

Approved: February 27, 1992
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The joint meeting of the House Education and Taxation Committees was called to order by Chairperson Rick Bowden at 3:00 p.m. on February 12, 1992 at the Expocentre, Maner Conference Center, Shawnee Room.

All members were present except:

Committee staff present:

Ben Barrett, Legislative Research
Tom Severn, Legislative Research
Don Hayward, Revisor of Statutes Office
Avis Swartzman, Revisor of Statutes Office
Dale Dennis, State Department of Education
Doug Johnston Committee Assistant
Shirley Wilds, Secretary to the Committee

Conferees appearing before the committee:

Representative Marvin Barkis
Representative Kent Glasscock
Representative Steve Lloyd
Tim Emert, State Board of Education
Erin Caffrey, Mt. Hope Grade School
Carol Rupe, Wichita
Maureen Weiss, Auburn-Washburn District
Dr. Sylvia Robinson, Kansas City, Kansas
Curtis Hartenberger, Topeka
John Etzel
Franklin D. Williams
Mary Lane Kamberg
Richard Grant, Osawatomie
Mr. George N. Brown, Kaw Valley USD 321
Dr. Robert Hale, Superintendent, Turner District
Cindy Cameron, Parent Advisory Council, Shawnee Mission Schools
Gary Livingston, Superintendent, USD 501 Topeka
Dr. John Hein, Superintendent, El Dorado Schools
Mark Tallman, KASB
Paul Fleener, Kansas Farm Bureau
Craig Grant, KNEA
Bernie Koch, Wichita Chamber of Commerce
Jerry Henderson, USA
Bob Corkins, Kansas Chamber of Commerce
John Sullivan, President, SQE
Ron Hein, Mesa, Inc.
Greg Renner, USD 273
Ken Bahr, SEEK
Jim Masson, DeSoto

The joint meeting of the House Education and House Taxation Committees was called to order Chairperson Rick Bowden.

Chairperson Bowden announced that due to the subject matter and number of persons scheduled to testify, it was necessary to utilize a larger facility. He acknowledged

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION AND HOUSE TAXATION COMMITTEE,
3:00 P.M., February 12, 1992, The Expocentre, Maner Conference Center, Shawnee Room,

KASB and their willingness to share their time and reserved room for the joint committee meeting.

Co-chairperson Joan Wagnon welcomed all interested parties to the hearings and gave assurances that the testimony to be heard today would be diligently reviewed by committee members.

Chairperson Bowden introduced Ben Barrett from Legislative Research.

Ben Barrett. Mr. Barrett gave an overview of the three bills: HB 2892, concerning the State Financial Aid Plan and related provisions; HB 2835 State Bond and Interest Obligations; and HB 2891, Statewide Property Tax. He also briefly explained the Third Tier concept.

Chairperson Bowden introduced John Myers, Special Education Director, NCSL and announced he was to address the KASB convention this evening.

In the interest of avoiding redundancy and provide some brevity in committee minutes preparation, the Chairman respectfully directs the reader to the above list of conferees and their attached proponent testimony.

Chairperson Bowden recognized the number of people attending the hearing and the distances many traveled to testify. He said there are many issues to be considered and discussed and every effort will be made to find an equitable solution for all of Kansas' schools and students.

The next meeting is scheduled for February 13, 3:00 p.m., The Expocentre, Maner Conference Center, Shawnee Room.

Upon completion of its business, the meeting adjourned at 6:00 p.m.



GUEST LIST

COMMITTEE: House Education
House Jopation

Date: February 12, 1992

Name (Please Print) COMPANY ORGANIZATION ADDRESS

<u>Gary Price</u>	<u>Intern</u>	
<u>Richard M. Freund</u>	<u>USD 332</u>	<u>Cunningham</u>
<u>Melvin Ormiston</u>	<u>U.S.D #332</u>	<u>Cunningham</u>
<u>John Hines</u>	<u>USD 487</u>	<u>Herington</u>
<u>Howard Haeley</u>	<u>U.S.D 487</u>	<u>Herington</u>
<u>TOM VERNON</u>	<u>USD #487</u>	<u>HERINGTON</u>
<u>BRIAN HAUPT</u>	<u>USD 230</u>	<u>SPRING HILL</u>
<u>ROBERT HADERLEIN</u>	<u>USD 248</u>	<u>GIRARD, KS</u>
<u>Kenneth Shuman</u>	<u>USD 451</u>	<u>Barleyville</u>
<u>Denz Delonghans</u>	<u>"</u>	<u>"</u>
<u>Kenneth Sneepe</u>	<u>"</u>	<u>"</u>
<u>Clark Beck</u>	<u>U.S.D. #259</u>	<u>Wichita, KS</u>
<u>Jay D Coen</u>	<u>USD #218</u>	<u>Elkhart KS</u>
<u>Barley Parker</u>	<u>USD 218</u>	<u>ELKHART</u>
<u>Phil Johnston</u>	<u>USD 218</u>	<u>ELKHART</u>
<u>Bart Goring</u>	<u>USD 311</u>	<u>Pretty Prairie KS</u>



GUEST LIST

COMMITTEE: House Education
House Jotation

Date: 2/12/92

Name (Please Print)	COMPANY ORGANIZATION	ADDRESS
<i>John Pugh</i>	USD 311	Pretty Prairie
VERN KREHBIEL	USD 311	Pretty Prairie
Ed Sink	USD 458	Basehor-Linwood
CHARLIE EDMONDS	USD 265	GOODARD
<i>LARRY DELBEE</i>	<i>USD 265</i>	<i>Goodard</i>
<i>Frank ...</i>	<i>USD 265</i>	<i>Goodard</i>
ALVIN HAMANT	USD 375	Benton 67017
Gary R. George	USD 231	Gardner, KS
KURT R. HOFFMAN	USD 231	GARDNER, KS
Douglas Coffey	USD 312	NH Hape, KS
<i>Clara ...</i>	<i>USD 312 (Hape)</i>	<i>NH Hape, KS</i>
<i>Paul ...</i>	<i>USD 312</i>	<i>NH Hape, KS</i>
Marion E. Barrow	USD 264	Clearwater, KS
GARY REYNOLDS	USD 264	Clearwater
<i>Lucy Toland</i>	<i>USD 264</i>	<i>Clearwater</i>
<i>Theresa ...</i>	<i>USD 264</i>	<i>Clearwater</i>



GUEST LIST

COMMITTEE: House Education
House Education

Date: February 12, 1992

Name (Please Print)	COMPANY ORGANIZATION	ADDRESS
SHELBY SMITH	KASEA	wichita
Bill Newsomando	Abilene USD #435	Abilene
James White	Oskaloosa USD #341	Oskaloosa
Roy Piper	USD 494	Syracuse
Keith Anglemeyer	USD 494	Syracuse
Dee Potter	USD 494	Syracuse
ROSEMARY CLARY	USD 494	SYRACUSE
Mary Leathers	Voter	Olathe
Fred Campbell	USD 234	H. Scott
Barbara Lott	USD 383	Manhattan
L. O. Wilcox	VOTER	?
Carol Doepke	USD 447	Cherryvale, ks
Mary Alice Bohling	USD 227	Jetmore, ks
Mary Nichols	USD 0382	Manhattan, ks
Lawes Schmidt	USD 418	McPherson, ks
Debbie Gantz	USD 418	McPherson, ks

(OVER)



GUEST LIST

COMMITTEE: House Education
House Jobation

Date: 2/12/92

Name (Please Print)	COMPANY ORGANIZATION	ADDRESS
Linda Totman	USD # 418	McPherson
Robert Shannon	" "	" "
Barbara Tarkenton	USD 393	Newman
Larry Shotts	USD 418	McPherson
Larry Clark	USD 244	Burlington
Rob Winter	USD 378	River Co.
Jim Olson	USD 378	Riley Co.
Walter Simpson	USD 446	INDEP.
Harmon Brinkman	USD 445	Cassville
Wayne L. Franklin	USD; 501	TOPEKA
Bill [unclear]	USD	[unclear]
James W. [unclear]	USD	[unclear]
Ethel Eves	USD 24	Ulysses
John [unclear]	USD 202	[unclear]
Gary Brennecke	USD 503	Parsons
John McDaniel	USD 206	Whitewater ks



GUEST LIST

COMMITTEE: House Education
House Information

Date: 2/12/92

Name (Please Print)	COMPANY ORGANIZATION	ADDRESS
Tim Nunez	Topeka	Asst
Mike Burke	USD 228	Hanston
M. The Road	St. Mary's	St. Mary's
Rad Bieker	KSDE	Topeka, KS
Jim Messer	Citizen	Hawnee, Ks
Ralph Kewenaw	Supt	Ransom Co.
Gary Livingston	USD 501	Topeka
Michael Roberts	USD # 321	St. Mary's
Verona Sumner	USD # 321	Rossville
Doug Anderson	LC	
Lennie Ruff	USD # 228	Hanston
Greg Thornton	USD # 422	Greensburg
Markus Woodhead	Pison	Greensburg
Louis D. Johnson	USA 454	4 Indiana
Louis Johnson	USA 454	4 Indiana
Nelson Hartman	Educator	Topeka

(OVER)

SUMMARY OF MAIN PROVISIONS OF PROPOSED SCHOOL FINANCE PLAN

(From Concepts Contained in Three Separate House Bills)

Overview

- The main components of the distribution plan for school operations include:
 - state financial aid (SFA) determined by multiplying base state aid per pupil (BSAPP) by the adjusted (weighted) enrollment of a district, and
 - equalized local option budget (LOB) spending authority of up to 10.0 percent of the amount of the district's SFA.
- Equalization state aid is provided for capital improvement debt obligations.
- A uniform 45 mill statewide property tax is imposed to help finance school district operations.
- Local property tax levying authority is provided for the LOB option.

The State Financial Aid Plan and Related Provisions

(H.B. 2892)

Following is a somewhat more detailed summary of the principal provisions of the school funding plan.

*Education
Attachment #1
February 12, 1992*

General Fund

The general fund of a district is the fund from which operating expenses are paid and to which is deposited general state aid, payments relating to transfers of territory, PL 874 funds (except for major disaster amounts and amounts received under the low-rent housing program), and other moneys specified by law.

State Financial Aid (SFA)

The SFA of a district is determined by multiplying the base state aid per pupil (BSAPP) of a district by the district's adjusted enrollment. The BSAPP is set at \$3,675. Adjusted enrollment is calculated by adding to the enrollment of a district (as such enrollment historically has been determined) "program," "low enrollment," "transportation," and "at-risk pupil" weightings, as follows.

Program Weighting. This weighting is provided for pupil attendance in educational programs which differ in cost from regular programs. These are:

Bilingual Education. The State Board of Education (SBOE) computes the full-time equivalent enrollment in bilingual education and multiplies that amount by 0.2.

Vocational Education. The SBOE computes the full-time equivalent enrollment in vocational education and multiplies that amount by 0.5.

The sum of these two weights is the program weighting of the district.

[Please note that no weighting for special education is included. While this weighting has figured prominently in proposals discussed prior to this time, the decision was made not to include special education in the plan. There would continue to be separate state categorical aid funding for special education.]

Low Enrollment Weighting. This weighting is assigned to school districts having enrollments of under 2,000 enrollment in recognition of higher costs attributable to the operation of low enrollment districts.

The low enrollment weighting is determined by constructing linear transitions between the 1991-92 median budget per pupil (BPP) of districts having enrollments of 75-125 and 200-399 and between the 1991-92 median BPP of districts having enrollments of 200-399 and 2,000 or more.

This procedure provides the basis for determining a "schedule amount" for each school district having an enrollment of under 2,000. The 1991-92 median BPP of districts having 75-125 enrollment serves as the schedule amount for districts having enrollments of less than 100. For districts with enrollments of 100 to 1,999, the schedule amount is determined from the linear transition schedule based upon the district's enrollment in the current school year. (The increments in the linear schedule for districts having enrollments of 100 to 299 vary from the increments in the schedule for districts having enrollments of 300 to 1,999.)

Attach # 1-2

The amount of the median BPP of districts having enrollments of 2,000 or more is subtracted from the schedule amount determined for each district having an enrollment of less than 2,000. The result is divided by the median BPP of districts having enrollments of 2,000 or more and the quotient so derived is applied to a district's current year enrollment to produce the low enrollment weighting.

Transportation Weighting. The State Board of Education determines the expenditures in the preceding year for transporting public and nonpublic school pupils on regular school routes. Calculations are then made to net out a portion of these costs designed to represent 50 percent of the costs of transporting pupils who reside less than 2.5 miles from school. The remaining amount is divided by the number of pupils enrolled in the district who were residing 2.5 miles or more by the usually traveled road from the school attended and for whom transportation was made available by the district. The result (quotient) is the per pupil cost of transportation.

The per pupil cost of transportation of each district is then plotted on a density-cost graph to which a statistical technique is applied to construct a "curve of best fit" for all school districts. This procedure recognizes the relatively higher costs per pupil of transportation in sparsely populated areas as contrasted with densely populated areas. Based on the school district's density, the point on the curve of best fit is identified for each district. This is the "formula per pupil" cost of transportation of the district. This figure is divided by the BSAPP and the quotient is multiplied by the number of pupils in the current school year who live more than 2.5 miles from school and for whom transportation is being provided. This produces the district's transportation weighting.

At-Risk Pupil Weighting. This weighting is determined on the basis of pupil qualification for free meals under the National School Lunch Program. To obtain this weighting for a district, the number of pupils who qualify for free meals under the federal program is multiplied by 0.05.

Local Effort

A district's local effort is the sum of the following revenues received in the current school year:

1. unexpended and unencumbered balances remaining in the general fund, except for revenues specifically characterized by law as not being operating expenses;
2. remaining proceeds of a transportation or technology education tax levy prior to their repeal;
3. amounts credited to the school district general fund from industrial revenue bond and port authority bond payments;
4. motor vehicle tax receipts;
5. mineral production tax receipts;
6. rental/lease vehicles sales tax receipts; and

Attach #1-3

7. federal impact aid (PL 874), in accord with federal law and regulations.

General State Aid

In each school year the State Board of Education determines a school district's general state aid entitlement by subtracting the district's local effort from the amount of SFA the district is entitled to receive. General state aid payments are made from the State School District Finance Fund.

School districts receive payments each month from July through May based on 8.33 percent of their entitlement for the school year and the balance of such entitlement in June. Monthly payments in July through May are to be made by the 20th of the month at the earliest and not later than the last day of the month. The final payment is made on June 15.

Special Funds

The bill identifies two categories of special operating funds. These are "program weighted funds" and "categorical funds." The program weighted funds include the transportation, vocational education, and bilingual education funds. The categorical funds include special education, food service, driver training, adult education, adult supplementary education, area vocational school (a new fund), inservice education, parent education, and educational excellence grant program fund. (The technology education fund is continued.)

[Note: Other special funds of school districts as have been authorized by law are not affected by the plan.]

Transfers From the School District General Fund

Transfers from a district's general fund to any other fund is an operating expense in the year the transfer is made. Transfers may be made from the general fund of a district to any categorical fund of the district in any school year. Similarly, money may be transferred to a program weighted fund or to the technology education fund, subject to the following conditions:

1. the transfer may not be made before the money in the program weighted fund is needed; and
2. the transfer amount may not exceed the obligation which is the object of the transfer.

The board may transfer money to the capital outlay fund subject to the following conditions:

1. no transfer may be made prior to June 1 of any school year;

Attach # 1-4

Miscellaneous

Following are several items of note relative to implementation of the proposed program:

1. Fort Leavenworth is incorporated as a part of the overall school funding program.
2. The income tax rebate program is eliminated.
3. By virtue of the weighting plans for bilingual education and pupil transportation, the specific categorical aid programs for these purposes are eliminated. Other categorical aid programs are continued. Presumably, the state appropriations for the vocational school categorical aid program also would be discontinued. (The Governor is proposing to add these funds to the vocational school postsecondary aid program.)
4. The property tax levying authority for technology education is eliminated.
5. The special limited authority to levy property taxes for a school transportation system is eliminated.
6. The tax levying authority for the capital outlay fund is unchanged.
7. The specific declining enrollment "cushion" for budgetary purposes is eliminated.

2. the district must be levying at least 3.5 mills or the amount that would have been produced by a 3.5 mill levy in 1988-89, whichever is the greater amount; and
3. the amount of the transfer may not exceed 1 percent of the general fund budget in districts with 10,000 or more enrollment nor more than 2 percent for other districts.

With regard to capital outlay, it should be noted that school districts are authorized to make general fund expenditures for acquiring equipment and repairing school buildings.

Districts are authorized to transfer back to the general fund amounts transferred to other funds during the same school year.

[Note: The only real changes in policy regarding transfers of funds are the limitations placed on transfers to the program weighted funds and the technology education fund. Current law does not authorize transfers to the technology education fund.]

Miscellaneous Revenue

Miscellaneous revenue a district receives, such as interest on idle funds, which is not required by law to be deposited in some specific fund may be credited to any program weighted fund, categorical fund, or the capital outlay fund.

[Note: This basically is current policy.]

Local Option Budget (LOB)/Supplemental General State Aid

In addition to the SFA funding, in any year a district, by majority vote of the board, may approve spending (LOB) in any amount up to 10.0 percent of its SFA.

School districts are authorized to levy property taxes to fund their portion of the LOB. State aid is provided for the purpose of equalizing the ability of a district to utilize this provision. Money for the LOB is deposited in the school district's supplemental general fund.

Supplemental general state aid is based on an equalization feature which is designed to treat each district as if its assessed valuation per pupil (AVPP) were equal to that of the district at the 75th percentile of AVPP. For each school district that uses all or a portion of its LOB, the State Board divides the district's AVPP in the preceding year by the 75th percentile AVPP and subtracts the ratio so determined from 1.0. If the ratio resulting from this calculation equals or exceeds 1.0, the district is entitled to no LOB supplemental general state aid. (This is because the district's AVPP equals or exceeds the AVPP at the 75th percentile.) If the ratio resulting from the calculation is less than 1.0, the district's LOB is multiplied by such ratio to determine the district's LOB supplemental general state aid entitlement.

A proration provision applies in the event the state appropriations for this aid are not sufficient to fund school district entitlements.

School districts may spend LOB revenues for any purpose for which expenditures from the general fund are authorized or these revenues may be transferred to the general fund of the district or to any program-weighted or categorical fund or to the capital outlay fund of the district.

State Aid Program – Bond and Interest Obligations

(H.B. 2835)

A new state aid program, based on an equalization concept, is created to assist school districts in making certain bond and interest payments.

Each school year, any school district that is obligated to make payments from a bond and interest fund is entitled to receive state aid inversely to its assessed valuation per pupil (AVPP). The State Board of Education administers this program. Each year, the State Board determines each school district's AVPP, rounded to the nearest \$1,000; determines the median AVPP of all districts in the state; assigns the factor of 50.0 percent to the median AVPP; and, for each \$1,000 of AVPP above or below the state median AVPP, changes the factor by 1.0 percentage point inversely to AVPP. (Example: If the median AVPP was \$40,000, the factor would be 50 percent; if a district's AVPP was \$39,000, its factor would be 51.0 percent; if a district's AVPP was \$41,000, its factor would be 49 percent; and so on.) A district's factor could not exceed 100.0 percent.

The school district's entitlement of state aid each year is determined by applying its percentage factor (as described above) to its bond and interest fund payment obligation for that year. A proration provision applies in the event that there is insufficient state money available to pay each school district's entitlement for the school year.

Statewide Property Tax

(H.B. 2891)

A statewide property tax of 45 mills is levied in 1992 on all taxable tangible property in the state. These tax revenues are collected by the county treasurer for deposit by the State Treasurer in the State School District Finance Fund (SSDFF). This money, and any other money credited to the SSDFF, is allocated to school districts in the form of general state aid under the School District Finance Act.

Of the motor vehicle taxes produced during the period from July 1, 1992 to June 30, 1993 attributable to taxes levied by the state in 1992, 30/31 of each such deposit is credited to the SSDFF. (The remaining amount is credited 2/3 to the Educational Building Fund (EBF) and 1/3 to the State Institutions Building Fund (SIBF) -- these fractional amounts represent the 45 mill share for the SSDFF, a 1 mill share for the EBF, and a 0.5 mill share for the SIBF.)

Attach #1-6

#2

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

ROOM 380 W. STATE CAPITOL
TOPEKA, KANSAS 66612
(913) 296-7651



REPRESENTATIVE, SIXTH DISTRICT
MIAMI COUNTY
ROUTE 2, BOX 150
LOUISBURG, KANSAS 66053

MARVIN WM. BARKIS
SPEAKER

TESTIMONY TO THE HOUSE EDUCATION COMMITTEE:

MARVIN WM. BARKIS, SPEAKER OF THE HOUSE
WEDNESDAY FEBRUARY 12, 1992

*Education
Attachment #2
February 12, 1992*

p.1

My family tradition has always been to provide that the next generation of children gets a better opportunity than their parents.

My father, who was a farmer and a legislator, was also a strong school supporter. He always supported the local bond issues and the school programs because he believed he had a responsibility not just for my sister and me, but for every other child in the district.

That was one of the primary reasons I ran for the House. I wanted to do something for schools. And after 14 years, I remain seriously concerned that our public schools need our help. This year may be more dramatic, but my basic goal is the same.

Education decisions ought to be made on the basis of the educational needs of our children, not as a result of tax policy or taxpayer heat

The Current State of Affairs:

Legislators have tried to find ways to balance regional needs, and resolve funding questions in a time of diminishing support for higher taxes. Taxpayers have increased their calls for accountability. Schools are the most public of our institutions, and therefore they get the most heat.

And school Boards have been caught in the middle.

The long-term efforts to find consensus have worked to a degree, but have also rendered the current system probably unconstitutional

The Court's Findings:

Let's get the clear picture. Judge Bullock didn't go looking for a case... it was brought to him by many Kansas school boards.

He didn't throw us into a turmoil with a hasty decision... he urged us to resolve the legal problems that he had identified.

He didn't take a narrow view... he took the broad view... one which I share... that the system had to be shaped to the needs of all children, equally.

Attach^t 2-2

p.2

We know equality is easier to design than to establish, but it is essential that we come as close as possible.

Task Force Proposal:

The Governor, a number of legislators and staff did an excellent job working with the State Board of Education to establish a common set of principles... equal education funded by an equitable method of finance. And they proposed weighting standards which address students' needs and districts' needs.

However, a review of the proposal's financial impact revealed some unintended and unwanted outcomes. The resulting concerns from around the state led us to propose a similar plan, with what we believe to be some reasonable adjustments to the task force plan.

House Democratic Proposal:

In the area of funding authority:

We preserve the principle that the state has the primary duty to fund public schools. I believe our plan allows local schools more flexibility over their educational decisions than is currently the case.

We preserve the principle that education dollars must be evenly allocated.

However, we provide a flexibility for school districts not found in the original plan, because we think it is necessary. As one House member said, the original plan asks a community that has always been very supportive of their schools to raise taxes, cut spending and surrender any chance to make up the difference through locally initiated taxes.

In the area of financing schools so as to acknowledge the special needs of pupils:

We preserve the base financing and the weighting with some exceptions, such as ...

p.3

Additional weight is given to low enrollment districts. In the absence of a credible plan for more consolidation of districts, we cannot abandon children in rural Kansas schools and the lives of the families in rural Kansas communities.

A weighting is established for high-risk students. No one can dispute the stress placed on schools particularly in our older urban districts who provide the bulk of service and the bulk of hope for thousands of Kansas children in trouble from crime and drugs in their neighborhoods, and from the grinding conditions of poverty. These conditions exist everywhere, but the concentration in our larger cities is expensive and cannot be ignored.

There were other changes as well, as the committee's briefing has noted.

Openness to Change:

The Governor has indicated that there are some changes she would make from our plan, and I say that's fine. The key is openness... openness to negotiation, openness to change. We must be open to each other if we are to find consensus. Without consensus we can do nothing for our children, without consensus we will drift with the events rather than shape the events to suit our needs.

Challenge to Committee:

My challenge to the committee is this. Take our proposal as a starting point. And if you must make changes, do so in a way that is consistent with the needs of children. If less money can do the job without sacrificing the educational opportunity of a single child, that's fine. If more money is needed, tell us what that amount is, and challenge us to find a way to pay the bills in an equitable fashion.

I have said it before and I repeat it here. I believe it is of the utmost importance that our plan not sacrifice one group of students for another group, and in no case can Kansas children be sacrificed for the expediency of property tax relief.

Attack # 2-4

p.4

I have always thought that we in the Legislature should work to keep a level playing field, whether it involves competition between economic interests or regional disputes or whatever.

Jonathan Kozol uses the same analogy in his excellent book, Savage Inequalities. In the book he describes the tragedy of many of our nation's schools, and how some of the tragedy is perpetuated by the school funding laws of the states. He talks about the unlevel playing field, but points out how such an analogy is woefully inadequate to describe the facts of life for our school children.

He says:

Unlike a sports event... a childhood cannot be played again. We are children only once and after those few years are gone, there is no second chance to make amends. In this respect, the consequences of unequal education have a terrible finality. Those who are denied cannot be "made whole" by a later act of government.

Democracy is not cheap:

For those who want to look at the bottom line without examining anything else, I would issue this warning. Democracy is not cheap, children are not mere figures on a ledger page and I will oppose a plan that fails to acknowledge those facts.

Fairness and equality should be the goals of this effort, and I urge you to embrace both.

Attach # 2-5

KENT GLASSCOCK
 REPRESENTATIVE, 62ND DISTRICT
 RILEY COUNTY
 1921 CRESCENT
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 STATE CAPITOL ROOM 155-E
 TOPEKA, KS 66612
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TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 MEMBER: TAXATION
 ENERGY & NATURAL RESOURCES
 RULES & REGULATIONS

HOUSE EDUCATION & TAXATION COMMITTEES

February 12, 1992

TESTIMONY IN SUPPORT OF HB 2835
 Capital Improvements

The general public policy in Kansas is that funding for school facilities is the responsibility of local school districts. With the approval of the electors, school district boards levy property taxes to provide for their facilities needs.

Increasingly, in recent years there have been requests that the Legislature consider providing some degree of state support to assist school districts in meeting their facilities needs. This issue was brought into sharp focus in connection with the several school finance court cases.

Judge Bullock's October 14 order places special emphasis on the point that "all costs, including capital expenditures" are included within the constitutional mandate for establishing, maintaining, and providing for the financing of the system of education.

The Governor's Task Force on Public School Financing in addressing the facilities issue, proposed that the state assume the responsibility for determining and funding the building needs of school districts. This proposal was to be prospective in nature, dealing only with future facilities needs. School districts which currently are financing facilities projects would continue to do so until payment for the projects is completed.

It is my belief that this recommendation is flawed. I believe the people of Kansas don't want Topeka deciding who gets new schools and who does not. School building decisions are best left at the local level. HB 2835 will do just that.

This bill would establish a state aid program to provide equalization aid to assist school districts in paying for their bond and interest obligations. Under this plan, a school district having the median assessed valuation per pupil would receive state aid equal to 50 percent of the current year's bond and interest obligation. For each \$1,000 of assessed valuation per pupil above or below the state median, the state aid ratio would change by 1 percentage point inversely to the relationship between the district's assessed valuation per pupil and the median.

*Education
 Attachment 3*

February 12, 1992

Examples:	Assessed Valuation Per Pupil	State Aid Matching Ratio
Median Assessed Valuation Per Pupil	\$ 30,000	.50
District A	40,000	.40
District B	20,000	.60

There are six primary characteristics of HB 2835:

1. Local control of the school building process is maintained.
2. Resource equalization is introduced into facilities construction.
3. Equal educational opportunity is enhanced through equalization.
4. Every district (except some with extremely high property valuation) presently levying for bonds and interest and all districts choosing to do so in the future will benefit.
5. The program can be administered without increasing the state or any other bureaucracy.
6. There will be some meaningful incentive for school districts to address the growing needs of an aging and deteriorating infrastructure.

Now is the time that Republicans and Democrats should come together to find solutions to the various school finance issues which face our state. It's inappropriate and unacceptable for us to continue the deep divisions of rural vs. urban and rich vs. poor. The people of Kansas expect us to stop bickering and start problem solving. They expect us to build bipartisan consensus and concentrate on sound public policy. This capital improvement bill has 23 Republican and 24 Democrat co-sponsors. It is designed to help start the concensus building process and I ask your favorable consideration.



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: AGRICULTURE
ENERGY & NATURAL RESOURCES
TRANSPORTATION

STEVE LLOYD
REPRESENTATIVE, SIXTY-FOURTH DISTRICT
CLAY, DICKINSON, GEARY,
RILEY COUNTY
BOX 101
PALMER, KANSAS 66962

February 12, 1992

Chairman Bowden, Chairman Wagnon and members of the Education and Taxation Committee.

I appear before you today in support of HB 2835, an equalization concept, created to assist school districts in making bond and interest payments.

When I speak to constituents in the 64th District, one thing becomes abundantly clear. They want to retain as much local control as possible in any school finance formula. House Bill 2835 gives voters in school districts the opportunity to exercise that local control. School districts that want to increase their capital improvement spending or have to increase capital improvement spending because of enrollment growth should be allowed to do so if they are willing to "pay the price."

But the reality of the situation is that some school districts do not have the property tax base to fund large capital improvement projects so badly needed in certain areas of the state. House Bill 2835 would help these districts with their capital improvements debt obligations through the use of an equalization formula. Local effort, plus equalized state aid, could then be used to adequately fund capital improvements projects.

While I recognize this is a radical departure from the existing method of funding capital improvement projects, I believe it solves many of the problems that exist today. 1.) It retains local control. 2.) It doesn't create another administrative level of bureaucracy deciding who gets what school and when. 3.) The concept of resource equalization is implemented in school districts as it relates to facilities.

House Bill 2835 is not the complete answer to our school finance problem. It addresses only the capital improvements issue. But it is a bi-partisan effort to retain some semblance of local control while equalizing educational opportunity for the students in this state.

Thank you Mr. Chairman. I would be happy to respond to any questions.

*Education
Attachment #4
February 12, 1992*

Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

February 12, 1992

TO: House Education Committee
FROM: State Board of Education
SUBJECT: House Bill 2892 and House Bill 2835

My name is Tim Emert, Chairman of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

The State Board of Education is a strong advocate of implementing an outcomes based accreditation system. Such a system will provide for accountability. However, if education is going to become accountable, it will be necessary to consider it as an evolving process requiring constant monitoring and improvement. Also, adequate funding must be provided to support the reforms that must take place.

The State Board of Education supports the following educational programs and goals.

- * School district improvement plans -- developed through local community and school involvement.
- * Accountability system -- partially in place at this time with the math and reading assessment programs and the proposed communication assessment to be implemented in fiscal year 1993.
- * Student preparation for entering school -- accomplished through adequate parent education programs and preschool programs such as Head Start.
- * Student competencies -- currently implementing programs of this nature through the outcomes based accreditation system.
- * Training and retraining of the work force -- require increased achievement in math and science courses as well as in skilled training. This is particularly true as it relates to technology as a result of rapid changes in industry.
- * Community involvement -- includes the school district working with the community in developing plans, goals, and school improvement plans as outlined in the quality performance accreditation system.
- * Family involvement in student education -- parent support of the school and the student. We look at school as a cooperative venture between the community, the student, and the state. Parent support in this area is essential.

Dale M. Dennis
Deputy/Assistant Commissioner
Division of Fiscal Services and Quality Control
(913) 296-3871

*Education
Attachment #5
February 12, 1992*

- * Increased graduation rates and reduced dropouts -- the state can no longer afford for students to drop out of school. Their likelihood of success in the world of work is remote. It is essential that we make every effort that students have the math and reading skills as well as the technical skills to meet the needs of business and industry or additional postsecondary training.

The State Board of Education believes increased funding is necessary to meet these needs as outlined by legislative interim study committees as well as the State Board. We likewise support a reduction in the state property tax and the opportunity for all unified school districts to have competitive teacher salaries.

The State Board believes it is essential that the equalized school finance formula include appropriate weightings and uniform statewide mill levy which are adjusted to meet student needs. This is an opportunity for all of us to work together for all students and to come up with an equalized formula.

Under House Bill 2892, special education would continue to be funded as a categorical aid program. The State Board supports this concept, provided excess costs are funded at 100 percent. We think such action is essential to provide equal educational opportunities for special education children.

We also support the concept of House Bill 2835. We feel it most appropriate for each local board of education to determine its building needs and to have the state share in capital improvements costs in an equitable manner.

We believe a funding system as prescribed in these two bills will allow Kansas to be progressive and to move forward in a manner that is fair and appropriate for all Kansas children. We realize such a funding system may require an increase in revenue from the sales or income tax. The State Board would support such an increase to provide all Kansas students with a quality educational system.

I know money is tight, but someday it will be our turn to sit in your chairs and take our leadership of Kansas. To be good leaders we must have an outstanding education and the start of an outstanding education does begin on the grade school level.

Thank You Very Much!

attach #5-3

SPEECH TO THE HOUSE COMMITTEE ON SCHOOL FINANCES

Chairman Bowden, Committee Members, and Fellow Kansans, I am Erin Caffrey. I am thirteen years old and in the eight grade at Mt. Hope Grade School, District 312. To limit this speech to only three minutes will be hard because this is a very important issue to me. The cuts in money for schools have cost me an English teacher, a computer teacher, vocal music classes only twenty minutes long, band period was cut in half, and my P.E. time is now down to twenty minutes. We don't even have time to change clothes which stinks...in more ways than one.

Oh yes, I do have an English class taught by my Math teacher who has never taught English or wanted to, but this year he has 7th and 8th Grade English, Math, and Spelling. My Computer class is once a week for 45 minutes taught by my Science and History teacher who also teaches 7th Grade Science, Kansas History, and Geography. New books for the library were put on hold.

All of this above happened this year at my school and many other schools in Kansas.

This year all school districts are looking to make cuts with music, art, and some sports. Let's get realistic we know music and art will go before sports.

I know the reason I can speak to you today is the self confidence I developed through my music. As a second grader I sang a vocal solo, "Silent Night", for a packed crowd at the school Christmas program. I did a good job, and was proud of myself. I learned with practice that I could sing much harder songs. My teachers started expecting a higher level of performance out of me. Because of their belief in me I came to believe I could try other things, and be successful if I worked hard.

At age nine I asked if I could get a job at the town paper, "The Mt. Hope Clarion". I was hired and still have this job. I feel that I owe it all to music and music teachers who have taught me to set goals, the importance of practice, how to work with a large group, and how to achieve my goals.

*Education
Attachment #6
February 12, 1992*

Erin's Corner

by Erin Caffrey

My sisters both celebrated their birthday on Sunday. Their birthdays both fall in January, so my mom decided to have a joint party. They had two cakes, a chocolate and a white one. Ashley (the two year old) went crazy

with all the excitement. She had a lot of fun. Breana (the one year old) was a little young to understand, but she loved the cake. She had it all over her! It was a great day!

This is a letter I wrote to Larry Hatteberg and Jan McDaniels:

Education For All My Tomorrows

The governor and the Kansas legislators can't agree on school finances. Property owners are upset over the raise in mill levies. Wichita school leaders and the superintendent haven't shown

enough adult leadership in these tough financial problems. The governor points the finger at local school boards, local school boards cut programs and teachers' salaries, teachers are having to teach classes they know little about to classes double in size to save the cost of another teacher.

What happened to all those campaign slogans? You know the ones -- "We must make education a top priority in Kansas," "Educate our young people and Kansas can be a leader in the 21st century," "Working together, we can make Kansas students the top in the nation."

Oh, I used to believe the politicians. Now I know slogans and promises are only good until the day after the election.

Most young people in Kansas want a good education, most of us work hard in school. Most of us aren't gang members, have never been in juvenile court; if our names are in the paper, it's because we're in sports or play in the band. Most of us are doing our part and now we need the adults in our state to work together so our educations are the best in the nation.

To the local taxpayers, the local school boards are not wasting money. Computer classes are not frills, but tools we need for the job market. Music and art classes are not a waste of time, but an important building block for a committed team work project. Music and sports teach you to work together as a team -- to set goals. My parents and grandparents went out for sports, took part in music and had the chance to study art. They got a good education and I want the same chance.

Now is the time for our governor and the legislators to get their act together and quit acting like little children, who each must have their own way. We need to find a compromise that both sides can agree on, a plan that has a stable education system, a finance system for our schools so local school boards can make long-range plans. A plan that doesn't place a larger burden on property owners, but makes education something all Kansans pay for.

A teacher, a coach, and music program cost less than a juvenile court judge, one more member of the police gang squad, or the cost of one young person in jail for a year.

Please help us learn so we can be educated and informed citizens of the 21st century. *attach #6-2*

LEGAL PUBLICATION

(First published in the Mount Hope Clarion, Thursday, January 23, 1992)

SMITH, SHAY, FARMER & WETTA
Attorneys at Law
200 West Douglas, Suite 830
Wichita, KS 67202
316: 267-5293

IN THE EIGHTEENTH JUDICIAL DISTRICT, DISTRICT COURT SEDGWICK COUNTY, KANSAS CIVIL DEPARTMENT

THE MERCHANTS BANK, KANSAS CITY, MISSOURI, A STATE BANKING ASSOCIATION, AS TRUSTEE FOR THE CITY OF WICHITA, KANSAS, WITH RESPECT TO THE CITY'S SINGLE FAMILY MORTGAGE REVENUE BONDS, 1985 SERIES "A"

Plaintiff,

v.

RANDY L. MITCHELL, TAMARA K. STALKER f/k/a TAMARA K. MITCHELL, ANN STEPHENS, and the unknown heirs, executors, administrators, devisees, trustees, creditors and assigns of such of the defendants as may be deceased; the unknown spouses of the defendants; the unknown officers, successors, trustees, creditors and assigns of such defendants as are existing, dissolved or dormant corporations; the unknown executors, administrators, devisees, trustees, creditors, successors and assigns of such defendants as are or were partners or in partnership; and the unknown guardians, conservators and trustees of such of the defendants as are minors or in anyway under legal disability,

Defendants.

CASE NO. 92 C 130

NOTICE OF SUIT

THE STATE OF KANSAS TO RANDY L. MITCHELL AND TAMARA K. STALKER f/k/a TAMARA K. MITCHELL AND ALL PERSONS WHO ARE OR MAY BE CONCERNED:

You are hereby notified that a petition has been filed in the District Court of Sedgewick County, Kansas, by

LEGAL PUBLICATION

(First published in the Mount Hope Clarion, Thursday, January 23, 1992)

SMITH, SHAY, FARMER & WETTA
Attorneys at Law
200 West Douglas, Suite 830
Wichita, KS 67202
Telephone: (316) 267-5293

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THE MERCHANTS BANK, KANSAS CITY, MISSOURI, A STATE BANKING ASSOCIATION, AS TRUSTEE FOR THE CITY OF WICHITA, KANSAS, WITH RESPECT TO THE CITY'S SINGLE FAMILY MORTGAGE REVENUE BONDS, 1985 SERIES "A"

Plaintiff,

v.

PEGGY R. TUXHORN; BENEFICIAL MORTGAGE CO. OF KANSAS, INC.; J. MICHAEL MORRIS, TRUSTEE IN BANKRUPTCY FOR PEGGY R. TUXHORN, the unknown heirs, executors, administrators, devisees, trustees, creditors and assigns of such of the defendants as may be deceased; the unknown spouses of the defendants; the unknown officers, successors, trustees, creditors and assigns of such defendants as are existing, dissolved or dormant corporations; the unknown executors, administrators, devisees, trustees, creditors, successors and assigns of such defendants as are or were partners or in partnership; and the unknown guardians, conservators and trustees of such of the defendants as are minors or in anyway under legal disability,

Defendants.



Board of Education

Testimony Before the House Education Committee
Regarding House Bill 2892
In Support of Kansas School Children
By Carol Rupe, Wichita Board of Education
February 12, 1992

Mr. Chairman, Members of the Committee:

My name is Carol Rupe. I am a member of the Wichita Board of Education, but more importantly, I am a citizen of Kansas and a parent who is deeply concerned about the future of children in this state. Thank you for the opportunity to address you on this important topic as you attempt to restructure school finance in the state of Kansas.

I certainly am no expert on school finance, but I have been on the Board of Education long enough to understand that finances become the force that drives the educational system. I don't need to give this committee the detail of what has transpired in Wichita this past year. As a result of a combination of circumstances, the Wichita schools were in dire straights. While we recently have had the good news of an increase in anticipated state revenues for the school district that has made it possible for us to address a few of the more damaging cutbacks that the school district suffered, those of us who have lived through the past year will long remember the devastating cuts that were made. Nearly 300 school personnel were eliminated, massive cuts in supplies and equipment were made, and we faced inability to fund creative educational ventures on behalf of our children. At the same time, the district experienced the largest ad valorem tax increase in the history of our school district. The increase alone was greater than some school districts have been required to tax themselves for the support of their total school program.

I am somewhat encouraged as I read the paper and listen to accounts of the discussions that are going on here in Topeka. It appears that with the encouragement of the recent District Court guidelines, there is some developing consensus to equalize the tax burden throughout the state for our educational program. I applaud that effort and encourage you to continue to pursue this worthy goal.

The other half of the formula has to do with establishing both equity and adequacy in the way money is expended on pupils in Kansas. It is in this last area that I wish to address this committee. It is so easy to get lost in comparisons and charts, tables and computer runs, and to count winners and losers as you go through the various scenarios, but it is difficult to keep a focus on the face of the children of Kansas who will be well served or neglected under the decisions that you ultimately make.

Local boards of education provide the most intimate and personal service of any level of government. The decisions that we make and the programs that we manage daily effect the lives of our citizens. If things are going well in school, if children are being well served and are happy, the whole tone of a household is affected. When things are not going well at school, those negative tones are as real and personal as a discussion at the kitchen table. My goal in addressing you today is to ask you to look beyond the dollars that we tend to use to evaluate various finance formulas and to try to focus on the faces of Kansas school children. Let me cite a couple of incidents that

recently came to my attention to suggest that it is more than dollars that you allocate; it is really services to children. The recent and difficult budget cutting experiences that the Wichita Board of Education faced were handled at a board level in terms of \$100,000 cut here, \$50,000 cut there, 23 personnel reduced from this program, and on and on. Since then, I have had the opportunity to experience what those losses have meant in human terms.

Just prior to the Christmas break, I walked into Mead Middle School, a program that has had a history of outstanding service to students in our district. As I entered the building I was greeted by a parent who was hurrying past me toward the library. As I walked to the library, she was opening the door. She indicated she was there as part of a group of parents who were attempting to provide some assistance to keep library services available in the school. As the story was later told to me, Mead Middle School experienced an increase in enrollment of 45 students this year in the face of budget cuts. In addition to supplies and equipment being eliminated, their school had suffered a cut of four staff positions. In order to stave off large class size increases, the staff made the decision to eliminate all library, nursing, and special helping teacher support positions.

A similar story was recounted to me this past week by the principal at McLean Science and Technology Elementary Magnet School. She indicated that all teachers in the building had voluntarily attended summer training programs in order to implement a special science curriculum with the science technology specialist assigned to the school. When they returned to the school they felt betrayed to learn that the science technology specialist position had been cut. Once again, the science specialist was cut in an attempt to keep class size down. Even so, when school began, the school had 37 youngsters in each second grade classroom.

In another incident related to me, staff cuts at an elementary school meant that a nurse was in the building only seven hours a week, which is hardly adequate to meet the unique needs of 30 mentally handicapped students in that school who require special health services, without any consideration of the other 300 plus students in the building.

As I visit schools in the district, such stories are manifold. Programs specifically designed to deal with problems of minorities, at-risk children, and special needs youth were cut drastically as part of the program roll backs.

I indicated to you earlier that I am not an expert on school finance. I don't deal with school budgets as they would be looked at by an accountant. I am inclined to move beyond that level to see what services that are being rendered to children and the lives that are being positively or negatively affected by the choices that we make. I am haunted by the fact that we have children that we are not adequately reaching. I know this story is not unique to Wichita.

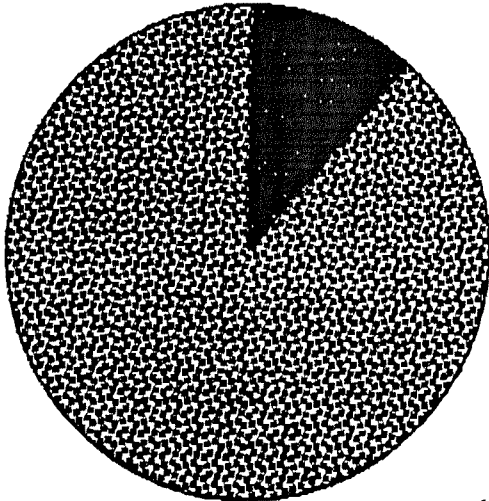
When our colleagues in the Johnson County school district charge that they will be forced down to spending levels that will result in mediocre education, we know what they mean, because they will be forced down to the current level of spending in Wichita. And that is simply inadequate.

Likewise, we do not desire to penalize districts that are necessarily small and we support funding the operations of those districts' extraordinary costs. However, we cannot support a plan that arbitrarily undergirds a school district as a political subdivision or as economic development insurance at the expense of education for all Kansas children.

Making the commitment to adequate funding for all children, not just some children in Kansas, is the right thing to do. In your deliberations I would ask you to focus from time to time on the face of a Kansas child that you know. That's where the constitution of Kansas says you owe the obligation. It also just makes good sense. It is a cliché to say that children are our future, but they are.

*Children Above & Below MDN BPP: HB2892

3.8% Inflation Adjusted
February 12, 1992



■	47,463 FTE Above MDN BPP	11.0%
▨	383,995 FTE Below MDN BPP	89.0%

Median BPP Per HB 2892:

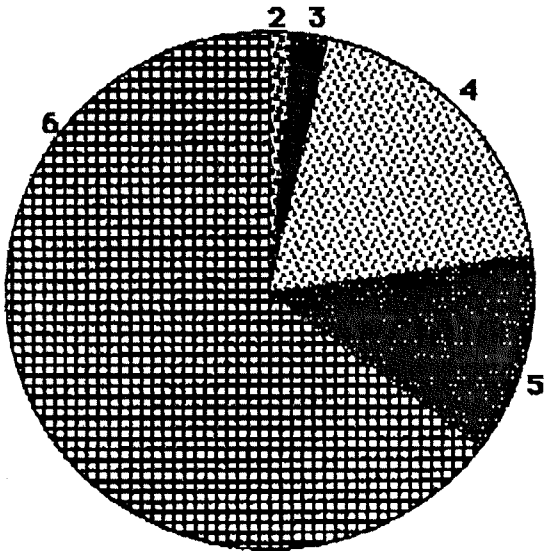
\$5,632

Wichita BPP Per HB 2892:

\$3,747

#Children At BPP Levels: HB2892

3.8% Inflation Adjusted
February 12, 1992



1	583FTE @ \$8,228-\$8,000	0.1%
2	5,530FTE @ \$7,999-\$7,000	1.3%
3	9,669FTE @ \$6,999-\$6,000	2.2%
4	82,411FTE @ \$5,999-\$5,000	19.1%
5	54,061FTE @ \$4,999-\$4,000	12.5%
6	279,203FTE @ \$3,999-\$3,610	64.7%



Kansas City, Kansas Board of Education

625 Minnesota Avenue • Kansas City, Kansas 66101 • (913) 621-3073

Sylvia L. Robinson
President

George Gray Breidenthal Jr.
Vice President

William W. Boone
Norma Kalso

Richard J. Kaminski
Jo-Anne Meditz

Peter C. Pomeranke

David L. Lusk
Superintendent of Schools

TESTIMONY

HOUSE EDUCATION COMMITTEE

FEBRUARY 12, 1992

Thank you, Mr. Chairman and Members of the Committee, for the opportunity to appear before you. I am Dr. Sylvia Robinson, President of the Board of Education, USD No. 500, Kansas City, Kansas.

The committee is to be complimented for its diligent efforts to resolve inequities in the state's school finance plan that will meet both Judge Bullock's guidelines for equality of education and equity in funding, and will consider the diverse problems of all 304 unified school districts.

We are all familiar with Judge Bullock's ruling and mandate to the legislature and are confident that you will meet your responsibility to establish, maintain and finance public schools as imposed by the plain language of our constitution.

The student weighting feature of your current plan, though new to Kansas, has worked successfully in other states. We are particularly pleased that you **now** have included a weight for at-risk students. However, we feel the factor is much too low -- especially at 1.05 when compared, for example, to 1.50 for vocational education.

Utilizing the state's definition and criteria, USD #500 reported 44.6 percent of our students as **at-risk** last year. The State's criteria includes 13 areas in their definition ranging from high absenteeism to victim of abuse to free or reduced lunch.

**Testimony
House Education Committee
February 12, 1992
Page 2**

Through Judge Bullock's opinion and our subsequent questions to him, we feel that he clearly intended for the at-risk factor to be included and would rule so, if it becomes necessary.

As is the case in large urban districts, a high percentage of at-risk students results in higher dropout rates, higher teenage pregnancy rates, higher instances of youth violence, etc. Let me be quick to point out that students identified as at-risk must not be stereotyped and are equally deserving of equal educational opportunities. We have made significant progress in USD #500 in these areas (i.e. achievement, attendance, dropout rate, etc.); however, the prevention and intervention programs we have implemented cost additional money (see attached). The point is the urban school district must deal with proportionately more at-risk students.

We also encourage the committee to consider including a factor for urban transportation. In Kansas City, though the distances are short, the dangers inherent to children in urban areas mean that we must transport our children under 2.5 miles.

Special education funding is also a concern. Because the mandate of adequate funding of excess costs is not provided, large amounts (approximately 6.4 million) must be transferred from our general fund which reduces the quality of education of all our students. Our understanding is that your current bill does not provide a weight for special education and merely includes the amount of funds districts received last year -- approximately 73 percent of the actual cost. We feel excess cost should be fully funded and/or an adequate and valid weight should be developed and applied for special education students, especially since our district (and others) have a disproportionately higher number of special education students.

Attach #8-2

Testimony
House Education Committee
February 12, 1992
Page 3

Finally, we applaud your efforts and sympathize with you because of the enormous task before you. USD No. 500 pledges itself to be an integral part of the solution and to help in any way possible.

Thank you for this opportunity to appear before you.

Attach #8-3



SEQUENCED STEPS FOR SAFE SCHOOLS

Kansas City, Kansas Public Schools
1986 - 1991



Prevention

Drug and Alcohol Education Program
The Effective School Program
The Efficacy Model
Dropout Prevention Program
The Comer Model
Project CHOICE
Critical Thinking Skills Program
Parents As Teachers Program
Early Childhood Program (At-Risk Students)
Middle School Alternative Program
Outcomes Based Education Program
PALS Program
Alternative High Schools
Kansas City As School (AYS)
Urban Partners Project
Positive Discipline Program

Intervention

Code of Student Conduct
Police Department/Schools

- improved cooperation
- improved communications
- neighborhood crime unit

Districtwide Gang Awareness Program (materials, videos)
School-Based PTA Awareness Program (guns, gangs)
High School Security Officers doubled
Elementary Weapons Brochure developed with PTA
Gang Intervention Curriculum
Play It Safe Brochure (child snatching) with PTA
Middle School Safety Video (guns, drugs, gangs) developed with PTA
Crisis Management System
County Sheriff's School Monitoring Program
DARE Program
Citywide Truancy Program
Electronic Surveillance and Entry systems at all schools
Employee Identification
Metal Detectors
U. S. Attorney/District Attorney/School District Collaboration

Attachment #8-4

TOPEKA PUBLIC SCHOOLS

1992-93 LEGISLATIVE FUNDING POSITIONS

- STATEWIDE MILL LEVY RATE

The Topeka Public Schools supports the proposed statewide mill levy rate. We believe a standard mill rate across the state of Kansas provides for equitable funding for public education.

- STATEWIDE PER-PUPIL EXPENDITURE RATE

The Topeka Public Schools supports the concept of the statewide per-pupil expenditure rate with the recently proposed local funding authority. This would not only equalize the expenditure across the state, equalizing opportunity, but leave at the local level some discretion to meet any unique educational needs.

- STUDENT WEIGHTING

The concept of student weighting for at-risk students, transportation, bilingual education, and vocational education is supported by the Topeka Public Schools. However, we believe the consideration for transportation should include state assistance at the one-mile distance for elementary and one and one-half miles for secondary students. We believe this provides an equal opportunity for students to get to school and thus participate in the educational opportunities. We believe the special education categorical aid should remain as presently funded and not be included in the weighting formula.

- CAPITAL OUTLAY

We recommend that any consideration of a state plan for capital outlay include resources for repair and maintenance. We would propose that either money be allowed at the local level on a per-pupil state equalized basis or a dollar amount be added to the base per-pupil funding level for education across the state and that amount be transferable to capital outlay at the discretion of the local school board. We believe, also, that adequate millage across the state should be levied to allow for the necessary construction and modernization. This would require significant millage commitment on a statewide basis.

GAL/dr
2/11/92

Education
Attachment # 9
February 12, 1992

February 8, 1992

Mr. President, Board Members:

I have reviewed the Blue Ribbon Task Force Report and this years 501 budget. When the public hears budget reductions and cuts, they assume you are talking about cutting spending. You are not. You and the task force are talking about reductions in budget estimated expenditures. For instance, in this years budget you claim you cut \$1.18 million. \$355,000 was in various established job or proposed job positions. Yet in your budget, I found \$255,000 in the first line item of the general funds added for unfunded new positions. \$30,000 was listed in cut in property tax. Last year \$30,000 was in the budget for property tax, even though the school district is exempt from property tax and not 1 cent of the \$30,000 budgeted last year was spent on property tax.

A couple of examples in the task force possible budget reductions: 1. reduce utilities by \$75,000 and 2. legal services by \$100,000. In 17 utility line items in this year budget, compare last years estimated expenditures of a little over \$2.7 million, with last years actual expenditures of \$1.7 million, and this years budget estimated expenditures of \$2.9 million. See attachment 1. As for the possible reduction of \$100,000 in legal service, I asked this board last August to establish a Special Liability Expense Fund and again on October 31, 91 in a letter to the Board President. You sir, answered my letter on November 15, 91 and told me "No member of the Board has expressed interest in this suggestion." I have identified a possible \$827,000 in this years budget that could be put into this fund where it could not be used for any other purpose than for what it was budgeted for.

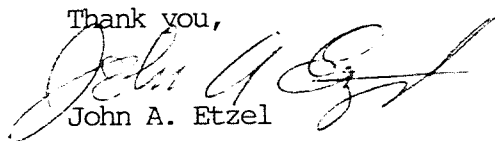
In the general fund, 89-90 actual expenditures were \$49,599,784.00. In 90-91 they were \$49,992,356.00, or a actual increased in spending of only \$392,575.00 over the previous year. Because general fund school budget increases are based on the previous years estimated expenditures and not the actual expenditures, this years estimated expenditures are \$53,121,447.00, or a little over 6.25% increase over actual expenditures of the past year. It is no wonder the utility bugets in attachment 1 show an estimated increase in expenditures of over 70% over last years actual expenditures. You had to hide the estimated expenditure increases somewhere, and utilities is not the only area you did so. If you desire further budget reduction recommendations, then please review my reduction recommendations submitted to you last August. Although I don't even know why we are talking budget reductions at this time, since the whole subject of school financing is up in th air.

The reporters in Washington, D.C. refer to this type of budget action by our U. S. Congress as "smoke and mirrors." Our state laws currently allow school districts to prepare budgets using deceit, manipulation, and dishonesty. In addition, the BOE's attempt to lay a guilt trip on taxpayers by justifying what they are doing, by claiming it is in the best interests of our childredn.

I will testify before the House Education Committee and will ask them to change various statute's and the method of school financing to put common sense and honesty into school budgeting.

To quote Shakespeare "Oh, what a tangled web we weave, when at first we attempt to deceive." I think the governor, Mr. Andy Rooney, and me know what's wrong with current school financing and education.

Thank you,


John A. Etzel

*Education
Attachment #10
February 12, 1992*

INFORMATION TAKEN FROM USD 501 APPROVED 91-92 BUDGET

0101 General Fund

<u>Line Item</u>	<u>Prior Yr Approp.</u>	<u>Prior Yr Expense</u>	<u>Proposed/Approved Budget</u>
3817 Telephone	185,000	146,864	185,000
3827 Electricity	902,450	633,775	997,450
3837 Gas-oil	979,600	470,984	1,070,805
3847 Water	85,000	41,224	85,000
3857 Sewer	75,000	47,417	75,000

0102 Vocational Education Fund

3817 Telephone	30,000	18,477	30,000
3827 Electricity	200,250	137,071	200,250
3837 Gas-oil	198,700	135,039	198,700
3847 Water	8,500	2,956	8,500
3857 Sewage	8,500	3,834	8,500
3867 Refuse	8,000	3,427	8,500
3877 Security System Utilities	5,000	0	5,000

0103 Special Education Fund

3817 Telephone	30,000	15,288	30,000
3827 Electricity	27,000	33,518	27,000
3837 Gas-oil	26,000	25,661	26,000
3847 Water	1,500	1,868	1,500
3857 Sewage	<u>1,800</u>	<u>2,112</u>	<u>1,800</u>
GRAND TOTAL	2,772,300	1,719,515	2,959,005

Attach # 10-2

February 12, 1992

Mr. Chairman, Members of the House Education Committee:

My name is John Etzel, I live at 3124 Chelsea Dr. in Topeka and I am a retired navy Chief Warrant Officer with over 14 years experience in preparing budgets, the last one being over 20 million dollars.

I have provided you with a point paper dated February 4, 1992 and a copy of my presentation to the 501 BOE on February 8, 1992. My point paper contains various concerns I have with school budgeting and financing and has my recommended solutions. I will talk only of the concerns. First: school district budgets are based on the past years estimated expenditures instead of the actual expenditures. For example, 501s general fund 89-90 actual expenditures were \$49,599,784.00. In 90-91 they were \$49,992,356.00, or an actual increase in spending of only \$392,575.00 over the previous year. Because general fund budget increases are based on the estimated expenditures, this years general fund budget was set at \$53,121,447.00, which is an increase of \$3,129,091.00, a 6.25% increase over last years actual expenditures. It is no wonder the utility budgets in attachment 1 of my presentation dated February 8, 1992 show an estimated increase of over 70% over last years actual expenditures. They had to hide the estimated expenditure increases somewhere and the utilities line items are but one example.

Second point: The legislators should pass a law requiring uniform budget and accounting for the reasons outlined in my point paper.

Third point: Hiding of taxpayers money by local school district's in various fund categories. For example:

a. Of the \$1,740,810 dollars estimated interest to be earned this year on USD 501 idle funds, \$1,305,614.00 of this money is hidden in Fund 02 Vocational Education, Fund 05 Transportation, and Fund 06 Capital Outlay. These moneys are not needed in these funds. This is not only allowed by state law, but basically directed.

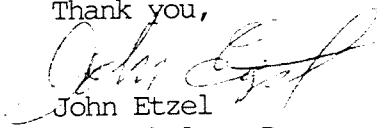
b. Another example is USD 501 Fund 02 Vocational Education. Last years estimated expenditures were \$7,938,415.00, with actual expenditures of \$4,037,322.00, and an approved budget for this year of \$8,141,313.00. That's \$4,103,991.00, or over a 100 percent increase over last years actual expenditures. This fund had unencumbered cash of \$4,050,041.00 as of 1 July 1991, the beginning of this fiscal year, yet this legislative body put in \$2,107,373.00 in state aid into this fund for the current budget year!!!!!! Why??

Fourth point: Require all school districts to establish a Special Liability Expense Fund as authorized by K.S.A. 75-6110(a). This should include all salaries to attorney's and their staff, liability insurance, court costs, property insurance, etc. This would take these moneys out of the general fund and result in these moneys being used only for this purpose. I would rather have a mill or 2 leived against me for this purpose, and the cited law allows school boards to do so.

Our state laws currently allow school districts to prepare budgets using deceit, manipulation, and dishonesty, and they do so and attempt to justify their actions by claiming it is in the best interest of our children.

In conclusion, I support Gov. Finney's proposed school financing plan. I do not support House Speaker Barkis's bill because of the provision to allow the local Option Budget of 10 percent and because of the 95 to 135 million additional cost over Gov. Finney's plan. I would rather have a 50 or 55 mill levy plan then the Speaker's bill.

Thank you,


John Etzel

3124 Chelsea Dr.
Topeka, Ks. 66614

Attach # 10-3

#12

FRANKLIN DEE WILLIAMS
3212 S. W. EVENINGSIDE DR. # 31
TOPEKA, KANSAS 66614
(913) 272 5392

FEBRUARY 12, 1992

Shawnee County Fair Grounds
Topeka Kansas

Re: School Finance Issue
prohibitions and any
possible cover up of
Organic Act grant of
Lands and perpetual
Fund Usurption in
Violation of Grant
and wrongful Voucher
approval:

To Whom It May Concern:

My name is Franklin Dee Williams. I was ask to review what ever I could and report to anyone who was interested what ever I was observe and that brings me to the following.

1. I do not waive any previously set out position whether it be Official, Administrative, Political or Private, yet seek in good faith to offer my observations.
2. I was ask to review the Question of School Finance and I first reviewed the Organic Act, and more specifically Section 34 which seemed to set out a grant and what would seem to reserve 1,560 acres in each township of the Territory, followed by the Special Encatment in 1855 Chapter 58 and the peoples Constitution called the Topeka Constitution of 1855 the Vote of the people for their ratification on the fifteenth day of December, A.D. 1855 as wellas the United States Congressional Record daily minutes of 1856 and the CONCURRENT RESOLUTIONS - - Reaffirming The People's Constitution, Framed At Topeka On The 23rd Day Of October, A.D. 1855 as signed the 3rd day of August, A.D. 1857 as signed, and the act of Admission and who appears to have the authority over such at that time.
3. I reviewed the perported Opinion in documents of Division 6 Shawnee County Kansas Dated fourteenth day of October 1991 and the (3) Three issues (not herein set out) yet not objected to.
4. I observed that in attempt to review documents and records some measure of restrictiveness if not evidenced was present to prevent any early review and has to date not been resolved.

I have reason to believe and I do believe that without full cooperation by everyone at all levels of concern this matter will continue to be obstructed and proper resolve will not evolve. And that to require 60 copies of this is oppressive and may be found to restrict others from assisting.

Respectfully submitted, With Objection


Franklin Dee Williams

cc: Others

Education
Attachment #11
February 12, 1992

Mary-Lane Kamberg
2128 E. 144th St.
Olathe, Kansas 66062
(913) 764-4950

Roger von Oech, an internationally recognized leader in creativity and problem solving, tells this story:

Long ago a curious plague struck a village. Its victims went into a deathlike coma, and most died. The problem was that the villagers couldn't tell if a victim were dead or alive. One day they discovered that someone had been buried alive, and an alarmed town council convened. The majority--hoping to save lives--voted to put food and water in every coffin.

Another group proposed a cheaper solution: implant a foot-long stake in every coffin lid directly over the victim's heart. When they closed the lid, all doubts about the victim's condition would vanish.

What differentiated the solutions were the questions used to find them. The first group asked, "What if we bury somebody alive?" The second asked, "How can we make sure everyone we bury is dead?"

While Governor Finney's education finance plans offer answers to the tax and education finance problems you are investigating, they are answers to the wrong question.

She asks, "How can we cut property taxes and make sure all the students in Kansas get an equal education?"

A better question is "How can we ensure educational excellence and make taxation equitable?"

I'd like you to consider two philosophical points as you search for answers.

*Education
Attachment #12
February 12, 1992*

First, the best answer will not financially gut programs that work.

I have two daughters in Olathe schools who receive the excellence in education President Bush has set as a national priority. For six years ending last May, I was education editor for Johnson's County Gazette in Olathe. I covered stories in every school and facility in the district, and I can tell you the Olathe School District spends its money carefully and wisely.

But money alone does not guarantee excellence. Olathe also has people who work together for our children. We have dedicated, caring teachers who work countless hours overtime without pay, responsible administrators who encourage innovation, and a responsive local school board that demands quality and provides resources to accomplish it. Most important, our local community has told that board that our children's education is worth paying for. When they have asked us for money for schools, we have said, "Yes."

A plan that forces drastic cuts in Olathe budgets will not help a child in a poorer district. All it will do is destroy a system that works. Any plan that equalizes education by lowering the top will result in Kansas students' becoming "Ignorant but Equal."

Instead of asking "How can we make students equal," ask "How can we increase opportunities for students in poorer districts?"

My second point concerns local control. Some aspects of proposed plans would centralize control of Kansas schools. If we cannot learn from history, let us learn from current events. Centralized control collapsed in Eastern Europe and the Soviet Union. It will not work in Kansas.

Instead ask, "Where is the best place to make decisions for local school districts?" The right answer will let local communities determine the kind of education they want for their children.

Ladies and gentlemen, as you look for answers to education and finance problems, be sure you ask the right questions.

Mary-Lene Lemberg
February 12, 1992

Hearing presentation by Richard Grant, board president of USD 367 Osawatome. Presented 12 Feb. 92.

Good afternoon. I will be brief because I know there are a number of others who wish to speak.

Osawatome USD 367 supports HR 2892 and its associated legislation. We realize that the figures may change but it is important to note that we support the concepts of a state wide mill levy-- equalizing the efforts for education by all taxpayers; thereby providing a more equal educational opportunity for all KANSAS KIDS. We also support the at risk provision and it's concept, and feel it is a very important consideration.

An educated society is the only guarantee for a continued free and democratic society in this country, or any other for that matter. Allowing the quality of education for this generation of children to be determined solely by the success or failure of it's parents or community, or by the changing whim of economic times in a single source of revenue type local economy has resulted in totally unequal taxation statewide just to provide basic services. This has thereby resulted in totally unequal opportunity for education across the state for many children..

There is a concern being voiced about the loss of local control. I am sure there will be some limited loss, but I believe it will be outweighed by the gains of an equal educational opportunity for all children statewide.

I look at the local control that I as a board member and board president had last August at budget hearing time. The proposed legislation, if signed by the governor, could have reduced my districts general fund levy by nearly 11 mills. Instead, the financing

*Education
Attachment #13
February 12, 1992*

following the veto could have resulted in a 16 mill increase to fund the same budget proposal. A fairly big difference to local taxpayers. Where was our control with a 27 mill shift in planning opportunity. We reduced the proposed mill levy to a little over 9 mills with a very austere budget and only a 1.8% teacher salary increase. The results were nearly 10% of our total population at the budget hearing demanding NO TAX INCREASE regardless of the cuts to the local program. We rolled back to a 7 mill increase and adopted the budget. At the same time we are in dire need of a new elementary building due to structural condition and overcrowding. I ask, Just how much local control do we now have with this much outrage towards local costs for education, with tax protests, with the inability to pass a bond levy for needed facilities, and a tax base where 1 mill generates slightly over \$18,000. What kind of equal opportunity are we providing for our children?

We feel that the legislature is moving in the right direction with HB 2892 and associated legislation. We support the concepts put forth by this legislation. The determination of the exact weighted values are your decisions. We must stop supporting only the plan which benefits our local districts and begin supporting the concepts of whatever is best for ALL Kansas Kids. You have a monumental task before you, but I feel great progress is being made.

THANK YOU

February 12, 1992

Statement Prepared in **SUPPORT** of HB 2892

BY: George N. Brown, Superintendent of Schools
Kaw Valley, USD #321 (Delia, Emmett, Rossville, St. Marys)

Mr. Chairman and members of the Committee. I represent the Board of Education, the board appointed Finance Task Force, and over 1000 students of Kaw Valley USD #321. For once, it is a pleasure for me to speak on this side of a question.

Our district has fulfilled the original intent of unification. For all practical and political purposes, we are two distinct districts with one budget and one administration. Our spending has been at the median of our category. We have found original proposals on school finance punitive in nature. Under these proposals, USD #321 would stand to lose one million dollars. This would necessitate the lay off of 40 employees which would require the closing of two grade schools and consolidation of St. Marys High and Rossville High, both 3A schools. Needless to say, the present morale of staff, students, and patrons in our district is low and this has already affected our educational atmosphere. We did not ask for the Jeffrey Energy Center. Pottawatomie County was not the original site. It was the third site selected. Yes, we have benefited as a result. We are willing to share. Punitive legislation is not acceptable.

We highly commend the House Education Committee for introduction of HB 2892, a most pleasant change in educational philosophy. This bill would seem to help all students in the State of Kansas and would equalize the tax base. In spite of the fact that our current general fund mill levy of 21 mills will more than double, we support this bill. Hopefully, further attempts at lowering the mill levy would occur. The local option is necessary. I would, however, in an attempt at compromise, suggest a provision for a protest petition.

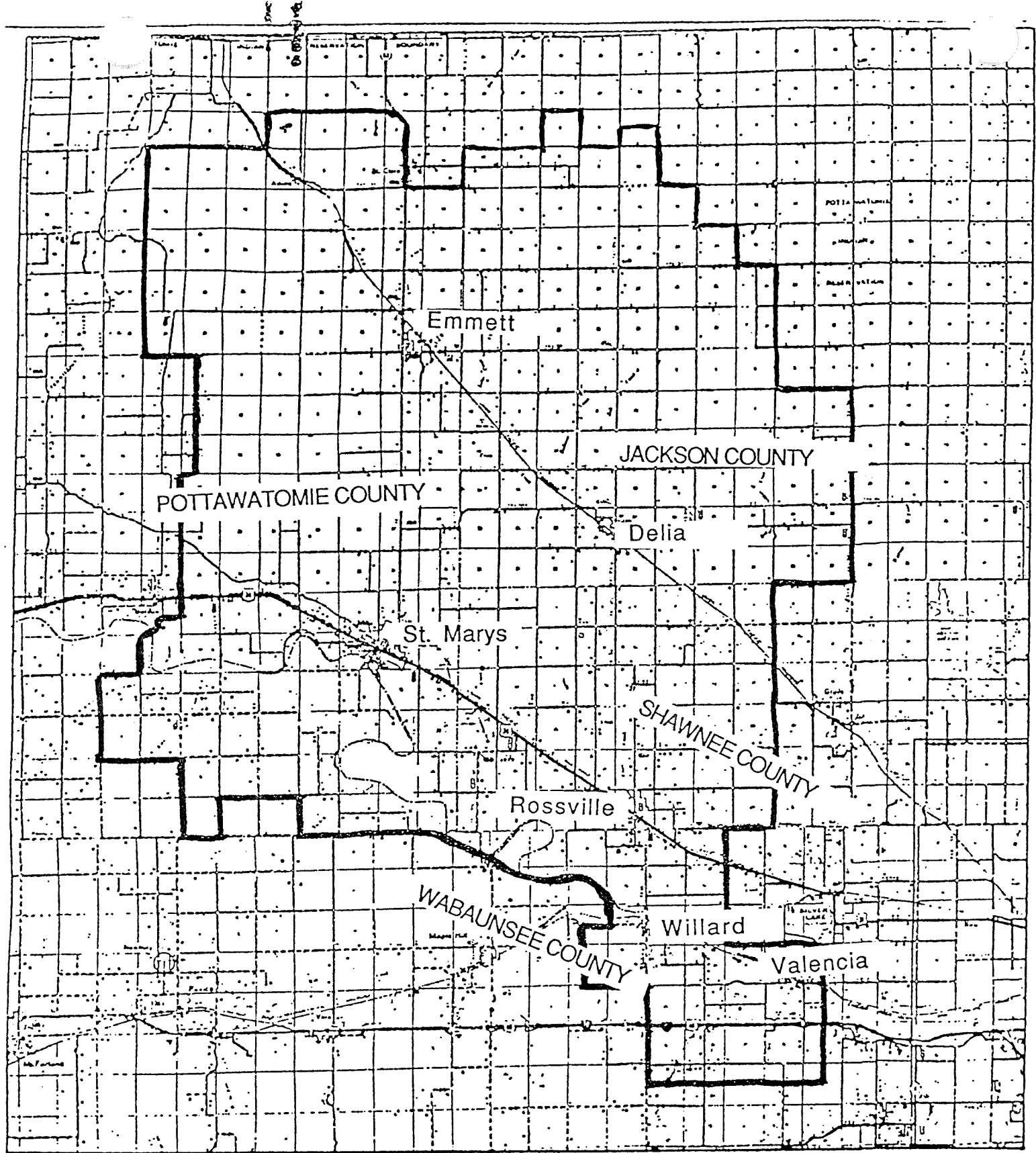
*Education
Attachment #14
February 12, 1992*

1500 district patrons met with our local legislators and the chairman of this committee on February 5. I found it most difficult, without serious thinking, to determine which legislators were Democrats and which legislators were Republicans. In our eyes, they were "our" legislators working to solve "our" problems.

If the taxpayers of USD #321 are willing to see their school property tax double in an effort to secure equal educational opportunity in Kansas, surely legislators can set their political differences aside to arrive at a timely solution to the finance crisis in Kansas.

I would urge the committee to support this bill and to work to provide adequate funding through elimination of exemptions plus a combination income and sales tax. People will support an increase in sales and income tax in exchange for a reduction in property tax. The reduction is provided in this bill.

attach #14-2



**KAW VALLEY
UNIFIED SCHOOL DISTRICT NO. 321**

Attach #14-3

GOVERNOR'S PROPOSAL

<u>District</u>	<u>Dollars Gained/Lost</u>	<u>Mill Levy</u>	<u>Up/Down</u>	<u>HB 2892</u>
Jackson Hgts	- \$51,970	8.44		Gain \$148,272
Holton	\$530,383	- 13.63		Gain \$618,274
Mayetta/Hoyt	\$244,722	2.01		Gain \$637,141
Sabetha	\$283,031	- 11.72		Gain \$662,767
Nemaha Valley	- \$85,043	5.01		Gain \$124,548
B & B Baileyville	- \$60,877	5.03		Gain \$261,744
Wamego	\$628,387	- 5.33		Gain \$915,455
KAW VALLEY	- \$949,192	21.06		Lose \$85,113
Onaga	\$78,512	- 26.66		Gain \$224,277
Rock Creek	\$442,021	- 29.52		Gain \$767,637
Silver Lake	\$255,075	- 12.14		Gain \$405,402
Seaman	\$746,792	- 27.68		
Auburn-Washburn	\$3,179,079	- 17.30		
Shawnee Heights	\$903,299	- 21.60		
501 Topeka	\$1,730,135	- 38.78		
Mill Creek (Alma)	\$311,796	- 15.39		
Mission Val. (Eskridge)	\$169,949	- 19.03		
Wichita	\$4,254,318	- 40.47		
All Sedgwick Co. schools receive double digit levy reduction				
Blue Valley	- \$11,726,043	- 17.00		
Olathe	- \$10,135,281	- 48.68		
Shawnee Mission	- \$16,291,000	5.05		

Two Johnson Co. schools lose money but also are down in mill levy.
 All other Johnson Co. schools gain monies and reduced levy.

U #321 District Statistics

1991-92 SCHOOL YEAR

Parentheses denote last year's figures.

Enrollment — Full Time Equivalency	(986.5)	1,020.5
Delia	(67.5)	62.5
Emmett	(56.5)	72
Rossville Grade	(274)	278
St. Marys Grade	(257.5)	269.5
Rossville High	(170)	169
St. Marys High	(160)	168
Out-of-district students	(66)	79
Kindergarten	(94)	71
Vo-Tech	(5)	8
Certified Staff		
(Includes Special Ed)	(118.3)	115.6
Classified Employees	(81)	77
Custodial/Maintenance	(18)	18
Food Service	(16)	14
Spec. Serv. Paraprof.	(27)	26
Secretarial	(14)	13
Aides	(6)	6
Budget per Pupil	(\$5,231)	\$5,304
General Fund Budget	(5.1 million)	5.4 million
Size of District		314 sq. miles

District Wealth	\$283 million	
Assessed Valuation	(\$208 million)	\$219 million
Mill Levy		
General Fund	(21.22 mills)	23.94 mills
91-92 Capital Outlay	(2.38 mills)	2.4 mills
Bond & Interest	(4.12 mills)	3.91 mills
Total number of students		
transported by bus	(480)	417
Miles Traveled	89-90	90-91
Regular Route	(149,359)	143,161
Activity Route	(37,437)	38,411
Summer School	(8,010)	5,784
Special Ed.	(93,258)	63,177
Total number of	89-90	90-91
Paid Student Meals	(92,788)	89,126
Reduced Student Meals	(8,626)	9,000
Free Student Meals	(13,084)	12,460
Paid Adult Meals	(8,348)	8,900
Total Lunches Served	(128,409)	119,486

The above figures show an enrollment increase of 34. It is interesting to note that if the district did not accept out-of-district students, both high schools would be in class 2A.

Budget increases shown are due to lost revenue from Income Tax rebate, Transportation aid, Food Service aid, Driver Education aid, and Special Services reimbursement, due to legislation.

Board Appoints Task Force

The USD #321 Board of Education met in its regular meeting on December 9, 1991, at the District Office. The Board met in an informal session with Senator Marge Petty to discuss pending school finance issues.

Senator Petty confirmed that "the train is on the track" and the legislature is bound to move as quickly as possible to comply with Judge Terry Bullock's directive. Chuck Ronnau and Steve Clark just returned from the Kansas Association of School Boards Convention in Wichita, and reported they had basically heard the same information.

Superintendent Brown attended a meeting of the Kansas Education Coalition with Representative Don Rezac on December 6, in Wichita. The Coalition is composed of districts opposed to loss of local control and is made up mostly of districts that would be harmed by the changes being proposed in financing public schools.

The Board voted not to join the Kansas Education Coalition. The Coalition has hired a lobbyist at a cost of \$75,000. Board members felt that using tax money for lobbying activities is not a proper expense, and that contact with local Representatives and Senators would be more effective.

After discussion of finance issues and updated information, the Board voted to form a Task Force to study alternatives for the district in line with finance legislation.

Task Force members will serve until July 1, 1992, unless the term is extended by the Board. This body will study various alternatives and bring a consensus opinion to the Board for their consideration at a future date.

Each board member appointed five individuals to the Task Force and the initial meeting of the group will be in early January. Meetings will be open to the public.

Members of the Task Force, all volunteers, are listed below. More members will be appointed in the near future.

St. Marys — Joe Blswell, Bill Flannigan, Mike Pearl, Dennis Miller, Dave Figge, Gerald Tanking, Evelyn Fox, Marvin Brown, Rosemary Barnes, Dan Baumchen, and Paul Sack.

Rossville — Jack Donovan, Doug Perine, Dr. Myron Lelnwetter, Art Campbell, Jim Meyer, Jim Stallbaumer, Beverly Radefeld, Mary Cowan, Ann McCullough, Jack Bird, Susan Akln, Loretta Sage, and Nancy Bell.

Delia — Paulne Conley, Theresa Barnes, Lisa Kerwin, and Bill Conley.

Emmett — Scott Lasswell, Jim McGrath, Pam Martin, Susle Kennedy, Terry Brownell, and Nancy Darting.

District Outlook Bleak

Should the Kansas Legislature change school financing of Kansas schools as a result of a judicial opinion, USD #321 could suffer great changes. The key issue is money. USD #321 stands to lose considerable funds under any plan so far proposed.

The district would lose budget authority. The district would still be legally bound to fund special education programs, plus increased transportation costs. Currently, the district funds these areas with \$267,000 transferred from the general fund.

The district would lose interest money in the amount of \$233,000, and local banks could lose the use of that money, as all tax money would be handled by the state. Interest has been used by the district to fund special education, transportation and food service, reducing the general fund requirement, hence lowering the mill levy.

The Task Force formed by the Board of Education at the December meeting will have the task of studying alternatives to carry on a strong education program with funds available. They will make a consensus recommendation to the Board.

Local legislators and other speakers addressing the issue maintain that action must be taken this legislative session. If the legislature does not solve the education finance problem, then a district judge will.

USD #321 General Fund expenses taken from the 1990-91 budget show 76.7% going to salaries; 5.9% going to other teaching expense; 9.6% to utilities and maintenance; two percent to student activities; and five and eight-tenths percent to transfers to Special Education, Transportation, and Food Service.

Attached #14-5

#15

TESTIMONY BEFORE THE HOUSE EDUCATION COMMITTEE

Wednesday, February 12, 1992

3:00. p.m.

Mr. Bowden, Chairman
House Education Committee Members:

My name is Robert Hale. I am Superintendent of the Turner District in Wyandotte County, and represent 4,000 children who attend our schools. I speak as a proponent, in favor of, and support to H.B. 2892. Why, you would ask? It is because H.B. 2892 brings something to Turner we have needed for years -- fiscal equity!

What's it been like in Turner during the past ten years? Well, it's like what it must have been to that man in California we saw last year on national TV down on the street -- we have been getting a beating -- literally getting the financial life beaten out of us. We were confused, hurt, pleading for help, and thanks to the vision, the 'camcorder eye' of Judge Terry Bullock in his October 14 opinion, I believe you, as House Education Committee, your House colleagues, the Senate side, and support from Governor Finney, provisions of H.B. 2892 promise to bring that needed fiscal equity to Turner pupils.

To put it in another perspective from the Turner taxpayer -- our bucket of local taxpaying effort weighed 69 pounds. The same taxpayer in our neighboring district to the north carried a bucket that weighed only 57 pounds -- and our next door taxpayer neighbor to the south carried a bucket that weighed only 37 pounds. We carried the heaviest local taxpayer load by far, and got to spend just over \$3,500 per pupil. Had we been able to spend what our neighbor to the north did, the Turner Board of Education last year would have had over \$750,000 more dollars -- what that would have done to improve teacher salaries, purchase more instructional supplies, materials, and equipment for our classrooms.

*Education
Attachment #15
February 12, 1992*

Three-fourths of a million dollars is a lot of money, but it is nothing compared to the \$2.2 million we would have had, had we been able to spend what our neighbor to the south spent while carrying a local taxpayer bucket that weighed only 37 pounds, compared to our bucket that weighed 69 pounds.

And, while all this was happening, we saw the state school finance formula work -- with our neighbor to the north having two times the income tax rebate per pupil, and our neighbor to the south over six times the income tax rebate per pupil that we had.

It is my belief many of the standards set in Judge Bullock's ten-point opinion are incorporated in H.B. 2892. It appears to provide more equity than anything we have seen in recent years. The local option provision provides relief to those districts who would choose. The standards in H.B. 2892 appear to represent a giant step forward for equity in Kansas school finance. It is a clear indication of an effort to achieve OUTCOME ACCOUNTABILITY. That is what you have asked from us in public education, and we are doing our best to produce it. We ask the same return effort from you.

4/23 (2/11/92)

Attach #15-a

#16

Honorable Chairman, and members of the committee:

I am Cindy Cameron, a member of the Parent Advisory Council for Special Education in the Shawnee Mission School District. I am the parent of a Cornelia DeLange Syndrome child who is in special education, and of a 5 year old who will enter kindergarten in the fall. When our family moved from Michigan to Kansas 5 years ago, we chose to live where we do because of the excellent reputation of the Shawnee Mission School District.

When I explained to my five year old that I wouldn't be home for dinner tonight she of course asked why. I told her that the Governor of our state had a plan that would mean less money for our schools. And that if that happened she might not get the kind of education her Daddy and I wanted for her. Her eyes got big and her mouth dropped open and she said, so you're going to stop them aren't you?

I believe the current bill is a big improvement over Governor Finney's original plan.

In particular it is important to have categorical aid for special education, and transportation funded at 100%. This is an improvement over the weighting formula which would in fact have penalized districts for integrating their special needs children into regular education classes. The Education of the Handicapped Act has a requirement to educate students in the least restrictive environment. For many of our special needs children the least restrictive environment can mean integration into a regular education classroom for part or all of the school day.

I also like the tiered formula for funding which would allow for local control and the ability to raise funds at the local level.

In addition I would like to see separate funds for capital outlay and the general operating budget.

It seems ironic to see newspaper articles saying that U.S. students are not keeping pace, that U.S. students scores are low and we need to improve the quality of education in our country. Then we hear Governor Finney basically say let's worry about equality now and worry about quality later when we can afford it. I say that we have quality education in the Shawnee Mission School District, and we'd like to keep that quality.

If we have to pay more taxes to guarantee equality and quality of education for all students across the State of Kansas it is well worth it.

Thank you

Cindy Cameron
5516 W. 81 Terr
Prairie Village, KS 66208

*Education
Attachment #16
February 12, 1992*

#17

SCHOOL FINANCE TESTIMONY

GARY A. LIVINGSTON, SUPERINTENDENT
TOPEKA PUBLIC SCHOOLS
FEBRUARY 12, 1992

Mr. Chairman and members of the committee, my name is Gary Livingston, superintendent of the Topeka Public Schools. I'm pleased to visit with you today on behalf of the Topeka Public Schools, USD 501. The decisions made in this legislative session will have far-reaching effects on the future of this state--its economic growth and well-being, because this legislative body has been called to restructure our future--our system of funding public education, which IS the future of this state.

It is imperative that the decisions made look beyond the provincial to the greater good of the entire State.

We in the Topeka Public Schools see the basic concept of statewide property tax assessment as an equitable method of distributing the costs of education and state aid to schools. We agree with Judge Bullock that all children deserve an opportunity for an equitable education and that some children cost more to educate if they are indeed going to receive an equal opportunity at receiving an education. Some disadvantages show readily when a child comes to the school house door---a child in a wheel chair or one who is blind. But there are other children that we serve whose disabilities are not as visible--children who come to school having spent the night listening to drunken fights, children whose last meal was the lunch they had at school the day before, others who know school as the only safe, secure place in their lives. These children are as at risk--maybe more at risk than the child in the wheel chair. They also need additional support, particularly in the social and counseling areas, if they are going to have a chance to succeed in school.

*Education
Attachment #17
February 12, 1992*

Please do not forget the needs of the at-risk child in your deliberations. We believe special consideration should be given to weighting for the additional costs required for these special at-risk needs. Otherwise, we create unequal opportunities for these students.

Those children currently served by our special education programs also have very diverse needs--some need almost one-on-one attention, others can be served with only an hour a day in a specialized setting. Please consider these varying costs of different categories of special education exceptionalities. In fact, we believe the present categorical approach provides for equitably meeting the needs of handicapped children. However, a state commitment to 100 percent of excess cost is essential if the mandated responsibilities and parental expectations are to be realized. I would ask you to consider the fact that special education is an issue of individualization rather than equalization.

Equity is also a concern with regard to the present formula for paying for student transportation. Walking a mile along a country road--with limited if any crossings--I think you will agree is very different from walking a mile through the center of a city like Topeka, crossing major thoroughfares and four lanes of traffic. We therefore recommend that the safety of children in heavily populated areas be a consideration in the formula, with transportation paid by the state at the one-mile level for elementary and one and one-half mile level for secondary. Who truly believes equity only begins in excess of two and one-half miles?

Attach # 17-2

Capital outlay funding is a very serious issue which to date has not received adequate consideration. Capital outlay funds must be available for repair and maintenance as well as building new facilities. Older buildings--whether in urban or rural areas--need almost daily repair. In the Topeka school district, our summer repair and maintenance projects, which are all related to safety and health issues, amount to between \$1.8 and \$2 million. In addition, we spend an average \$300,000 during the year to keep schools repaired. Much of this is accomplished with earned interest, and present budget conversations would drastically limit interest funds available. We recommend that the state levy adequate millage for capital outlay, that a major portion be state equalized and reallocated to the school districts on a per-pupil basis for repair and maintenance and that the remainder be available to help pay a percentage of the costs of new construction approved by the voters, as currently proposed. Another alternative would be an increase of the base per pupil, with that amount eligible for transfer to a capital outlay fund.

Finally, we are pleased that the legislature recognizes the vital role that vocational education is and will be playing in the economic growth of our state. We support legislation to fully fund vocational education. More and more companies are taking advantage of the customized training programs available through our area vocational-technical schools. In Topeka, between January 1990 and January 1992, the Kaw Area Technical School has provided customized training for 52 companies and served 2,770

employees of those companies. Based on current commitments for 1993, we expect to serve 5,900 employees in customized training programs. This training ranges from total quality management procedures to diesel mechanics. This increased demand for training comes at a time when the post-secondary aid appropriations for area vocational-technical schools have been virtually frozen for the past two years. We would ask that the legislature fully fund the post-secondary aid appropriations for area vocational-technical schools this year. This is not just an education issue. It is an economic development issue. Increased training is going to be an economic necessity for Kansas companies to compete in tomorrow's market place.

Your task is a difficult one--maybe impossible. Be assured we in Topeka understand compromises must and will be made. However, while equity is the critical issue posed by Judge Bullock, in your deliberations please don't ignore quality. As a patron informed us last week in a public forum on our budget: "We can't get by with a discount educational system. The discount store model will not work for our children."

Thank you for your time and I wish you well in this most important task on behalf of our state. I would be happy to answer questions.

**Testimony for the Kansas House of Representatives Education Committee
Submitted by John Heim, El Dorado, Kansas**

I am John Heim and I am Superintendent of Schools for the El Dorado Public Schools. As a former government teacher, I am appreciative of the opportunity to participate directly in the political process about which I attempted to teach my students. Today I would like to speak to you about school finance legislation that has been proposed as it relates to the El Dorado Public Schools and also as it relates to schools that are similar to El Dorado, those in the fourth enrollment category.

I also speak to you as someone who grew up in schools as geographically diverse as Olathe and Colby, and who has worked in schools as diverse as Leoti and Lawrence. I also speak to you as the father of a three year old boy who will soon be entering our school system. It is my hope to provide a perspective that will encourage this committee to endorse a plan that will meet the test of fairness and equity for all Kansas students and all Kansas Taxpayers.

I would like to begin by providing some background about our school district. We have a community that is very proud of their school system. They support the schools in many ways. We recently passed a ten mill/15 year bond issue to repair buildings by a nearly two to one margin. We have a foundation which has raised thousands of dollars for the district. This past year our board unanimously supported a budget increase for the maximum amount allowed, even when a 17 mill increase was projected.

That is the good news. The bad news is that spending limits hold our spending to the lowest 5% in the state. The same finance formula causes our mill levy to be higher than 55% of all other districts. Patrons of our school district are willing to support our schools, but are being taken advantage of by the funding formula.

Our story is better than most of the districts in the fourth enrollment category. The average levy in the fourth enrollment category is 17 mills above the state mean, El Dorado's is only four above the state mean. Average per pupil spending for the fourth enrollment category is \$1,600 below the mean.

These amounts for schools in the fourth enrollment category reveal that in Kansas, there is actually a weak negative relationship (-.15) between budget per pupil and mills levied. I am certain that you will be hearing so many numbers over the course of these days that they will become meaningless. Because of that, I offer a more personal perspective.

My father in law is a retired small business man. He has worked over forty years to own a business and home, and now is in danger of being taxed out of both of them. Property taxes are creating an excessive burden in a 4th enrollment category district where the tax levy is more than 30 mills above the state mean. In that same district, five

*Education
Attachment #18
February 12, 1992*

of his grandchildren attend school in a district that can spend only an amount \$1,500 below the mean for the state. My own son will be attending schools in which spending is limited but taxes are high.

Any system of rectifying the inequities in funding across the state would be welcomed. I would request that this committee give serious consideration to a distribution plan such as the one offered by Governor Finney or the one that has been proposed by Representative Bowden and others. Either one of these plans would significantly lower taxes in our community and provide equalization of spending for our students, but they also need to be refined.

I would urge that caution be applied in considering these plans. Any plan must consider equalization of all spending, including capital expenditures. Any plan should be looked at with an eye to the future so that future inequities will not develop to replace the ones that currently exist. Finally, no plan should be approved that either limits or impairs equitable educational opportunities for Kansas.

Attach # 18-2

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



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

Testimony on School Finance
before the
House Committee on Education

by

Mark Tallman, Coordinator of Governmental Relations
Kansas Association of School Boards

February 12, 1992

KASB can support the major elements of the school finance plan contained in H.B. 2892, H.B. 2891 and H.B. 2835. This plan is generally consistent with the school finance policies and resolutions adopted by the KASB Delegate Assembly. It is an improvement upon the current system of school finance, and it is an improvement upon Governor Finney's recommendations.

We believe that this proposal, if adequately financed, would satisfy the constitutional requirements for public school funding. However, our policies were not developed to satisfy any court ruling. These are the same policies that guided our positions on school finance last session. We believe the Legislature should adopt these principles whether court cases are pending or not.

The guiding principles of school finance should be both equal educational opportunity for all children and local discretion on educational matters. There is considerable room for discussion on what these concepts mean, and how they can be balanced. But clearly, equal

Education
Attachment #19
February 12, 1992

educational opportunity **cannot** mean that the quality of a child's education is determined by the wealth of that child's district. And local discretion **cannot** mean that all decisions on district spending authority and facilities are made at the state level. Therefore, both the current system, with its wide variation in local taxes and spending per pupil, and the task force plan are unacceptable.

Let us compare the key elements of the proposed plan with KASB's policies:

1. **State financial aid (SFA) determined by multiplying base state aid per pupil (BSAPP) by the adjusted (weighted) enrollment of a district.**
KASB policies call for state aid distributed on a per-pupil basis, and endorse the concept of weighting when it can be shown that variations result in higher costs. Our policies specifically suggest weighting for higher cost students (i.e., vocational students) and for district size as appropriate.
2. **Equalized local option budget (LOB) spending authority of up to 10% of the amount of the district's SFA.**

Our policies state that districts should have local autonomy in making budget decisions, within reasonable budget limits, and should be allowed to enrich their educational programs beyond the state authorized budget maximum, provided all districts can exercise the same degree of discretion by making the same amount of effort. The LOB gives districts the ability to adopt budgets that reflect the individual needs of their unique district circumstances, with an equalized effort. This position also allows us to support Representative Blumenthal's proposal for a Local Enhancement Budget.

Attach #19-2

3. **A minimum 45 mill statewide property tax is imposed to help finance school district operations.**

Our policies support a minimum level of local contribution from combined property and income sources; if the local contribution exceeds the state authorized maximum budget, that district should be required to rebate the excess to the state. We believe that the statewide levy is a minimum contribution, because districts will be able to levy above that level for the LOB. However, we believe that proceeds from the 45 mill levy should remain at the county level for distribution to districts up to the SFA, with the excess sent to Topeka for statewide distribution. The effect on school finance would be the same. We also believe that the 45 mill minimum is too high; and that property tax reliance should be further reduced by using other state tax sources.

4. **Equalization state aid is provided for capital improvement debt obligation.**

Our policies call for the state to develop a program to assist districts with capital expenses on an equalized basis. We believe that H.B. 2835 would accomplish this goal. The current lack of equalized state aid for capital improvements is one of the most serious deficiencies in attempting to provide equal educational opportunities.

In considering the issue of school finance, several points must be stressed. First, because local district resources are vastly unequal, a more equal educational system requires increased state resources, so that the cost of public school finance is shared by the entire state.

Second, because of the wide range in current school district budgets per pupil, raising low spending districts requires reducing high spending districts **unless** additional resources are provided. We believe budgets should be brought up to a level of excellence, not driven down.

These facts make it clear that the school finance problem cannot be solved in an acceptable manner without raising state taxes significantly. However, this proposal offers major property tax relief to the majority of Kansans who have been paying the highest mill levies. It insures that all Kansas make a minimum contribution to educational funding. It insures that equal educational resources are available to every district at an equal tax effort. Both the LOB and the LEB allow districts the opportunity to enhance those resources with an equalized local effort. It assists districts in bonding for building construction based on district need, but leaves the key decisions at the local level.

In short, we believe this proposal answers most of the concerns raised by the Governor's plan, and would be strongly supported by the people of Kansas. We urge its favorable consideration, with the modifications we have suggested.

Thank you.

Attach # 19-4



PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON EDUCATION

RE: School Finance ... Meeting the Challenge

February 12, 1992
Topeka, Kansas

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

Mr. Chairman and Members of the Committee:

We welcome the opportunity to come before your committee as strong proponents for appropriate school funding ... state aid for Unified School Districts.

For the record, my name is Paul E. Fleener. I am the Director of Public Affairs for Kansas Farm Bureau. Our farmers and ranchers in 105 counties have maintained a strong interest in the funding of elementary and secondary schools. Their interest and participation in our policy process was heightened on October 14, 1991, the date Judge Terry Bullock set forth his views on school finance.

The interests and concerns of our members were raised to another new level when press accounts set forth for the Governor's Task Force on School Finance the amount of **uniform mill levy** it would take to fund schools. As you know, Mr. Chairman ... because you Chaired the Task Force ... the 58 plus mills was **never** the recommendation, or consensus figure promoted by the Task Force. It was simply a piece of information provided to the Task Force by the Department of Education

*Education
Attachment #20
February 12, 1992*

when it was asked: What levy would it take? The answer came back 58.8 mills.

Nowhere in the Judge's Opinion does he call for a uniform mill levy. He does plow some new ground by indicating his own view that revenues from any source used to fund elementary and secondary schools should be considered state monies. That is his view. It is not necessarily accepted in the halls of the Legislature. It may not be the prevailing view when you have concluded work on this important issue. Notwithstanding, the Governor advanced a proposal to apply a uniform 45 mill levy. H.B. 2892 continues the thought of a uniform 45 mill levy.

Nowhere in plans thus far advanced is there recognition of one of the major sources of revenue that could be and should be available to Unified School Districts ... **THE INCOME TAX**. Mr. Chairman and members of the Committee there have been study groups on school finance for many, many years. Most groups within education circles and certainly those of us on the outside believe:

- * There should be a reduced reliance on the property tax to fund elementary and secondary schools!
- * Schools should be funded from a balanced group of revenue sources.
- * There should be continued recognition of the variable expenditure levels among school districts large and small.
- * The state should support the basics of education in all 304 Unified School Districts.

Mr. Chairman and members of the Committee, our farmers and ranchers took a very close look at school finance again in 1991. As

Attach # 20-2

previously mentioned much of the focus on it came after October 14, 1991. That was in plenty of time for our Annual Meeting which was November 21 - 23, 1991.

At our Annual Meeting the farmers and ranchers who served as voting delegates for the 105 County Farm Bureaus adopted the attached policy position. Some of it is brand new this year. Some of it continues the thought or ideas expressed in previous policy positions adopted by other voting delegates. We make these points from the resolution and share them with you as you seek to develop a balanced, equitable school finance proposal ... the kind of proposal for which all of us in Kansas could be proponents. These items listed below are taken directly from our policy position, the full text of which is appended to our statement.

We continue to believe state aid, or school finance legislation, should provide for:

- 1) **Minimal reliance on the property tax for support of our elementary and secondary schools;**
- 2) **Creation of a "school district income tax," collected and returned by the state to the school district of origin ... the district of residence of the individual taxpayer; and**
- 3) **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.**

New language adopted by our members at the November 1991 Annual Meeting included these sentences:

We have opposed in the past, and we continue to oppose efforts to establish a statewide property tax levy. We oppose any efforts to

Attach # 20-3

abolish the taxing autonomy of school districts and any efforts to place all spending control with the state. We believe school district finances should remain under local authority.

The last item, Mr. Chairman is that we believe all federally and state mandated programs should be fully funded by the Federal or State Government, whichever mandates a given program. You will find appended to our statement a list ... by no means exhaustive ... of state and federal mandates on education programs in Kansas. We invite your attention to that.

If there are questions, we could respond to those at this time.
Thank you!

Attach # 20-4

School Finance

ED-7

We believe the Kansas Legislature should develop a school finance formula which will assist in funding a "basic education" for every child enrolled in the public schools in Kansas. A "basic education" should consist only of those courses required by the State Board of Education to be successfully completed during the K-12 education years in an accredited Kansas Unified School District.

In order to facilitate timely preparation of budgets by Unified School Districts in Kansas, we urge the Legislature to set and to meet an appropriate early deadline for passing school finance legislation.

We continue to believe state aid, or school finance legislation, should provide for:

- 1) Minimal reliance on the property tax for support of our elementary and secondary schools;
- 2) Creation of a "school district income tax," collected and returned by the state to the school district of origin ... the district of residence of the individual taxpayer; and
- 3) 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.

We believe that federally and state-mandated programs should be fully funded by the federal or state government, whichever mandates a given program.

We will oppose the application or use of a local income or earnings tax by any other local unit of government.

We have opposed in the past, and we continue to oppose efforts to establish a statewide property tax levy. We oppose any efforts to abolish the taxing autonomy of school districts and any efforts to place all spending control with the state. We believe school district finances should remain under local authority.

STATE AND FEDERAL MANDATES

S--State Programs

F--Federal Programs

B--Both State and Federal Programs

(30) Units of credit (grades 9-12) (S)
Age discrimination in employment act (B)
Appointment of Superintendent (S)
Appointment of Clerk (S)
Appointment of Treasurer (S)
Appointment of Principal (B)
Asbestos (tightening of EPA regulations) (F)
Bilingual education (F)
Boiler inspections (S)
Budget limitations (general fund) (S)
Budgeting process (S)
Cash basis law (S)
Certified teachers (S)
Closing of attendance centers (S)
Commercial driver's license (F)
Competitive bidding for goods, materials, wares, and construction (S)
Competitive bidding for food service procurement (S)
Compulsory school attendance law (S)
Continuing contract law (S)
Deductions from compensations (B)
Drug Education (F)
Due process for teachers (S)
Equal pay act - discrimination in pay, etc., based on sex (F)
Equal employment opportunity (B)
Exceeding bond limitation (S)
Family education rights and privacy act (F)
Filing of selected reports (S)
Fire Marshall inspections (S)
Flying state and national flags (B)
Food service inspections (S)
Free and reduced price meals (F)
Free textbooks (S)
Gifted education (S)
Graduation requirements (S)
Hazardous communications rule (F)
Health and safety standards (B)
Health inspections (S)
Hearing screening for students (S)
Human Sexuality/AIDS (S)
Immunizations (S)
Independent school audits (S)
Kansas open records act (S)
Kansas acts against discrimination (S)
Kansas Public Employee Retirement System (S)
Lettering on school vehicles (S)
Mandated transportation for students over 2.5 miles (S)
Mill levy limitations (S)
Minimum wage law (B)

Attach # 20-6

Minimum required number of grades (grades 1-12) (S)
Negotiations law (S)
Notification of student test scores (S)
Open meetings law (S)
Patriotic observances (S)
Precertification testing (S)
Professional teaching practices commission (S)
Protective eyeglasses for students (B)
Public notices (S)
Record retention (S)
Required subjects in elementary schools (S)
Right of privacy act (nondisclosure of personally identifiable information) (S)
School bus driver qualifications (S)
School administrators professional standards advisory board (S)
School district elections (S)
School year requirements (S)
School employee health certificates (B)
Section 504 of Handicapped Act (F)
Security of deposit (S)
Sickle cell anemia information (S)
Smoking policy (S)
Social security payment and withholding (B)
Special assessments (S)
Special education (B)
Special education due process (B)
State income tax withholding (S)
State advisory council for special education (B)
State advisory council for vocational education (B)
Student suspension and expulsion (S)
Supplemental contracts (S)
Teacher evaluations (S)
Title IX discrimination based on sex in federally assisted programs (F)
Title VI civil rights act 1964--non-discrimination federally (F)
Tornado and fire drills (S)
Tuition to an area vocational-technical school (S)
Underground storage (F)
Unemployment insurance (B)
Use of driver education cars (S)
Vision screening for students (S)
Water closets (S)
Withdrawing from special education cooperative agreements (S)
Workmen's compensation (S)

Attachment # 20-7



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony Before
House Education Committee
Wednesday, February 12, 1992

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about school finance and, more specifically, HB 2892, HB 2835, and HB 2891.

Since last October 14, Kansas-NEA has been on record agreeing with Judge Terry Bullock that the emphasis in school finance needs to be directed toward the student and what resources are needed to provide each student in Kansas with an equal and "suitable" education opportunity. The plan before us today appears to address equality in a major way and attempts to deal with suitability.

K-NEA has long believed and stated that it is time to move away from the political approach of "tinkering" with school finance to the needs approach of determining what it takes to meet the needs of students. It is precisely the needs of students which have not been the focus. The focus or bottom line for years has been what the property tax increase would be for each school district within a legislator's district. HB 2892 takes us to a much higher plane.

We must admit that we were a bit nervous when the first print-out was distributed back in January. What we said and what caused a great deal of comments from our teachers was that there would be 107 school districts with less funds available than last year with no means to recover those losses. The losses added up to more than \$65 million. We have never allowed this spending decrease in our schools without some chance to recoup the losses.

What HB 2892 has done is to put back a local control mix into the formula with the addition of Tier II, and also to reduce the number of losers to 11 with losses of \$6,826,417 if districts utilize the second level. (See enclosure 1.) It is significant that this number is less than the \$7.5 million set aside for unforeseen needs.

Further, a study of Tier III, which puts even more local control back into the system, will show us that if these eleven take advantage of Tier III, only five districts will be losers of \$1,393,076. (See enclosure 2.) I believe that the set-aside money can handle that problem.

The alleviation of this problem will eliminate our concern that no district should lose money, which was a main concern about other proposals. Other philosophical changes we concur with include:

1. Removal of special education to a categorical fund at least until we have further study as to the accurate number of students and what the weighting should be with the many different categories involved;
2. The method of power equalizing to handle bond and interest payments; and
3. The setting of a minimum mill levy and the state recapturing excess funds for distribution to poorer districts.

We realize that this minimum mill levy has caused a stir in certain districts. Many are complaining of the increases their levy will experience. I compared this year's changes to next year's changes in the proposed plan and found out the following:

1. Last year three districts had mill levy increases of over 20 mills--five districts would increase more than 20 mills under the proposed plan.
2. Last year 48 additional districts had mill levy increases of over 10 mills--eight additional districts would increase more than 10 mills under the proposed plan.
3. Last year 88 additional districts increased over five mills--22 would have similar increases under the proposed plan.
4. Overall last year 249 districts had mill levy increases--58 districts would have an increase under the proposed plan.

We are pleased that the school finance framework contained in HB 2892, HB 2835, and HB 2891 might very well meet the criteria established by Judge Bullock. Further, we believe that it is time to adopt a long range funding plan which will equalize educational opportunities for the children in this state.

Kansas-NEA believes that the education of all of the youth in our state is so important that a statewide perspective must be maintained. We believe that the plan proposed on Friday could be the school finance structure which will serve the needs of Kansas education for years to come.

Thank you for all your hard work and thought on this topic and thank you for listening to the concerns of our 24,000 members.

*Education
Attachment #
21-2*

TIER II RESULTS

<u>DISTRICT</u>	<u>\$ LOST</u>	<u>% LOST</u>
Copeland	\$ 21,172	1.96%
Satanta	\$ 383,276	13.21%
White Rock	\$ 74,684	4.90%
Blue Valley	\$4,973,119	10.39%
Olathe	\$ 628,361	1.1%
Lakin	\$ 174,657	3.86%
Mullinville	\$ 221,817	19.51%
Nes Tre La Go	\$ 72,676	9.09%
West Solomon Valley	\$ 70,091	8.04%
Paradise	\$ 49,761	4.01%
Moscow	<u>\$ 156,803</u>	9.81%
	\$6,826,417	

Enclosure #2

TIER III RESULTS

<u>DISTRICT</u>	<u>\$ LOST</u>	<u>% LOST</u>
Satanta	\$ 154,360	5.32%
Blue Valley	\$1,074,275	2.24%
Mullinville	\$ 138,615	12.19%
Nes Tre La Go	\$ 6,636	.83%
Moscow	<u>\$ 25,826</u>	1.62%
	\$1,393,076	

Attach # 21-4

#22

TESTIMONY ON SCHOOL FINANCE
HOUSE EDUCATION AND TAXATION COMMITTEES
Bernie Koch
Wichita Area Chamber of Commerce
February 12, 1992

Members of the committees, I'm Bernie Koch with the Wichita Area Chamber of Commerce. Thank you for the opportunity to appear today.

Our business community has been following this issue with a keen interest. That interest stems not only from concern about property taxes, but awareness of the funding needs of our schools and a four year involvement with the promotion of reform and restructuring in education. Another area of concern is the revenue sources that have been discussed to replace local property taxes.

Before telling you our position, let me give you the economic perspective of the Sedgwick County area.

Manufacturing is the engine that drives our economy. About one third of our non-governmental work force is directly employed in manufacturing. Another third of our work force is employed in jobs that are related to manufacturing.

I don't think most Kansans, even those in our own area, appreciate how lucky we are to have this industry. In an era when U.S. auto manufacturers are laying off thousands of people, when Japanese government officials are criticizing U.S. workers as being non-productive, and when manufacturing jobs, jobs that produce wealth, are declining all across this country, we are bucking the trend.

Our rate of employment growth has increased each year since 1985. Manufacturing jobs are increasing. We sell airplanes to people all over the world. The Japanese have been unable to penetrate this market.

Because of the nature of the products we build in the Wichita/Sedgwick County area, a well educated work force is essential. Employers are looking for people who have good math and science skills, can communicate, work together, and solve problems.

*Education
Attachment #22
February 12/1992*

Although work force considerations are our prime motivator, we also recognize the need to prepare our children to deal with life, not only in terms of a job, but the ability to be good citizens, equipped with the intellectual tools necessary for the pursuit of happiness.

It's not been easy to formulate our position on this issue. It's not been easy to bring a diverse group of business people up to speed on the complicated issue of school finance in a short period of time, much less have them take a position on it. They took extreme care in drafting this stand, with a studied effort to understand Judge Bullock's guidelines and what they mean.

The Wichita Area Chamber of Commerce supports the recommendations of the Governor's School Finance Task Force Report on Public School Financing concerning state assumption for all K-12 costs of public school education with the following additions and modifications:

- The Wichita Chamber supports a uniform statewide mill levy to replace the current local mill levy funding for education.
- The Chamber supports changes in tax and rate structure which mitigate, to the extent possible, the negative affects of the statewide levy on utilities and the oil and gas industry.
- We support revenue neutral alternative tax sources to buy down the property tax mill levy, with the dominant priority on a sales tax rate increase.
- If a statewide capital outlay mill levy for building, remodeling and construction costs is constitutionally necessary, such a levy should not be permanently set until a statewide assessment of school capital needs and costs in Kansas is completed.
- We support a comprehensive, proven and quantifiable base distribution amount which reflects the actual costs of educating a regular education student. Included in this base amount should be costs for such important support areas as in-service for teachers.
- The Wichita Chamber supports the judge's decision that the Legislature provide for a minimum number of clearly extraordinary per pupil costs factored as weights such as vocational education, transportation, bilingual education, and special education.

Attach # 27-2

- School finance should be clearly tied to outcomes. The Legislature should make a plan and schedule for the statewide implementation of universally defined, measurable, and proven outcomes. We ask that you see that the statewide goals are set through some entity such as the State Board of Education, with local boards responsible for determining how best to implement those goals in their districts. Failure to meet the goals should be tied to some kind of meaningful sanctions.

- Local school boards should be allowed the responsibility and flexibility of service delivery. This requires a thorough review of restrictions and mandates currently in place.

Our business people like the prospect of property tax relief offered for our area with this approach. They also appreciate the stability this brings to local property taxes, which have become an unpredictable roller coaster ride as state funding has varied from year to year.

However, just as much time was spent discussing what this means for education, both in terms of local control, adequate funding, and quality.

Finally, let me address the subject of where to get the money to pay for this. Our position suggests sales tax because in comparing sales tax rates in our surrounding states, we seem to have room for growth without hurting our competitiveness. We are high in the region on corporate income taxes and property taxes.

Removing sales tax exemptions is a cause of great concern to us. Removing the sales tax exemption for aircraft will bring in very little, if any, revenue. The companies have assured me they will move their sales operations to other states if this happens. Not only will you not bring in the revenue, we will lose jobs. It's a lose-lose situation.

Another key exemption that has helped our manufacturers, large and small, is the sales tax exemption for machinery and equipment. It's been an encouragement for our industries to invest in new, modern equipment that keeps them competitive.

Finally, let me address squarely the discussion about property tax abatements. Some have suggested that cities and counties no longer be permitted to abate that portion of property taxes used for schools, that somehow there will be a rush to abate as much as possible because the money collected will no longer go directly to local school districts.

These abatements have been a valuable job expansion tool for our area. Reducing it will make us that much less competitive. Missouri can offer a 100% tax abatement for up to 25 years.

If you truly believe there will be a rush to exempt property, I would suggest that a more successful approach is to tighten restrictions on the kinds of businesses that receive abatements. Put into place requirements that businesses prove the economic benefit to the community exceeds the amount of the abatement.

In other words, don't throw the baby out with the bath water.

Thank you for the opportunity to testify. I don't envy you your task as you tackle this difficult issue.

I'd be glad to stand for questions.

Attach #22-4
~~23-4~~



HB 2892, HB 2835 & HB 2891

February 12, 1992

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

Mister Chairman and Members of the Committee:

United School Administrators of Kansas is grateful for the opportunity to appear in support of all three measures being considered by the committee related to financing the public schools of Kansas.

Our support of the plan advanced by these three bills is based on a position recommended by the USA Task Force on School Finance and approved by the USA Board of Directors on January 22, 1992. The position approved by my Board is based on three basic beliefs.

- 1- Education is a function of the state as a whole.
- 2- All Kansas children have a right to an equal opportunity for a suitable education.
- 3- Equal opportunity for a suitable education should be provided with similar effort by Kansas taxpayers regardless of location within the state.

The plan being proposed in **HB 2892, 2835, 2891** would appear to address all three belief statements.

- 1. First of all, the plan attempts to address the need for adequate funding of Kansas public schools. We are aware that this plan will require that an excess of \$300 million dollars be raised from revenue sources other than the local property tax. For several years it has been said that the property tax has had to carry a disproportionate share of the burden for schools. For years we have talked about moving toward a shared balance among the three main sources of state revenue: income tax, sales tax, and property tax. The plan being proposed today would seem to allow us to move in that direction. We support the measure which calls for what amounts to a statewide minimum mill levy with provisions for equalized local options.
- 2. Secondly, we are pleased to note in the computer printout that even when districts exercise the maximum local option, the range of general fund mill levies has been considerably narrowed compared to existing conditions.

*Education
Attachment #22*

In addition, we are supportive of several other aspects of the proposed plan.

1. The plan provides for those school districts with enrollments smaller than 300 students. While we are supportive of efforts at improved operating efficiency, we believe that if districts are allowed to exist, they should be adequately funded. No district should be starved out of existence.
2. We generally support the concept of weighting for special operating funds. However, we agree that at this time continuing to fund special education under a separate "category" makes good sense. The commission which worked hard at developing a system for weighting special education children was not able to complete its work due to the fact that special education expenditures are not separated by exceptionality. The concerns expressed by the Legislature that costs for special education are too high have been heard by special education directors and by superintendents across the state. Every effort is being made to provide services in the most efficient manner possible. The fact remains that demands for special education services are being driven by increased mandates from the state and federal governments and by the problems of an increasingly troubled society. Educating special kids is expensive, but two legislative post audits have failed to demonstrate any major flaws in either the delivery of services or the current categorical distribution model.
3. We are supportive of the Local Option Budget provisions of this plan, which will allow equalized local discretion. We are likewise supportive of the concept that such options shall **not** become a part of the program base. We are in agreement that a plan which would have caused districts to do less for kids than in past years is probably not good practice.
4. We are supportive of the provisions in the plan which will allow all districts an opportunity to satisfy capital improvement needs with a similar effort on the part of taxpayers. We trust that the provision for a proration in the event of insufficient state money will be closely monitored so as not to affect state bond ratings.
5. We are supportive of the plan which would leave provisions for maintenance and equipment outside the general or "program weighted" fund. We would suggest that some system of providing for maintenance and equipment be developed which would be distributed equitably to all students in Kansas.
6. Finally, we would call to the committee's attention that the base state aid per pupil (BSAPP) of \$3,675 is computed on current year figures. An index such as CPI should be used to account for growth.

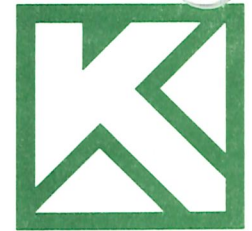
In summary, we believe that the proposed plan for funding Kansas schools is an excellent vehicle for beginning discussions. The plan addresses questions of equity that have been raised by the court, and promises to do what is right both for Kansas kids and for Kansas taxpayers. We urge your support for **HB 2892, HB 2835, & HB 2891.**

GWHLEG/HB2892etal

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

500 Bank IV Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

February 12, 1992

HB 2892

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Education and Taxation Committees

by

Bob Corkins
Director of Taxation

Distinguished Chairmen and members of the Committees:

My name is Bob Corkins, director of taxation for the Kansas Chamber of Commerce and Industry. I appreciate the chance to present our organization's views today on the subject of elementary and secondary education funding in Kansas.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

At the outset, I'll note that KCCI takes no position on the specific manner by which state revenues are distributed to unified school districts. Consequently, we have no comment on the bulk of those provisions contained within HB 2892. Our past efforts have promoted the need for a greater state share of overall USD budgets. KCCI has also

*Education
Attachment #24
February 12, 1992*

supported state funded property tax relief with the proceeds distributed "equitably" local school districts. That has been the extent of our involvement in this matter.

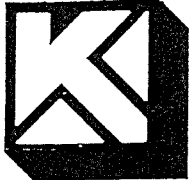
We do, however, support the concept embodied by HB 2891 in its proposal for a uniform statewide property tax levy for USDs. This is not a position which was casually decided by our board of directors. The number of our members who have either a philosophical or fiscally-based opposition to that concept are not insignificant. Nevertheless, the overwhelming consensus of our board favors the statewide levy approach...providing KCCI's other related tax concerns are satisfied.

The conditions which KCCI places on its support for a uniform USD levy are of critical importance. For example, the way in which new state revenues are raised to "buy down" the levy to an acceptable level will distinguish whether it results in meaningful property tax relief, or whether it multiplies Kansas' unemployment rate. KCCI supports a state USD rate of 40 mills, funded through our own tax recommendations, together with other long overdue reforms. An outline of our complete package of recommendations accompanies this testimony.

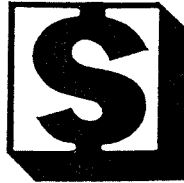
A strong element of our proposal calls for the maximum degree of local control over education which Kansas' Constitution will permit. This element includes all current decision making power now vested in local school boards and the allowance of as much local taxing authority, consistent with the Constitution, that any school district may use to supplement their state appropriation.

Our proposal does not address (as does HB 2892 through its L.O.B. provisions) the idea of "equalizing" supplemental local tax efforts. Nor do we address (as does HB 2835) the idea of "equalizing" local bond and interest obligations through use of state funds.

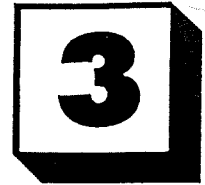
Without elaborating on the specifics of KCCI's overall recommendation at this time, I simply re-emphasize our qualified support for a uniform statewide USD property tax. Thank you for your time and consideration of these views.



KCCI



TAXES



SERIES

KCCI PROPOSAL - OUTLINE

The KCCI board of directors on February 4 approved, as one of its major legislative objectives for 1992, the following package proposal which we actively promote:

Overview of Proposal

- A. A uniform statewide USD property tax levy at the rate of 40 mills, retaining the highest Constitutional level of local control.
- B. Recommended funding for the uniform USD levy.
- C. Specified changes to our Constitution's classification rates for determining assessed property value.
- D. An annual state general fund spending restriction.
- E. Education reforms based upon forthcoming legislative recommendations.

Specific Elements

A. Uniform USD levy

KCCI endorses the concept of a uniform state property tax levy for local school districts to replace their current disparate levels of taxation. However, we do support the highest degree of local control over education that is consistent with the Kansas Constitution, which may include local taxing authority to supplement state financing. Estimates indicate that roughly \$270 million in additional state revenues would be needed, plus revenue from a state uniform USD property tax rate of 40 mills, to replace current aggregate USD general fund property tax collections.

B. Recommended additional state revenues

1. **Sales Tax.** Increase the state sales tax rate by three-quarters of a cent, thereby bringing the rate to five percent. Estimated annualized revenue, \$164 million.
2. **Personal Income Tax.** Alter the brackets and increase the tax rates on personal income in a manner similar to that vetoed last year in HB 2122. However, KCCI supports no more than a 10% increase in the rate applied to any given tax bracket. Corporate income taxes would remain unchanged. Estimated annualized revenue, \$60 million.
3. **Video Lottery.** KCCI supports all procedural steps necessary to enable the implementation of video lottery as promoted by the Kansas Lottery Commission. Estimated annualized revenue, \$50 million.

(Over, please)

KCCI, 500 Bank IV Tower, Topeka, KS 66603 (913) 357-6321 or FAX (913) 357-4732

Attch # 24-3

C. Classification changes:

KCCI proposes the following changes to the Constitution's assessment rates applied to the following classes of property. No redefinition of classes or other alteration of that Constitutional section is supported by KCCI. Our support for the above outlined state USD levy and its funding is expressly conditioned by the legislative passage of these classification changes. Furthermore, KCCI maintains that the school finance proposal should not become law unless Kansas voters ratify this Constitutional change in a statewide election.

1. Commercial/industrial realty, 25% (now 30%)
2. Machinery and equipment, 25% (now 20%)
3. Oil and gas leaseholds, 25% (now 30%)
4. Single-family residential realty, 11.5% (now 12%)
5. Fraternal benefit realty, 12% (now 30%)

D. State expenditure limit

KCCI supports the enactment of a limit on aggregate state general fund expenditures. The limit we support would restrict annual increases in general fund spending to the percentage growth in Kansans' personal income.

E. Education reforms

As a corollary to school finance reforms, KCCI supports measures aimed at improving the effectiveness of those expenditures by improving the quality of the education it funds. We support the proposed Kansas Commission on Education Restructuring and Accountability and will rely on its eventual recommendations as the basis for KCCI's further efforts in this regard.

Additional Requirements

KCCI support for elements A through C (above) of this package is expressly conditioned upon the avoidance of the following tax options. These taxes, should they be enacted as part of school finance reform or for any other reason, would be considered by KCCI as "deal breakers" which would cause us to withdraw our support.

- A. Any inventory tax, regardless of its degree or form.
- B. Any increase in the assessment rate applied to public utilities.
- C. Any intangibles tax beyond the local option now permitted by law.
- D. Any broadening of the current sales tax base.

SCHOOLS FOR QUALITY EDUCATION - JOHN SULLIVAN

I am currently the president of Schools for Quality Education. I hope you're all familiar with the SQE, I'd hate to think that our 20 years of working on behalf of rural schools has gone un-noticed. Just a reminder that our membership includes approximately one third of all school districts in the state, from all areas, not just western Kansas.

My plans were to come here to speak as an opponent of the Governor's school finance plan and I thought I knew exactly what I wanted to say. Now I've received a computer printout for House Bill 2892 and once again I'm confused. Now you know why SQE's position on school finance has been questioned. One thing I do know for certain is that SQE has been, is currently, and will continue to be for local control of our schools.

It isn't hard to be against the Governor's plan, even though it would reduce the mill levies for 70% of our member districts. It would also put 50% of our schools out of business because of inadequate operating funds. Some of these schools would be twice blessed with a huge decrease in operating funds coupled with a huge increase in their mill levies. Of course this would be done in the name of creating a fair taxing system. House Bill 2892 seems to help most of our members. Retaining the capital outlay levy and the local option provision are steps in the right direction and we do appreciate it. However it still leaves 12% of SQE member schools underfunded and some of these with increased mill levies. This doesn't sound as bad as 50% but numbers are cold and impersonal. When you put names on these figures it changes things: Ulysses, Copeland, Utica, Esbon, Cunningham, Mullinville, Satana, Rolla, Kaw Valley, Paradise, LaCrosse, Moscow, Washington; can we just forget about them?

This 45 mill uniform tax levy still bothers me. The number 45 was pulled out of thin air as the figure that might fly, although it wouldn't raise enough money to fund education, it sounds good to many tax payers. I have this uneasy feeling that if we had a two or three year printout on either plan, the Governor's or HB 2892, we might not like what we'd see. After the first year, when the state is in control and carryover funds are all spent, I believe we would see the uniform 45 mills look a lot more like 60 mills. Another thing that is hard for me to swallow is that these plans are based on district wealth considering only assessed valuation of property. When did income not become a factor in determining district wealth? We are all here talking about these issues today because of one judge's opinion about the constitutionality of our current finance plan. Since the Governor's plan and HB 2892 are both based on assessed valuation and the Attorney General has already stated reclassification to be unconstitutional because it was not done on an equal basis across the state, are we not just spinning our wheels. Shouldn't the legal questions be answered first?

Whatever the final answer may be, please remember that rural Kansas schools are doing an excellent job of educating the youth of rural Kansas and should not be considered expendable.

*Education
Attachment #25
February 12, 1992*

BOARD OF EDUCATION
MICHAEL J. JAMPSON, Pres.
WILLIAM G. FOREMAN, Vice Pres.
DENNIS COBB
PATRICIA HEIDRICK
CHARLES LUKE
TIM MEHL
MAX ROBERTS

26
MARY ANN ROBERTS
LINDA REMUS, Treasurer
HARRY GANTENBEIN, Attorney

Unified School District No. 273 Mitchell County

P. O. BOX 547 BELOIT, KANSAS 67420

GREGORY P. RENTER, SUPERINTENDENT

913-738-3261

February 12, 1992

TO: Education Committee
Kansas House of Representatives

On behalf of the Board of Education of Unified School District No. 273, I have been asked to comment on proposed school finance issues.

I speak in support of a statewide uniform mill levy as an equitable method of providing a portion of the funding for public education. It is our position that Judge Bullock's opinion on the constitutionality of the present school finance equalization act is a needed catalyst for change.

A base amount for per pupil expenditure and a plan to weight students who are at risk, in need of transportation, and from sparsely populated districts is also appropriate.

As the sponsoring district of the Beloit Special Education Cooperative, we favor a system which flows categorical aid directly to the cooperative which provides the program. My rationale for this is purely "cash flow." A payment program which flows to a special student's resident district will result in delays in payments to the cooperatives and certainly result in delayed payrolls and purchases. Remember, per pupil funding for special education has been dramatically cut in the last few years.

Many school districts will face budget cuts this coming year which will require the use of their "Reduction In Force" policies. We ask that you give immediate consideration to changing the notification date for non-renewal of teacher contracts.

Unified School District No. 273 and many other districts have been accumulating capital outlay funds for major projects such as roof replacements and building additions. We ask that USD's be allowed to spend accumulated capital outlay funds without restrictions beyond current law.

No matter what levies are set within the state, we request that all real property be taxable for educational funding. The practice of cities and counties exempting business and industry from all taxation significantly reduces educational revenues without representation by boards of education.

The elimination of the cash basis law and the move from 18 to 12 month budgeting seems eminent. This will require that USD's have borrowing authority. I suggest that districts be allowed to borrow from other funds (Capital Outlay, etc.) to maintain month to month cash flow in the general operating fund.

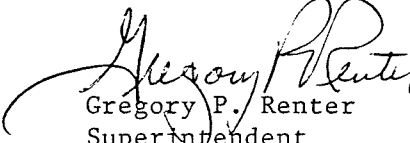
"A Tradition of Quality Education Since 1883"

*Education
Attachment #26
February 12, 1992*

Many districts have chosen, over the years, to provide exemplary educational programs to their residents rather than meeting the basic mandates or being average. The 10% local option, as provided in House Bill 2892, maintains a district's opportunity to choose to provide quality. Unified School District No. 273 applauds that approach.

In conclusion, educational opportunities must be provided to our young people in an equitable and fair manner. The resource we have in the young people of Kansas must be safeguarded and nourished with a focus on quality and performance. On the personal side: I am a Kansan by choice, I moved to Beloit because of the opportunity to participate in an excellent educational program. I have not regretted that choice.

Respectfully submitted,


Gregory P. Renter
Superintendent

GPR/lkr

Attachment # 26-2

#27

**HOUSE EDUCATION COMMITTEE
HOUSE ASSESSMENT AND TAXATION COMMITTEE**

**POSITION ON SCHOOL FINANCE - H.B. 2892
February 12, 1992**

Chairman Bowden, members of the Education and Assessment and Taxation Committee, I am Ken Bahr representing SEEK (Schools for Equalization of Education in Schools) consisting of the 4th Enrollment Category Unified School Districts. Thirty-two of these 4th Enrollment USD's support the following positions.

In regard to H.B. 2892:

I. We approve the concept of a uniform statewide Ad Valorem tax rate and the recognition that the State of Kansas has the responsibility for the education of all public school students.

II. We feel the approaches utilized for Special Education, bilingual, vocational education, equipment and repair of buildings and transportation are worthy of serious consideration.

III. We do not favor the proposed weighting system for districts under 2000 students. We accept that an economy of scale in conjunction with student population density must be considered. However, such a formula should not be used to reward or encourage the establishment or maintenance of low enrollment attendance centers except for justifiable education reasons. It is our belief that to qualify for such relief a district must have a sufficiently large geographic area to create a special need.

*Education
Attachment #27
February 12, 1992*

The proposal is a continuation, in form, of the current method of determining budgets and aid on the basis of enrollment categories. This is the very concept which contributed so greatly to the current unjustified, and possibly illegal, disparity in per pupil expenditures which exists today. The arbitrary use of size alone to distribute additional financial resources does not meet the criteria required for a rational educational explanation for the differential.

Thank you for your consideration.

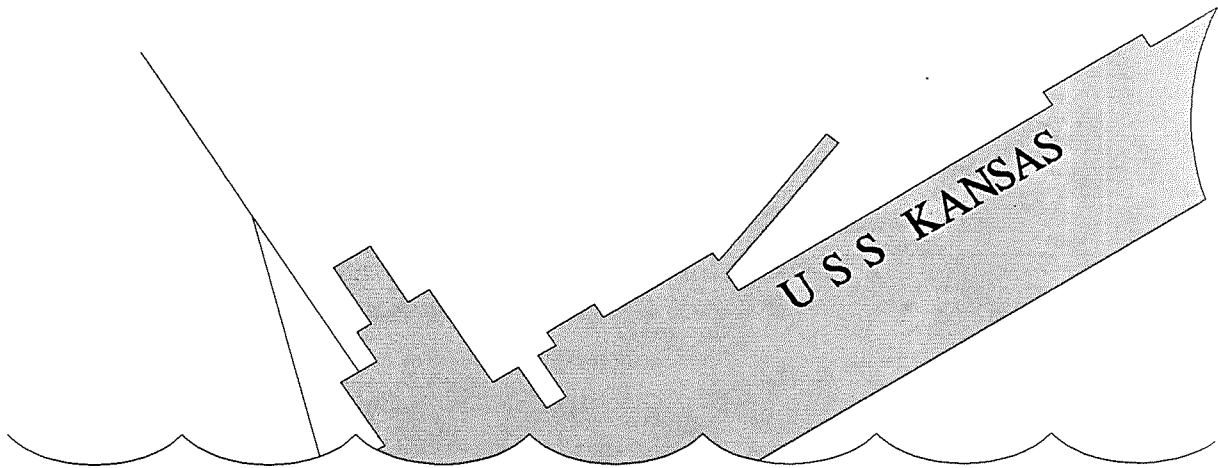
attach # 27-2

<u>District Name & Number</u>	<u>Home County Number</u>	<u>Superintendent Name & Mailing Address</u>	<u>Telephone</u>
Arkansas City - 470	018	Leonard Steinle 119 W. Washington 67005	316-221-4190
Auburn-Washburn USD 437	089	Howard Shuler 5928 SW 53rd	913-862-0419
Bonner Springs USD 204	105	James Shepherd Box 435, 215 Cedar 66701	913-422-5600
Buhler USD 313	078	Jack Parker 122 N. Main 67522	316-543-2258
Coffeyville USD 445	063	Jack Reed Box 968 67337	316-251-6900
Derby USD 260	087	Melva Owens 120 East Washington 67037	316-788-8400
Dodge City USD 443	029	Richard Branstrator Box 460, 1000 2nd 67801	316-227-1620
Eldorado USD 490	008	John Heim 1518 W. 6th 67042	316-321-2780
Emporia USD 253	056	Harold Hosey Box 1008 66801	316-342-4455
Fort Scott USD 234	006	Alan Drake, Bus. Mgr. 5th & Main 66701	316-223-0800
Garden City - USD 457	028	Charles Hubbard 201 Buffalo Jones Ave. 67846	316-275-9656
Goddard USD 265		Charles Edmonds 201 S. Main-Box 249 67052	316-794-2267
Great Bend USD 428	005	Clay Guthmiller 201 Patton 67530	316-793-1500
Hays USD 489	026	Fred Kaufman 323 W. 12th 67601	913-625-7321
Hutchinson USD 308	078	William Hawver 1520 N. Plum, Box 1908 67504	316-665-4400
Independence USD 446	063	Charles Mock Drawer 487 67301	316-331-2380
Junction City USD 475	031	Max Heim Box 370 66441	913-238-6184
Lawrence USD 496	023	Dan Neuenswander 3705 Clinton Parkway 66047	913-842-9888
Leavenworth USD 453	052	Alan Schuler 200 N. 4th 66048	913-682-5932
Liberal USD 480	088	Harvey Ludwig Box 949 67901	316-626-3800
Maize USD 266	087	Joe Hickey 201 S. Park 67101	316-722-0614
Manhattan - 383	081	Steven A. McKee 2031 Poyntz 66502	913-537-2400
McPherson USD 418	059	Robert Shannon 514 N. Main 67460	316-241-1643
Newton USD 373	040	Willis Heck 124 W. 7th, Box 307 67114	316-284-6200
Ottawa USD 290	030	Don Duncan 420 S. Main 66067	913-242-3750

attach # 27-3

Pittsburg USD 250	019	Jerry Steele 510 Deill		316-231-3100
Salina USD 305	085	Andy Tompkins 300 W. Ash	67402-0797	913-825-0281
Seaman USD 345	089	Kent Hurn 1124 West Lyman	66808	913-233-3045
Shawnee Heights USD 450	089	Steve McClure, Supt. 44th & Shawnee Hts. Rd. Tecumseh	66542	913-379-0584
Turner USD 202	105	Robert Hale 1800 South 55th Kansas City, KS	66106	913-287-7500
Valley Center USD 262	087	Ron Ballard Box 157	67147	316-755-7100
Winfield USD 465	018	Bill Medley 920 Millington	67156	316-221-2860

attach # 27-4



KANSAS EDUCATION AFTER JOAN FINNEY AND HB 2892

- CONCEPT THAT UNIFORM DOLLARS IS EQUAL TO UNIFORM OPPORTUNITY IS FALLACIOUS
- \$3675.00 PER STUDENT IS NOT ADEQUATE TO SUPPORT LEVEL OF EDUCATION NEEDED FOR STUDENTS TO OBTAIN THE SKILLS NEEDED FOR THE 21ST CENTURY
- LOSS OF LOCAL CONTROL OF SCHOOLS IS UNACCEPTABLE TO KANSAS VOTERS
- OBJECTIVE OF EQUAL OPPORTUNITY IS A SHAM IN HB2892 - SMALL DISTRICTS CAN SPEND DOUBLE THE AMOUNT PER STUDENT THAT LARGER DISTRICTS ARE ALLOWED TO SPEND AND WILL STILL BE UNABLE TO PROVIDE COMPARABLE EDUCATIONAL OPPORTUNITIES
- PROPOSED STATEWIDE PROPERTY TAX LEVY WILL NOT RAISE SUFFICIENT FUNDS TO OPERATE SCHOOLS ACROSS THE STATE AT CURRENT LEVELS
- SCHOOLS SUCH AS BLUE VALLEY USD 229 THAT HAVE BEEN PROVIDING NATIONALLY RECOGNIZED EXCELLENCE IN EDUCATION FOR STUDENTS WILL EXPERIENCE 20-25% BUDGET CUTS.

attach #7 5

Gov. Finney is all wet on school finance

Johnson County taxpayers have paid more for years than they get back in state aid.

Gov. Joan Finney recently made remarks which show she seriously is misinformed about the major role of Johnson County in paying for education throughout Kansas.

That may explain her school finance plan's punitive treatment

LAURA SCOTT

of the Shawnee Mission, Blue Valley, and Olathe school districts. If enacted, that plan would require dramatic cuts to programs and teachers in those districts.

In a recent guest appearance on The Walt Bodine Show on KCUR radio, the governor said several times that Shawnee Mission is among a select group of school districts which profit at the expense of other districts. She said this has been the case since the school finance law went into effect, and the situation has gotten worse.

The governor said her school plan will even things out. She said it will raise property taxes in 50 districts (actually it is 51) — including Shawnee Mission — which have been living off the 253 other districts with

higher property taxes. The latter will see property tax reductions under her school funding plan.

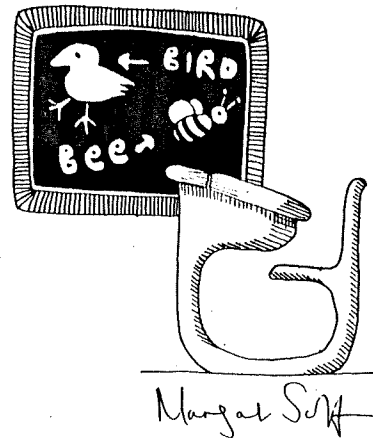
"This is the payback," she said. "This is the day of reckoning because the 253 have been supporting the 50."

Finney also told a Shawnee Mission East high school student who called in to question her that other people in the state had paid for her educational opportunities.

"Some child out there over the state is paying for your high level of education. . . . So I want you to realize that you have been benefiting at the expense of others, you see?"

The governor has it backwards. For many years, Shawnee Mission taxpayers and indeed all of Johnson County taxpayers have been paying far more toward the education of Kansas school children than they get back in state aid.

In fact, Shawnee Mission, like many of the others in Finney's 50, is a no-aid school districts. Except for special categorical aid, it pays for its own schools through property taxes and 24 percent of local income taxes



collected in and returned to the district by the state.

Moreover, Johnson County taxpayers pay a hefty share of the sales and income taxes which pay for everyone else's schools as well as other state government needs.

According to Kansas Department of Revenue figures, taxpayers in Johnson County paid \$177 million, or nearly one-fourth, of the total individual income tax collections statewide in 1989. And for the fiscal year 1990, they paid \$137.5 million in state sales taxes, or nearly 18 percent of the state total.

But last year, state Department of Education figures show, the six school districts in

Johnson County got only 11.7 percent — \$108 million — of the \$920.5 million in state money going to all 304 school districts.

And if Johnson County's income tax rebate — that 24 percent of local taxes collected — is not counted as state money, then Johnson County schools got only 7.1 percent of the state aid sent out last year!

Who is supporting whom here?

The governor admitted she hadn't talked to school superintendents about her plan yet. If she had, she would discover that even among Johnson County school superintendents who would see an easing of property taxes, there is not support for it.

In Blue Valley and Olathe, where property taxes would decrease, superintendents believe their schools would be seriously downgraded under the Finney plan.

Unless the governor can be convinced that Johnson County pays, not takes, then it is dangerous for the prospects of getting a legislative plan the governor will accept.

It is dangerous for the continuation of good schools in Johnson County, of course. But also it is potentially detrimental to education throughout the state. The load of school funding

which comes from the county could seriously diminish if the schools in Johnson County are downgraded.

Between 1980 and 1990, 74 percent of the state's population growth was in Johnson County. Business development which is so critical to the Kansas economy has been growing right along with that. From 1969 to 1989, business growth increased 320 percent in Johnson County. Jobs increased 350 percent.

Many residents will tell you they moved to Johnson County for the good schools. Schools are also one reason — an important one — that business executives locate their businesses there. The Johnson County Economic Research Institute in one survey showed that quality of life factors, including schools, are the second reason only after market opportunity that businesses locate or expand in Johnson County.

Anything which causes Johnson County schools to decline most assuredly will cause decline of that tax base which helps all of state education.

If the Legislature adopts the Finney proposal it will be killing the goose that lays the golden eggs. Legislators need to understand that, and so does the governor.