istrators of Kansas

SB 225 - Income tax checkoff, educational excellence grant program

Proponents:

Senator Nancy Parrish, sponsor of SB 225
Mr. Mark Tallman, Coordinator of Governmental Relations, Kansas Association
of School Boards
Ms. Kay Coles, Kansas-National Education Association

SB 224 - School districts impacted by state activities, financial assistance

Chairman Joseph C. Harder called the meeting to order and directed Committee attention to SB 224. He yielded to Senator Nancy Parrish, primary sponsor of the bill.

Senator Parrish explained that SB 224 would allow some state impact aid to those school districts or counties which have state property that is exempt from general ad valorem taxation. She said it is somewhat similar in concept to the idea of federal impact aid and reminded members that two Kansas school districts, Leavenworth and the Fort Riley area, receive impact aid from the federal government because of the substantial amount of federal property that is off the tax rolls. Senator Parrish noted, however, that there were two obstacles to this bill: funding and possibly incomplete/inaccurate data regarding state assessed property.

Based on a memo she had received regarding state impact aid, Senator Parrish said that approximately \$223.7M assessed valuation of state-owned property currently is off the tax rolls. Senator Parrish estimated, based on an average mill rate of 52 mills, this would produce about \$11.6M in revenue. Senator Parrish distributed fact sheets regarding those counties which have tax-exempt state-owned property but said she felt some of the information is inaccurate. She said she would try to obtain more accurate data to submit to the Committee at a later time. (Attachment 1)

Senator Parrish said that the concept for SB 224 was originated by the USD 501 School District in Topeka, which had approached her and other members of the Topeka legislative delegation due to the large amount of state-owned property that is off the tax rolls. Senator Parrish informed the Committee that this concept has been under consideration for the last two years.

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MINUTES OF THE SENATE COMMITTEE ON EDUCATION,
room 123-S, Statehouse, at 1:30 ~~am~~/p.m. on Tuesday, March 5, 1991

Senator Parrish, responding to a question, replied that the total state-wide entitlement based upon four percent of \$11.6M, the amount of revenue that would have been collected on the state-owned property, would be a little less than \$500,000 according to the provisions of the bill. Senator Parrish pointed out that any district within which a state institution, such as a Regents school, is located would be affected by SB 224. Only four counties, she said, have responded that they do not have tax-exempt state-owned property.

Staff agreed with Committee comments that the data on valuations of state-owned property may be inaccurate but pointed out the difficulty in assessing properties such as the Capitol Building or a Regents institution.

Senator Parrish apologized on behalf of Dr. Gary Livingston, Superintendent, USD 501, Topeka, who was unable to attend today's meeting. Written testimony submitted on behalf of Dr. Livingston is found in Attachment 2.

Dr. Onan Burnett, Director of Governmental Relations, USD 501, said that during discussion this morning with Dr. Gary Livingston, Superintendent, USD 501, and the associate superintendent, agreement had been reached to recommend that SB 224 be amended on page 1, line 26, by striking "4%" and inserting "10%" in lieu thereof. Based on an appraised value of \$154M for tax-exempt state-owned property, Mr. Burnett equated that every 1% differential amounts to \$31,000. Mr. Burnett acknowledged that although the amount would not be large, it would give USD 501 some relief. Mr. Burnett agreed that USD 501 would be the principal benefactor in Shawnee County from passage of SB 224, but Mr. Burnett pointed out that surrounding districts benefit from Topeka without the burden of taxes imposed on residents of USD 501.

The Chair recognized Mr. Chuck Stuart, Legislative Liaison, United School Administrators of Kansas. Mr. Stuart explained that his organization's decisions on school finance are usually made by a group of about 30 administrators who make up the Task Force on School Finance. Mr. Stuart said that U.S.A. gives basic support to SB 224 with the understanding "that state funding will be above that allocated for distribution under the School District Equalization Act". (Attachment 3)

Following a call for additional conferees, the Chair announced that the hearing on SB 224 is concluded and the bill will be taken under advisement.

SB 225 - Income tax checkoff, educational excellence grant program

The Chair directed Committee attention to SB 225, relating to income tax checkoff, and recognized Senator Nancy Parrish, sponsor of SB 225.

Senator Parrish explained that basically SB 225 is a redraft of a bill she had introduced several years ago when the legislature was seeking new avenues for additional funding. She said she decided to reintroduce the concept this year and explained that SB 225 provides for an income tax checkoff for the educational excellence grant program. She said the checkoff money would be deposited into the Educational Excellence Grant Program Fund "for distribution through the grant system at the State Department of Education for the at-risk pupil assistance plan and the educational system enhancement plan". She explained that it provides for an alternative option to taxpayers on the checkoff list on the Kansas state individual income tax return form for persons who might prefer to send a portion of their refund to education. Senator Parrish, through her membership on the Ways and Means Subcommittee, called Committee attention to the fact that "there were twice as many (grant) applications for the dollars that were available". Senator Parrish said she felt more people might respond to the checkoff if their money went to education.

Responding to a question, Senator Parrish said she understands the Department of Revenue would have to reprint their income tax forms to include the

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room 123-S Statehouse, at 1:30 ~~xx~~ p.m. on Tuesday, March 5, 1991

additional checkoff and said the cost for this has not yet been estimated. Senator Parrish pointed out that the educational excellence grant program was not in place the last time she introduced a bill with this concept.

At the Chairman's request, Senator Parrish said she would obtain further information on the checkoff, including cost of reprinting new tax forms and the time frame needed to implement the provisions of SB 225.

The Chairman recognized Mr. Mark Tallman, Coordinator of Public Relations, Kansas Association of School Boards. (Attachment 4) Mr. Tallman expressed support for SB 225 and said the educational excellence grant program might be particularly appropriate for a checkoff system partly because "when you are making a grant program you are not as dependent on a year to year level of support".

Ms. Kay Coles, representing the Kansas-National Education Association, expressed support for SB 225 and pointed out that the checkoff "also gives us an opportunity to involve more Kansans in this effort and to raise the level of awareness of the innovations occurring in our school districts". (Attachment 5)

Following a call for additional conferees, the Chair announced that the hearing on SB 225 is concluded and said the bill would be taken under advisement.

SCR 1613 - Urging the formation of business-education partnerships

The Chair directed Committee attention to SCR 1613 and reminded the Committee that the hearing on the resolution coincided with the day the Kansas Chamber of Commerce and Industry held a workshop in Topeka to give members an opportunity to testify.

Following a call by the Chair to entertain a motion, Senator Langworthy moved that SCR 1613 be recommended favorably for passage. The motion was seconded by Senator Kerr, and the resolution was adopted.

In view of the self-imposed legislative deadline for consideration of bills in the house of origin, the Committee reviewed which bills it would like the Chairman to refer to the Ways and Means Committee for rereferral to the Senate Education Committee for consideration at a later date.

The Chair adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 123-S DATE: Tuesday, March 5, 1991

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Camille Boyle	Cherryvale KS	
Stacey Whitaker	Dennis, KS	
Crystal Souders	Chetopa, KS	
Hattie Tooley	Chetopa, KS	
Nemise Apt	Topeka	U.S.D. 500
Jim Youally	Overland Park	USD #512
CHUCK STUART	TOPEKA	U.S.A.
Kay Coles	Topeka	KNEA
Rob. Micko	Wichita	USD 259
Mark Tallman	Topeka	KASB
Virginia Vana	Topeka	AP
Ann E. Burnett	Topeka	USD 501 #
Dan Hennes	"	DAB
M. Hauer	"	Cap. Journal
Eleanor Kerr	Brett	
Doug Bowman	Topeka	Children & Youth Advisory
Cheryl Shores	Topeka	KS Children's Service League
Becci Akin	Overland Park	KS Children's Service League
Kris Anttroll	Lawrence	intern
Buffy Johnston	Lawrence	KU
John T. Marshall	Hutch/Topeka	HNS

EXEMPT STATE PROPERTY

COUNTY	NO PARCELS	1990 APP TOTAL
Allen	1	854,760
Anderson	2	343,640
Atchison	3	5,503,000
Barber	4	281,400
Barton	5	10,192,220
Bourbon	6	849,110
Brown	7	1,180,000
Butler	8	1,012,850
Chase	8	268,800
Chautauqua	9	6
Cherokee	10	1
Clark	11	3,499,470
Clay	13	259,600
Cloud	14	6
15	16	143,700
Coffey	16	628,129
Comanche	17	7
Cowley	18	494,150
Crawford	19	1
Decatur	20	3,600
Dickinson	21	15,198,600
Doniphan	22	31
Douglas	23	1,770,700
Edwards	24	3
Elk	25	69,900
Ellis	26	15
Ellsworth	27	2,680,990
Finney	28	8
Ford	29	413,250
Franklin	30	15
Geary	31	1,026,170
Gove	32	2
Graham	33	190,760
Grant	34	1
Greely	36	3,240
Greenwood	37	18
Hamilton	38	1,363,620
Harper	39	6
Harvey	40	12,429,120
Haskell	41	25
Hodgeman	42	1,903,310
Jackson	43	12
Jefferson	44	5,920,400
Jewell	45	16
Johnson	46	7
Kearny	47	559,500
Kingman	48	7
Kiowa	49	3,645,000
Labette	50	4
Lane	51	68,150
Leavenworth	52	900
Lincoln	53	1
		46,570
		131,310
		133,350
		300,240
		166,400
		813,830
		124,650
		172,320
		79,790
		140,490
		396,510
		24,869,900
		53,710
		1,437,530
		85,170
		5,719,790
		166,700
		34,951,960
		12,100

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EXEMPT STATE PROPERTY

1990

COUNTY	NO PARCELS	APP TOTAL
Lincoln	54	48
Logan	55	8
Lyon	56	28
Marion	57	12
Marshall	58	6
McPherson	59	10
Meade	60	13
Monroe	61	11
Mitchell	62	5
Montgomery	63	12
Morris	64	5
Morton	65	32
Nemaha	66	13
Neosho	67	19
Ness	68	2
Noton	69	6
Osage	70	32
Osborne	71	8
Ottawa	72	6
Pawnee	73	7
Phillips	74	10
Pottawatomie	75	18
Pratt	76	7
Rawlins	77	1
Reno	78	25
Republic	79	11
Rice	80	4
Riley	81	40
Rooks	82	11
Rush	83	6
Russell	84	13
Saline	85	20
Scott	86	8
Sedgwick	87	99
Seward	88	6
Shawnee	89	76
Sheridan	90	17
Sherman	91	9
Smith	92	3
Stevens	95	1
Sumner	96	2
Thomas	97	6
Tripp	98	8
Wabaunsee	99	11
Wallace	100	1
Washington	101	4
Wichita	102	2
Woodson	104	7
Wray	105	182

813,615,929

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March 5, 1991



Senator Joseph Harder, Chairman
Senate Education Committee
State Capitol, Room 284W
Topeka, KS 66612

Dear Senator Harder and Members of the Senate Education Committee:

I apologize for not being able to testify in person on behalf of Senate Bill No. 224. However, because of a scheduled presentation to the retired state employees association scheduled at the same time, my calendar would not permit a personal appearance. This does not diminish my support of Senate Bill 224 addressing what I believe are two important issues to many school districts across the state of Kansas. The first issue is the direct financial assistance to school districts impacted with higher than normal incidents of state-owned property and, secondly, the significant issue facing this state of property tax reduction.

Our Board of Education for several years has been concerned about the effect to local property taxpayers of increasing properties being tax exempt because of state-owned status. Taxpayers in similar school districts, and there are many across the state, with excess state-owned property are required to pass inordinate increases to the local property taxpayers to fund education. With inflation, fixed costs, salary improvement, state- and federal-mandated educational programs, we continue to see increased costs in delivering educational services to our student populations. Since many of us are also adversely affected by the state equalization formula, this is almost a double jeopardy, with higher levels of exempt property thus increasing millage to those who remain within the district. While state property and services are often an advantage to the community, the effect to property taxes can be dramatic.

On behalf of the Board of Education, I encourage your very serious discussion and consideration of what I believe is a bill that supports the interest of many school districts across the state. This bill directly impacts one of the major issues facing this legislative session--that being property tax reduction. By funding this bill outside the state equalization formula, it gives dollar for dollar property tax relief to those school districts most impacted.

Senator Joseph Harder, Chairman
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Again, I apologize for not being able to share my opinion and that of the school district with you personally, but Mr. Burnett is present to testify and respond to questions and support our opinion in this matter. Thank you for your very serious consideration.

Sincerely,



Gary A. Livingston
Superintendent of Topeka Public Schools

GAL/np

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SB 224

March 5, 1991

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

Mr. Chairman and members of the committee, thank you for the opportunity to speak in favor of SB 224. This bill provides impact aid to school districts which have special financial burdens due to the location of real property used exclusively by the state and exempt from ad valorem property tax.

The amount of state impact aid provided in SB 224 would be 4% of the ad valorem tax which would be collected on this property if it were on the tax rolls like any other property. The fiscal note is approximately \$465,379, which according to the proposed legislation would be paid by the state to the school district general fund.

United School Administrators favors this proposed legislation and the establishment of a separate state fund to finance the Impact Aid. Our support is with the understanding that state funding will be above that allocated for distribution under the School District Equalization Act.

sb224/bsm

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KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on S.B. 225
before the
Senate Committee on Education

by

Mark Tallman
Coordinator of Governmental Relations
Kansas Association of School Boards

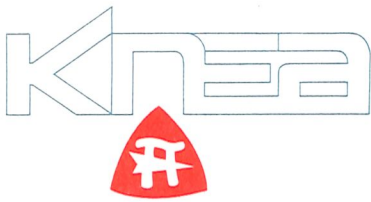
March 5, 1991

Mr. Chairman and members of the Committee, we appreciate the opportunity to speak in favor of S.B. 225, which would establish an income tax checkoff for the educational excellence grant program.

As we have indicated in previous testimony this session, the Kansas Association of School Boards strongly supports the educational excellence grant program. An income tax checkoff would be a new source of funding for this program, and we believe would enhance state appropriations. Although the use of checkoffs obviously must be limited, we feel this program would be appropriate for such a system. The educational excellence grants are not part of a district's base budget, and awards change each year. The program serves the entire state and Kansans traditionally have had a strong commitment to educational funding.

For all these reasons, we support the passage of this bill. Thank you for your consideration.

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Testimony before the Senate Education Committee
SB 225
Tuesday, March 5, 1991
Kay Coles, Kansas-NEA

Thank you Mr. Chairman, members of the committee. I am Kay Coles, here today representing the 24,000 members of Kansas-NEA. We are pleased with the opportunity to rise in support of SB 225.

As we have said several times before this committee, we believe the at-risk and innovative grants program is underfunded. We believe providing Kansas taxpayers with an option to freely donate to this program would be beneficial, and add much needed revenue to enhance our ability to grant funds to additional school districts. SB 225 also gives us an opportunity to involve more Kansans in this effort and to raise the level of awareness of the innovations occurring in our school districts.

We urge your favorable consideration of SB 225, and I would be happy to answer any questions.

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