

Approved: 2-23-95
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairman Rochelle Chronister at 3:30 p.m. on February 6, 1995 in Room 519-S of the Capitol.

All members were present except: Representative Ballou (excused)

Committee staff present: Ben Barrett, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Lois Thompson, Committee Secretary

Conferees appearing before the committee:

Ben Barrett, Legislative Research
Representative Clifford Franklin
Jim Yonally, Shawnee Mission Schools
John McDonough, Lenexa, Citizens for Educational Freedom
Gordon Thomas, Concerned Citizens, Johnson County
Gerald Henderson, United School Administrators
Craig Grant, KNEA
Mark Tallman, KASB
Representative Bruce Larkin

Others attending: See attached list

Representative Tanner moved and Representative Tomlinson seconded a motion to introduce a bill for in service training for school board members. Motion carries.

Hearings continued on school finance.

Ben Barrett, Legislative Research, explained **HB 2233** establishes the opportunity for school districts to adopt a "needs budget." This is an alternative to the local option budget not connected in any way to the local option budget. This local needs budget could be in a amount up to 10% of state financial aid which means 10% of the school district's general funds budget. The funding for this local needs budget is entirely from local property tax.

Representative Franklin stated the bill (**HB 2233**) he proposed will help his school district keep manageable pupil-teacher ratios so that it can keep on performing at a "suitable" funding level. Johnson County voters told him during the election they are concerned about all Kansas children and are willing to assist in the "suitable" funding of K-12 education. "Let us remember that cutting the peaks to fill the valleys is not what built the outstanding school system that our children enjoy. Government bureaucracy has a questionable record of success with scholastic improvement." (Attachment 1)

Jim Yonally, representing Shawnee Mission schools, stated they are not taking any position on **HB 2333**. This bill is an option, however, their preference to meeting the needs of school children in Kansas, as well as in their own area, is that the base aid be increased. They support the United School Administrator's position of increasing state aid \$100 per pupil.

John McDonough, representing The National Organization "Citizens For Educational Freedom" spoke in opposition to **HB 2233, 2258** and **2300**. It is his opinion these bills are unconstitutional because they would discriminate fund only public school students, and not private school children. (Attachment 2)

G. Gordon Thomas representing Concerned Citizens Association of Johnson County, appeared in opposition to **HB 2233**. "It has been our experience that there is no amount of money that can satisfy the spending appetite of the Shawnee Mission School District. We urge you to reject this proposal and not give school districts a blank check which is ultimately what some really want." He also advocates a requirements for voter approval before the current LOB lid of 25% can be exceeded. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION, Room 519-S Statehouse, at 3:30 p.m. on February 6, 1995.

Gerald W. Henderson, Executive Director, United School Administrators of Kansas, spoke in opposition to **HB 2233**. Most districts would like to raise their budget by 10%. The problem is that "the people of Galena could fund such an increase with 55 mils while the people of Burlington could do it for less than one mil, certainly not similar effort. Litigation prior to the 1992 school finance act was centered on this very issue." (Attachment 4)

Craig Grant, representing Kansas NEA spoke in opposition to **HB 2233**. "This type of proposal would allow the 'property rich' districts to easily increase budgets while 'property poor' districts would struggle with just the base budget. It is just this equalization problem which led to the difficulties in the old formula." (Attachment 5)

Mark Tallman, Director of Governmental Relations for the Kansas Association of School Boards, stated KASB cannot support **HB 2233** which creates a local needs budget that would be financed entirely by the property tax. This would be unfair to districts with low property valuation (Attachment 6)

The floor was opened to questions by the committee.

Hearing was opened on **HB 2237** concerning school district finance, contingency funds, increase, amount differential.

Representative Bruce Larkin introduced **HB 2237**. This bill proposes a minor change in the current formula which raises the contingency reserve fund. It was also structured so that increase would go to 5% for districts with less than 10 million dollar budgets and 3% for districts with over 10 million dollar budgets. It changes language from "emergencies" to contingencies" which is less restrictive language for school districts.

Gerald Henderson, United School Administrators, spoke in support of **HB 2237**. "Changing the language from 'emergencies' to 'contingencies which were not anticipated' will help several school districts which came into conflict with auditors over what constituted an emergency." (Attachment 7)

Craig Grant, Kansas National Education Association, spoke in support of **HB 2237**. "The language about when a contingency fund can be used needs to be clarified as this bill does." Also, ". . .we believe this method of two levels of contingency is better than **SB 120** which allows a 5% for all districts." (Attachment 8)

Mark Tallman stated the Kansas Association of School Boards supports **HB 2237**. (Refer to Attachment 6)

Jacque Oakes, in written testimony states Schools for Quality Education is in favor of **HB 2237** which strikes the word "emergencies" and "not reasonably foreseen" and adds "were not anticipated." (Attachment 9)

The floor was opened to questions by the committee.

The meeting adjourned at 4:45 p.m.

The next meeting is scheduled for February 7, 1995.

GUEST LIST

Date: 2-6-95

Committee: Education

NAME: (Please print)	Address:	Company/Organization:
Phil Johnston	Eureka, Ks.	KAESP
Gerald Henderson	Topoka	USA of KS
Denise App	Topoka	USA
Bob Johnson	Topoka	WU / GW
Arlyn Johnson	Jecumseh	
Tim Nimez	Shawnee	OST
Mark Tallman	Topoka	KASB
Craig Grant	Topoka	HNBA
Sue Chase	Topoka	KNEA
Jimmy Linn	Topoka	OP Chamber
Gordon Thomas	Lenwood	Concerned Citizens Assoc.
John McDonough	Lenexa	Citizens For Educational Freedom
Don Reyon	Emmett	Kaw Valley 321
Rubin Lehman	Lawrence	Olathe USD 233
E. Wanta	Newton	
Ann Burnett	Topoka	USD 501
Jacque Dakes	"	SQE
Jim Allen	"	KEC
Jim Youally	Overland Park	USD #512
Helen Stephens	Prairie Village	BV USD 229
Diane Gjerstad	Wichita	U.S.D. 259

LOCAL NEEDS BUDGET
HB 2233

Representative Clifford Franklin 23rd District
February 6, 1995

Madam Chairman and fellow committee members. Thank you for allowing me the opportunity to talk with you today regarding the local funding of K-12 education. In the past local funding mechanisms such as the Local Option Budget, LOB, has drawn spirited debate from the State Legislature.

It is my intention to provide you with information regarding this local funding mechanism that is used by 134 Kansas districts. The districts that use LOB authority are a mixed bag of small enrollment districts, large enrollment districts, wealthy districts, not as wealthy districts, urban districts, and rural districts. The following counties are utilizing over 15% of their LOB authority.

<u>County</u>	<u>District</u>
ELLIS	HAYS
FINNEY	HOLCOMB
GRAHAM	WEST GRAHAM-MOR
JOHNSON	BLUEVALLEY
JOHNSON	OLATHE
JOHNSON	SHAWNEE MISSION
KIOWA	MULLINVILLE
MORTON	ROLLA
COMANCHE	COMANCHE COUNTY
MEADE	FOWLER
RUSSELL	PARADISE
NESS	NES TRE LA GO
GRAY	COPELAND
WYANDOTTE	BONNER SPRINGS
STEVENS	MOSCOW PUB.
GRANT	ULYSSES

County

SHAWNEE
WYANDOTTE
WYANDOTTE
DOUGLAS
GRAY

District

TOPEKA
TURNER-K.C.
KANSAS CITY
LAWRENCE
MONTEZUMA

LOB funding has received sincere criticism from educators and legislators based on two primary assumptions:

- 1) dis-equalization of educational opportunity
- 2) varying abilities to pass and pay for LOB funding

In the December 5, 1994 Kansas Supreme Court Decision, page 45, Justice McFarland stated the following:

"The standard most comparable to the Kansas constitutional requirement of 'suitable' funding is a requirement of adequacy found in several state constitutions. In common terms, 'suitable' means fitting, proper, appropriate, or satisfactory."

On page 48 of the decision, Justice McFarland states that 'suitable' will be the standards enunciated by the legislature and the state department of education. Therefore, the requirements of the Kansas legislature is to provide funding that is fitting, proper, appropriate, or satisfactory. The decision in no way suggests to constrain districts at a 'suitable' funding level.

Some legislators have suggested 'equal educational opportunity' be the standard. I respectfully disagree. The Kansas taxpayers will need **deep pockets to provide equal individualized attention** across large and small high schools. Consider Manhattan Sr. High's 2004 student enrollment and 20:1 pupil-teacher ratio and compare that to Glasco High's 31 student enrollment and 5:1 pupil-teacher ratio. Likewise, Glasco High's 31 students could **never have equal course selection** that Manhattan Sr High's 2004 students enjoy. At best, 'equality' is ambiguous, highly subjective, and unfeasible.

The North Central Association, NCA, has identified appropriate pupil-teacher ratios to provide 'suitable' education. The table shown below summarizes their recommendations and shows comparable Shawnee Mission, SM, and Blue Valley, BV, ratios:

	<u>High School</u>	<u>Middle School</u>	<u>Grade School</u>
NCA	1:24	1:21	1:17
SM	1:18	1:18	1:18
BV	1:17	1:16	1:18

The table shows that Shawnee Mission School District needs to continue the LOB in order to provide 'suitable' funding at the grade school level. The Public School Report of Selected School Statistics shows that most districts have ratios below 1:18 with the exception of a few counties such as Wyandotte and Sedgwick.

In viewing the ratios of various districts it is clear that the current finance formula provides funding that falls above and below 'suitable' funding. Justice McFarland states *"the record herein reflects the Act has caused much concern and discomfort in a substantial number of districts. Revolutionary change to correct perceived inequity, unfortunately, almost always has such an effect."* Justice McFarland assigns funding to the legislature and local boards by saying, *"If experience establishes that the Act needs further revision, the legislature will have ample opportunity to do so, as it has already done in a number of significant respects."*

In my work as an engineer and in my studies for an MBA degree, I realize that there will always be a certain level of inequity in funding models. For example, our school finance formula gives significant weighting to low-enrollment, transportation, and bi-lingual. Conversely, special education, transportation for urban areas, at-risk education, and cost of living are given marginal or no weighting. I believe it is the responsibility of this body to allow local districts to raise funding from their local electorate to compensate for the inefficiencies inherent in the school finance formula. We most certainly can improve the formula in the coming years. Our mission is to provide suitable, sufficient, appropriate,

or adequate educational opportunity. 'Equal' education is impossible.

The argument that some districts can't pass or afford LOB authority is a local community problem. If the legislature performs their job of 'suitable' funding, it is the choice of local communities to exceed or not to exceed the standard. It is the responsibility of the local school boards and chamber of commerce to market funding levels above 'suitable' standards. The legislature should not be involved local community decision making. Our job is to provide 'suitable' funding only.

The bill that I propose today will help my school district keep manageable pupil-teacher ratios so that it can keep on performing at 'suitable' funding level. Johnson County voters told me during the election they are concerned about all Kansas children and are willing to assist in the 'suitable' funding of K-12 education. We are proud of our state and the schools that have flourished from local involvement. Let us remember that cutting the peaks to fill the valleys is not what built the outstanding school system that our children enjoy. We must provide a good education to every Kansas child without crushing the creativity, flexibility, and innovation of local communities. Government bureaucracy has a questionable record of success with scholastic improvement. In local communities lies the answers to better learning and safer schools. Thank you for your consideration of this issue.

John McDonough 8530 Bradshaw, Lenexa, Kansas 66215 (913) 888 4455
Representing The National Organization "Citizens For Educational Freedom"

Presentation At Public Hearing Held By The Education Committee Of The Kansas State
Legislature Concerning Tax Increases To Further Enrich The Public Schools. Feb. 6, 1995.

Committee Chair, members, I'm here to oppose House Bills Numbers 2233, 2258 and 2300 because they are unconstitutional -- unconstitutional because they would discriminatorially fund only public school students, and not private school children, too -- unconstitutional because the Kansas Bill Of Rights requires equal treatment & religious liberty^① for all -- unconstitutional because Article 6 requires all educational interests of the state be treated suitably, financially. WHY NOT START OBEYING THE CONSTITUTION HERE IN THIS COMMITTEE? -- THERE BEING NO RATIONAL LEGAL EXCUSE NOT TO.

I have for you a brief listing of suggestions for improving the quality of life of Kansans -- by controlling Kansas' exploding taxation, which this committee has chiefly been responsible for; and which exploding taxation is hogged by the public school lobby; but its never enough -- already costing Kansas taxpayers some \$3 billion dollars yearly -- about \$3,000 per household a year for public schools; but its never enough:

- 1.) Here are alternatives to higher taxes: Tuition and more fees at public schools, too!
- 2.) And Vouchers at all schools -- for economy, liberty, safety, markets instead of socialist monopoly of education; & without all that government pork for parents who can pay.
- 3.) Create at the Kansas state level an equivalent of the senators Danforth and Kerrey Commission On Entitlements And Tax Reform -- to discontinue subsidies to those who can pay their own bills -- and who don't need welfare & entitlements from the taxpayers.
- 3.) & to get a handle on the public school monopoly that wants us to keep-on-coughing-up ever more of the family budget so they can maintain and keep on increasing their Santa Clause giveaways -- and want you legislators to keep on being their Santa Clause helpers.
- 4.) This at the time when the voters want lower taxes, downsized government, limited bureaucracy, and getting government off our backs and out of our pockets and purses.

^①RELIGIOUS LIBERTY: QUOTING FROM THE KANSAS BILL OF RIGHTS, "... THE DICTATES OF CONSCIENCE SHALL NEVER BE INFRINGED .. NOR SHALL ANY CONTROL OF OR INTERFERENCE WITH THE RIGHTS OF CONSCIENCE BE PERMITTED ..." WHILE RIGHTS OF CONSCIENCE MUST NOT BE INFRINGED OR INTERFERED-WITH, FAMILIES ARE BEING TREATED WITH SUBSTANTIAL INFRINGEMENT AND INTERFERENCE -- ACCOMPLISHED THROUGH ZERO EDUCATION FUNDING WHILE OTHER STUDENTS BENEFIT BY AS MUCH AS \$10,000 EACH, IN FREE BENEFITS, ANNUALLY. AND ALL PUBLIC SCHOOL STUDENTS ARE COUNTED TO RECEIVE AT LEAST \$3,600 EACH ANNUALLY, WHEREAS PRIVATE SCHOOL CHILDREN ARE SKIPPED IN THE BENEFITS COUNTS AND DISTRIBUTIONS.

House Education
Attachment 2
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Nonsectarianism

Exhibit 1
Page 1

6. (e) No religious sect or sects shall control any part of the public educational funds.

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Section 6 (e) continues the provisions of present Section 8 of Article 6 which prohibits any religious sect from controlling any part of the common-school or university funds of the state. This proposed provision substitutes the words "any part of the public educational funds" which would cover both local tax funds and funds of the state, and thus would have the same scope as the original wording. This language does not prohibit the appropriation of public funds to indirectly benefit private institutions, associations, or corporations.

✓₃

FROM PUB. 256

Exhibit 1
Pg 2

In connection with the drafting of federal aid to education bills in Congress, it was decided that wording such as is used in 6 (e) would not prevent the distribution of public funds for students in private schools. As long as the funds remain under public control they can be distributed to pupils attending private schools. Present constitutional interpretation is that neither the existing constitution nor the proposed amendment prohibits the distribution of public funds for the benefit of pupils in private parochial schools. Administration of tax revenues, distribution, control, and receipt of funds must remain under public control. As long as these conditions are met, funds may be distributed for the purpose of benefiting pupils in the private schools. The child, rather than the private organization, thus is benefited. Therefore, there is nothing in the proposed language that would impede or obstruct the distribution of federal funds to private schools.

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PUBLICATION 256

**The Kansas State Constitution On Eligibility For Student
Education Financial Assistance From State Government.**

In 1965, by an official act of the Kansas state government, a committee of state government officials was formed to study and to prepare for a 1966 vote of the people of Kansas -- intended to change the education section of the state constitution. The Legislative Council produced "Publication 256," which set-up the constitutional change wordings that the voters of Kansas approved on November 8, 1966 -- 280,400 YES 211,027 NO.

This committee was chaired by Lt. Governor John W. Crutcher, with Speaker Of The House Clyde Hill as Vice Chairman. 10 State Senators and 14 State Representatives served as committee members. On page 37 of "Publication 256" is this official intent/wording: "In connection with the drafting of federal aid to education bills in congress, it was decided that wording such as used in:

- (Clause No.1) "Article 6 (e) would not prevent the distribution of public funds for students in private schools." 6 (e) page 36 reads:
- (Clause No.2) "No religious sect or sects shall control any part of the public educational funds." The Council report continues:
- (Clause No.3) "As long as the funds remain under public control they can be distributed to pupils attending private schools."
- (Clause No.4) "Present constitutional interpretation (1965) is that neither the existing constitution nor the proposed amend-ment (set for 1966 public vote) prohibits the distribution of public funds for the benefit of pupils in private parochial schools."
- Clause No.5) **"The child, rather than the private organiza-
tion, thus is benefited."** Emphasis added.
This Kansas language is the language used by the
U.S. Supreme Court in Mueller, Witters and Zobrest

SMITH

From State v. Smith, 155 Kan. 588, 596 (1942): "Section 7 of our Bill Of Rights, and Article 6, section 2, each being a part of our constitution, must be construed together. While under Article 6, section 2, the legislature is required to establish a system of schools, in doing so it cannot violate section 7 of the Bill Of Rights."

Emphasis Added

PIERCE

From the 1925 U. S. Supreme Court decision (268 U.S. 1070) Pierce v. Society Of Sisters Of The Holy Names Of Jesus And Mary, and Hill Military Academy, the court deciding as follows:

"The fundamental theory of liberty upon which all governments in this union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right coupled with the high duty, to recognize and prepare him for additional obligations."

VOUCHERS ALREADY IN KANSAS

At the present time there is already a voucher plan in existence here in Kansas. The Kansas Tuition Grant Program. These 6,000 to 7,000 vouchers per year, are need-based grants that **assist students** who choose Kansas private institutions -- to \$1,700 per voucher, federal and state funded. The costs involved are less than 25% the costs at the state universities. Recipient students are enrolled at Baker, Benedictine, Bethany, Bethel, Brown, Central, Donnelly, Friends, Heston, McPherson, Nazarene, Newman, Ottawa, Southwestern, St. Mary, Sterling Tabor, and Wesleyan.

February 6, 1995

Dear State Legislator,

One of the most difficult issues you will be dealing with this legislative session is school finance. You have listened to hundreds of hours of testimony from school superintendents, school boards, the KNEA, lobbyists (paid for by our tax dollars) and various other individuals both in and out of politics (see attached Kansas City Star article) whose livelihoods depend on how much money we pour into public education. We hope you will spend a few minutes reading this letter to obtain a less biased viewpoint from a group of concerned citizens who live in the Shawnee Mission School District. This letter is not intended to be a criticism of the public education system which we all know is very important to the future of our children and our communities. Its purpose is to point out that there are some rubber stamp school boards and their superintendents who have not yet gotten the message from the voters last November to learn to do more with the same or less.

We would first like to address the legislation being introduced by Representative Cliff Franklin which proposes to raise the local option budget authority to 35%. Since most local politicians take at face value what they are told by the school district, we doubt that even he is aware that Shawnee Mission has increased its budget from \$179.6M in FY 92-93 to just under \$216M in FY 94-95. Senator Langworthy recently stated to the Overland Park Sun that the school district was suffering because revenues were flat as a result of the school finance formula and all local option budget authority being exhausted. We would like the Senator to explain how a budget can increase \$37M or 20% in just three years on flat revenues. This is probably the most rapid budget increase and related taxation in the history of the district and it has come during a period when enrollments and inflation are flat. It is our belief that this excessive spending was part of a strategy the school district engaged in to use up its local option budget as quickly as possible in an attempt to convince the legislature to either increase the LOB or do away with it all together. It has been our experience that there is no amount of money that can satisfy the spending appetite of the Shawnee Mission School District. This district would easily use up an additional 10% within a year or two and would be whining once again for an even higher spending authority and more tax dollars when that occurs. We urge you to reject this proposal and not give school districts a blank check which is ultimately what some really want. We also strongly urge that any legislation to change the school finance formula include a requirement for voter approval before the current LOB lid of 25% can be exceeded. Arbitrarily increasing the LOB 10% will not provide incentives for school districts to live within their means and to justify to those of us who pay the bills why more money is needed.

*House Education
Attachment 3
2-6-95*

The Shawnee Mission District frequently misrepresents what the actual cost per student is whenever it has the opportunity to try to create the impression with district patrons, the press and legislators that it is underfunded compared to the rest of the State. The amount district officials consistently give out is \$4500. The official data from the State for FY93-94 was \$6230 per student. This was considerably higher than the average for the State as a whole which was \$5374. We know that there are some small districts in western Kansas that have much higher costs per student. You don't have to be a financial genius, however, to figure out that those districts do not have the economies of scale or large numbers of students over which to spread overhead and other costs. If there was truly a close correlation between higher spending per student and the quality of education, the Kansas City, Mo. district at \$13,500 per student should be twice good as the Shawnee Mission School District at \$6,230 which in turn should be twice as good as some of the the local parochial schools at \$3,600. We all know, of course, that this is not the case.

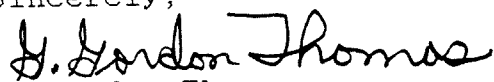
Another issue of great concern was the manner in which the district handled the \$140M bond issue which passed last Spring. They like to create the impression that it had the overwhelming support of 67% of the voters. The reality is that, with a 25% turnout at the polls, only 17% of the voters in the district voted yes. The other 83% either voted no or abstained by not voting at all. Many did not vote because the district misrepresented the mill levy, the actual cost of the bond issue and how the bonds were to be paid for. It is our belief that many voters did not turn out because they were misled into believing that the additional mill levy impact would only be 3 mills when in reality it will be over 6 mills. They also did not realize that more than half of the \$285M indebtedness associated with the bond issue would be paid for by continuing the levy from previous bond issues even after they are paid off. In other words, contrary to what most people believe, there is no sunset provision for the added taxation associated with general obligation bonds. This makes a mockery out of submitting such bonds to a vote of the people when one considers that even after they are paid off, the taxation associated with those bonds can go on forever without further voter approval. Finally, the voters did not know that the future was mortgaged rather heavily when the district backend loaded \$116M of the \$285M indebtedness into the last seven years of the 25 year amortization schedule. These actions appear to have been deliberate to create the illusion in the minds of the voters that the cost of the bond issue would be less than it will actually be. The shocking thing that we learned after speaking to the offices of the District Attorney, Attorney General and Secretary of State is that the current statutes are extremely weak or non-existent in dealing with requirements for governing bodies and public officials to make full disclosure of all pertinent information prior to asking the voters to approve a bond issue. Certificates of Non-Litigation are not worth the paper they are written on. There are also apparently no criminal penalties if the public is defrauded by a governing body and public officials to gain a positive outcome in a bond election.

DA Morrison told us that he had no jurisdiction and that we would have to file an expensive civil suit to challenge the election result. We hope you will support a bill being introduced by Representative Clyde Graeber to address the issue of full disclosure. Governing bodies should be held to at least the same standards we hold commercial financial institutions to when dealing with the public.

There are some other notable examples of wasteful spending in the district. We recently learned that the cost to build a new elementary school will be 50% more per square foot than a comparable school in the DeSoto district. This is due primarily to extravagant and frivolous architecture. Much of the \$35M in air conditioning systems to be purchased with bond money was not essential and will drive up district operating and maintenance costs dramatically. This is sure to put further upward pressure on taxes. Four existing school buildings will be torn down and replaced by completely new facilities largely because the district knows it can get \$4500 per student in state aid for a new facility versus the \$3600 for an existing facility. Also, if the Shawnee Mission School District has such a severe shortage of funds, why are they misappropriating education dollars and using them for social programs. The latest example is the establishment of nurseries for unwed mothers in several of the high schools. Not only is this an improper use of education dollars, it also sends the wrong message to our teenagers. We certainly agree that unwed teenage mothers should be encouraged to stay in school, but their support and that of their child should be paid for by their families first and SRS if there is a need.

In closing, we would like to remind you that we the voters issued a mandate last November to control taxation and spending at all levels. This cannot be done if school districts are not held more accountable for their spending habits because they consume 46% of our local property taxes and 25% of the total state budget. We realize some rapidly growing school districts need relief but others are just trying to jump on the gravy train that might result from poorly crafted legislation. Also, keep in mind that Kansas now ranks among the fifteen worst states for tax burden on its citizens. If this trend continues, it will become increasingly difficult to attract new businesses and economic development regardless of how good our school systems might be.

Sincerely,



G. Gordon Thomas

President, Concerned Citizens Association of Johnson County

Newcomers threaten profits of Johnson County's GOP establishment

By KERRY PATRICK

The hot topic in Johnson County Republican politics is the infighting between the GOP Club or so-called "Mainstream Coalition" and the so-called "religious right" over who will control the county GOP.

Much of what this fight is really over has nothing to do with an honest disagree-

VIEWPOINT

ment over political philosophy but over money, avarice and greed.

The vast majority individuals who have been part of the GOP establishment in Johnson County over the years are now members or supporters or identify with the GOP Club and/or the Mainstream Coalition. The religious right are newcomers to the political scene, and they represent a threat to the establishment

Kerry Patrick is an attorney in Leawood.

and its 30-year political reign.

As a 12-year member of the Kansas Legislature, it is my observation that most of the vocal members of the GOP establishment are attacking the newcomers for strictly economic reasons. They are demonizing and scapegoating this group to maintain their political power so they can continue to reap a high standard of living from the taxpayers.

What is the big threat? If a new group of Republicans takes over control in the county, the establishment stands to lose the millions of Kansas tax dollars they annually receive for doing legal and bond underwriting business with state and local units of government. They also stand to lose their clout in representing real estate developers before politically appointed zoning boards that are more favorable to some lawyers than others.

It is important to note that none of the legal work and very little of the bond underwriting work is competitively bid out by the government. Who gets the business

is dependent solely on their cozy ties to elected and appointed officials.

The GOP establishment doesn't want a new group of people being elected to upset this cozy arrangement.

This is not the motivation of all or most of the GOP Club and/or the Mainstream Coalition. But I do believe it would disturb many members if they knew of the "stealth" agenda of many of its leaders. They would be disturbed if they knew they were being manipulated to advance the pocketbooks of the few.

One of the Mainstream Coalition is State Rep. David Adkins of Leawood who is a partner in the Bennett, Lytle law firm. In reality, the Johnson County Republican Party has been run the past 30 years out of their law offices, which has as its senior partner former Kansas Gov. Robert Bennett and, until recently, the son of former Congressman Larry Winn Jr. as its other senior partner.

Over the years, this power base has

been good business for the law firm. The firm is legal counsel for the cities of Leawood and Prairie Village, the Johnson County Community College, Shawnee Mission School District, KU Medical Center, etc.

None of the legal business they receive from these taxpayer entities is awarded on a competitively bid basis. This work is awarded not simply on merit but because of their political contacts. A group of newcomers coming in and taking control could very well upset that.

Another leader of the GOP Club and/or the Mainstream Coalition has been Fred Logan, a local attorney. Logan is a former Johnson County Republican chairman and was named state party chairman by then-Gov. Mike Hayden. During his tenure as state party chairman, he went from making less than \$15,000 a year in non-competitively bid state legal work to making over \$125,000 a year.

Other prominent GOP Club and/or

Mainstream Coalition supporters who make a comfortable living from your tax dollars in noncompetitive bid situations are Sen. Bud Burke and Sen. Bob Vancrum.

Burke is a principal with Ransom & Co., a major bond underwriting firm. Vancrum, a lawyer, was questioned by the KPERS investigative legislative panel about his role or that of his clients in state pension fund investments. Vancrum also represented the owners of the Woodlands race track before the State Racing Commission. The list could go on.

Next time you hear someone being attacked as a member of the "religious right," ask yourself what is the real motivation behind the attack. An honest disagreement over philosophy? Or a real concern that this might be the first in a series of steps that might diminish a lucrative law practice for someone or some group that has been built on taxpayer money?

3-7

CONCERNED CITIZENS ASSOCIATION

THIS IS THE ONLY PUBLIC FORUM BEING HELD THAT HAS GIVEN THE OPEN-MEETING OPPORTUNITY EXPRESSLY TO THE PUBLIC AND TO THE TO TAXPAYERS TO VOICE THEIR OPINIONS AND VIEWS OF THE SHAWNEE MISSION SCHOOL DISTRICT'S TAX AND SPEND POLICY (THE OTHER SIDE OF THE ISSUE WILL BE HEARD)

THE PROPOSED SHAWNEE MISSION SCHOOL DISTRICT
\$ 140,000,000 MILLION DOLLAR BOND ISSUE
PLUS
\$ 125,000,000 BOND INTEREST INDEBTEDNESS

\$ 265,000,000 TOTAL TAX BURDEN
THIS FINANCIAL DEBT PARENTS WILL CARRY AND BREAK DOWN AS
DEBT TO THEIR CHILDREN'S CHILDREN

**Don't Take
Us For
Granted**

How Much the Bond Issue Will Cost You

IF YOU'RE A HOMEOWNER

JUST
THE *facts*
ABOUT

\$50,000	\$1.44
\$80,000	\$2.30
\$100,000	\$2.88

SHAWNEE MISSION



If something isn't illegal it must be ethical, right?

STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

March 15, 1993

MAIN PHONE (913) 296-2215
CONSUMER PROTECTION 296-3775
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ATTORNEY GENERAL OPINION NO. 93-33

Joseph W. Zima
Unified School District No. 501
624 W. 24th Street
Topeka, Kansas 66611

Re: Schools--Organization, Powers and Finances of Boards of Education--Boards of Education; General Powers; Question Submitted Election; Campaigns

Synopsis: A unified school district is under an obligation to educate the electorate regarding issues pertaining to schools which are to be voted on by the electorate. However, officers of the school district must maintain a semblance of neutrality, and information provided by the school district may not advocate a particular stance on the issue. Donations from private sources do not expand the authority or power of a school district to participate in or undertake campaigns. Officers and staff of the school district may, in their private capacity, advocate a position on an issue subject to election by voters of the school district. Cited herein: K.S.A. 10-101; 10-128;

Other options weren't considered

As a property owner, I have been very frustrated by the very substantial tax increases I have had, and am now looking at still more with the (Shawnee Mission school) bond issue.

It would not be so disturbing if it weren't for the fact that I have over the past 10 years offered Shawnee Mission schools the opportunity to use private funds to address all of their energy problems and needs and a lot more things that would benefit them that they would not even consider within typical budget restraints.

I have funding sources that would take their existing engineering and bids, do additional engineering to discover other options beyond the scope of their studies. They would then develop a project that would accomplish all of those things with no cost, risk or debt to the schools. Much to my frustration, they just aren't interested. It is too easy to get it from the taxpayers.

I believe it would be of great interest to the taxpayers to know the attitude of the administration when it comes to spending their money.

To me it is an outrage that they would not take advantage of a no-cost, no-risk, no-lose opportunity to make great strides to modernizing their schools entirely at the investor's expense and risk

Another very costly issue they are not talking about is the huge increase on the electric bills as a result of the air conditioning. The demand charge that will be created will multiply electric bills many times more than the cost of the electricity. The demand charge is a charge the utility charges its commercial customers to "reserve" their biggest demand for them if they need it. In the case of the schools, they turn on the air conditioner in the spring and shut it off when school lets out, but the demand charge continues every month whether they use it or not.

Stan Sease,
Overland Park

QUESTIONS FOR THE VOTERS

Every time the politicians want us to vote for a bond issue, a levy or whatever, they seem to sell us with the fact that "it will only cost so much per year for someone with a \$100,000 house." I've been collecting these claims for years, and one of these days I'll publish them so you can see there's no consistency in what's being said. Or to tell you the truth, they're often just plain phony.

In fact, the figures are so phony that they can differ within the very group that's publishing them. For instance, the Shawnee Mission school system can't seem to decide how little the \$140 million bond issue will cost each patron. I've seen three different "costs per \$100,000 house," so far—two of them in a single pro-bond issue brochure the district recently published.

And a more significant point: the 12-page publication, in two colors plus black, was mailed to



all the homes in the district at a cost that has to exceed \$25,000. And it was dominated by material blatantly favorable to the bond issue. Just a hard-hitting selling piece for the April 5 proposal, with nary a negative.

Is it legal to use taxpayers' money to take one side of the bond issue? Where's the other side? It should be the voters' decisions whether the bonds are approved—not the board's. They merely are there to propose something, not use public funds to electioneer for it. Do the opponents have the same right—and the same funds available to tell their side? Of course not.

There's no chance of fairness for the other side to be heard, when the district itself joins *The Star*, *The Sun* and virtually every other media to tell only one side.

"None Of This Had To Happen"

Most teachers in the Shawnee Mission School District are worried these days. When a principal and two teachers were forced out, the un-business set in. Here, two leaders in the National Education Association of Shawnee Mission talk about it. They are Cheryl Hewitt, president, and Marilyn Flanigan, executive director.

One of the things that gives me some cause for alarm is that when I first came back to the S-M District as the interim director here, I was told three years ago that there was a "hit list," a list of people that Dr. Chodra felt were to be gotten rid of. The

actions of this board over this last year certainly confirmed that. At first, I dismissed the idea. But I am beginning to believe that there is a hit list. You can add up a lot of coincidental kinds of incidents and say this makes a pattern.

Q. Have you seen the hit list?

Flanigan: No, I have not. I have been in contact with one individual who did indeed claim to have seen the hit list and that that person's name was on the list. And this individual had given me several other names — and those people are no longer with the district.

Q. What would you tell the school board of S-M to do in the future?

Flanigan: I would hope for a board that is able to think for itself but certainly is not anti-superintendent to the point that they can't get anything done. But a board needs to ask questions and have those questions answered openly. At so many of the board meetings things are passed without any discussion at all. Either they are very bright and understand the written matter or they have had their discussions privately before they have come to the board meeting. I would like to say that they are very bright and understand all the written material, either that or they just don't care. I don't think that is true either. I would like to see a board who has the opportunity and the willingness to sit down in board meetings and ask questions about the kinds of things that are coming before them.

I would also like to see a board that does not denigrate teachers and patrons who speak to them in open forum. We have seen this happen so many times this last year. The attitude was not that they were there to serve the schools and the community.

Shawnee Mission School District

Proposed \$140 Million Dollar Bond Issue

DATE	NEWSPAPER	REPORTER	ARTICLE HEADLINE
10/30	KC STAR	Laurie J. Scott	"No Bond issue planned in local district... for now"

FACTUAL CONTENT

Nancy Gebhart, President, SMSDB: "57 buildings, 4 are under 10yrs offage: we need to know what we need to do to get them ready for the 21st century. Although officials aren't ruling out the possibility of a bond issue, they say one isn't imminent, as it has been reported in various circles. Rumors are wonderful, Gebhart said, tongue in cheek.

Questions, Of straight talk, stealth and politics ? about Shawnee Mission

Study results will be given to the board in December, so that's the earliest that the district can decide whether to attempt a bond issue. We may have to look at a bond issue, Gebhart said, we'd want to do something very quickly, provided we're going to go for one"

01/12/94	KC STAR	REPORTER	ARTICLE HEADLINE
		CHRISTINE VENDEL	BIG PLAN TARGETS NEEDS

FACTUAL CONTENT

Corinth school has so many maintenance problems, that it is recommended that it be torn down, and a new one built at the same site. It was recommended by members of a Facilities Study Committee, research based on it would cost more than \$3 million to bring Cornith up to current codes & a maintainable condition. That figure is 45% of what it would cost to build a larger 550-student school. Cornith is 57 years old.

District-wide Air Conditioning, costing \$34.5 million dollars

KC STAR	Laurie J. Scott	BOARD MAY SEEK \$140 MILLION IN BONDS
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FACTUAL CONTENT

SMSDB is contemplating asking residents to approve a bond issue to finance major improvements to aging buildings. Gebhart asked administration to draw up a bond issue resolution for the board to vote on at the Jan. 24 meeting.

What The Bond Issue Will Buy:

\$265* million bond issue INDEBTEDNESS

'Fairness,' in tax terms, isn't what it seems

Year	Interest for 5 Years	Interest for 10 Years	Interest for 15 Years	Interest for 20 Years
1	130,770,147.71	843,875.19	764,017.19	100,000.00
2	130,478,770.52	843,000.70	764,213.39	100,000.00
3	130,187,393.33	842,125.21	764,409.59	100,000.00
4	129,896,016.14	841,250.72	764,605.79	100,000.00
5	129,604,638.95	840,375.23	764,801.99	100,000.00
6	129,313,261.76	839,500.74	765,000.00	100,000.00
7	129,021,884.57	838,625.25	765,198.01	100,000.00
8	128,730,507.38	837,750.76	765,396.02	100,000.00
9	128,439,130.19	836,875.27	765,594.03	100,000.00
10	128,147,752.99	836,000.78	765,792.04	100,000.00
11	127,856,375.80	835,125.29	765,990.05	100,000.00
12	127,564,998.61	834,250.80	766,188.06	100,000.00
13	127,273,621.42	833,375.31	766,386.07	100,000.00
14	126,982,244.23	832,500.82	766,584.08	100,000.00
15	126,690,867.04	831,625.33	766,782.09	100,000.00
16	126,399,489.85	830,750.84	766,980.10	100,000.00
17	126,108,112.66	829,875.35	767,178.11	100,000.00
18	125,816,735.47	829,000.86	767,376.12	100,000.00
19	125,525,358.28	828,125.37	767,574.13	100,000.00
20	125,233,981.09	827,250.88	767,772.14	100,000.00
21	124,942,603.90	826,375.39	767,970.15	100,000.00
22	124,651,226.71	825,500.90	768,168.16	100,000.00
23	124,359,849.52	824,625.41	768,366.17	100,000.00
24	124,068,472.33	823,750.92	768,564.18	100,000.00
25	123,777,095.14	822,875.43	768,762.19	100,000.00
26	123,485,717.95	822,000.94	768,960.20	100,000.00
27	123,194,340.76	821,125.45	769,158.21	100,000.00
28	122,902,963.57	820,250.96	769,356.22	100,000.00
29	122,611,586.38	819,375.47	769,554.23	100,000.00
30	122,320,209.19	818,500.98	769,752.24	100,000.00
31	122,028,831.99	817,625.49	769,950.25	100,000.00
32	121,737,454.80	816,750.00	770,148.26	100,000.00
33	121,446,077.61	815,875.51	770,346.27	100,000.00
34	121,154,700.42	815,000.02	770,544.28	100,000.00
35	120,863,323.23	814,125.53	770,742.29	100,000.00
36	120,571,946.04	813,250.04	770,940.30	100,000.00
37	120,280,568.85	812,375.55	771,138.31	100,000.00
38	119,989,191.66	811,500.06	771,336.32	100,000.00
39	119,697,814.47	810,625.57	771,534.33	100,000.00
40	119,406,437.28	809,750.08	771,732.34	100,000.00
41	119,115,059.99	808,875.59	771,930.35	100,000.00
42	118,823,682.80	808,000.10	772,128.36	100,000.00
43	118,532,305.61	807,125.61	772,326.37	100,000.00
44	118,240,928.42	806,250.12	772,524.38	100,000.00
45	117,949,551.23	805,375.63	772,722.39	100,000.00
46	117,658,174.04	804,500.14	772,920.40	100,000.00
47	117,366,796.85	803,625.65	773,118.41	100,000.00
48	117,075,419.66	802,750.16	773,316.42	100,000.00
49	116,784,042.47	801,875.67	773,514.43	100,000.00
50	116,492,665.28	801,000.18	773,712.44	100,000.00
51	116,201,288.09	800,125.69	773,910.45	100,000.00
52	115,909,910.90	799,250.20	774,108.46	100,000.00
53	115,618,533.71	798,375.71	774,306.47	100,000.00
54	115,327,156.52	797,500.22	774,504.48	100,000.00
55	115,035,779.33	796,625.73	774,702.49	100,000.00
56	114,744,402.14	795,750.24	774,900.50	100,000.00
57	114,453,024.95	794,875.75	775,098.51	100,000.00
58	114,161,647.76	794,000.26	775,296.52	100,000.00
59	113,870,270.57	793,125.77	775,494.53	100,000.00
60	113,578,893.38	792,250.28	775,692.54	100,000.00
61	113,287,516.19	791,375.79	775,890.55	100,000.00
62	112,996,138.99	790,500.30	776,088.56	100,000.00
63	112,704,761.80	789,625.81	776,286.57	100,000.00
64	112,413,384.61	788,750.32	776,484.58	100,000.00
65	112,122,007.42	787,875.83	776,682.59	100,000.00
66	111,830,630.23	787,000.34	776,880.60	100,000.00
67	111,539,253.04	786,125.85	777,078.61	100,000.00
68	111,247,875.85	785,250.36	777,276.62	100,000.00
69	110,956,498.66	784,375.87	777,474.63	100,000.00
70	110,665,121.47	783,500.38	777,672.64	100,000.00
71	110,373,744.28	782,625.89	777,870.65	100,000.00
72	110,082,367.09	781,750.40	778,068.66	100,000.00
73	109,790,989.90	780,875.91	778,266.67	100,000.00
74	109,499,612.71	780,000.42	778,464.68	100,000.00
75	109,208,235.52	779,125.93	778,662.69	100,000.00
76	108,916,858.33	778,250.44	778,860.70	100,000.00
77	108,625,481.14	777,375.95	779,058.71	100,000.00
78	108,334,103.95	776,500.46	779,256.72	100,000.00
79	108,042,726.76	775,625.97	779,454.73	100,000.00
80	107,751,349.57	774,750.48	779,652.74	100,000.00
81	107,459,972.38	773,875.99	779,850.75	100,000.00
82	107,168,595.19	773,000.50	780,048.76	100,000.00
83	106,877,217.99	772,125.01	780,246.77	100,000.00
84	106,585,840.80	771,250.52	780,444.78	100,000.00
85	106,294,463.61	770,375.03	780,642.79	100,000.00
86	106,003,086.42	769,500.54	780,840.80	100,000.00
87	105,711,709.23	768,625.05	781,038.81	100,000.00
88	105,420,332.04	767,750.56	781,236.82	100,000.00
89	105,128,954.85	766,875.07	781,434.83	100,000.00
90	104,837,577.66	766,000.58	781,632.84	100,000.00
91	104,546,200.47	765,125.09	781,830.85	100,000.00
92	104,254,823.28	764,250.60	782,028.86	100,000.00
93	103,963,446.09	763,375.11	782,226.87	100,000.00
94	103,672,068.90	762,500.62	782,424.88	100,000.00
95	103,380,691.71	761,625.13	782,622.89	100,000.00
96	103,089,314.52	760,750.64	782,820.90	100,000.00
97	102,797,937.33	759,875.15	783,018.91	100,000.00
98	102,506,560.14	759,000.66	783,216.92	100,000.00
99	102,215,182.95	758,125.17	783,414.93	100,000.00
100	101,923,805.76	757,250.68	783,612.94	100,000.00

What The Bond Issue Wont Buy:

THINK ABOUT THIS.

Some thoughts about matters you might want to consider.

If You Couldn't Pay Your Mortgage... Who Would?

Cost of bond issue per month

\$1.44

\$2.30

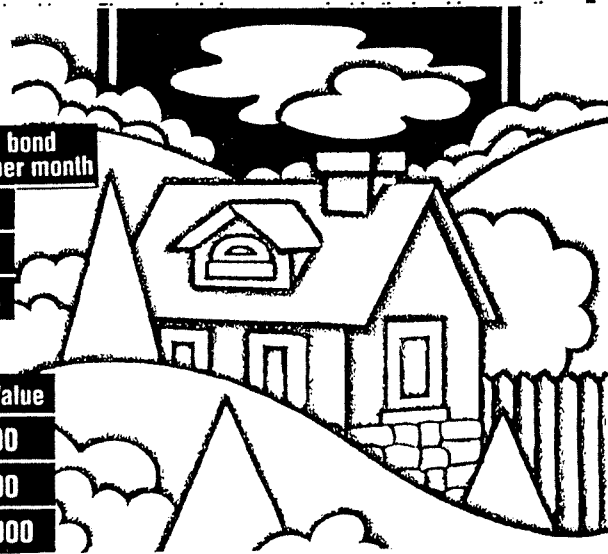
\$2.88

Home Value

\$50,000

\$80,000

\$100,000





HB 2233

Testimony presented before the House Committee on Education
by Gerald W. Henderson, Executive Director
United School Administrators of Kansas
February 6, 1995

Madam Chairman and Members of the Committee:

United School Administrators of Kansas represents some 1500 school administrators from across the state. A great deal of our task, as outlined by Kent Hurn last week is to develop legislative proposals which attempt to treat all Kansas schools equitably. Our definition of equity is simply the ability of all communities to provide a suitable education for children with a similar effort by the tax payers of the community.

It is because of potential inequities that USA must speak in opposition to **HB 2233**. In these difficult financial times, most districts would like to raise their budget by 10%. The problem is that the people of Galena could fund such an increase with 55 mils while the people of Burlington could do it for less than one mil, certainly not similar effort. Litigation prior to the 1992 school finance act was centered on this very issue. It is our hope that Kansas will continue to work toward both identifying and providing a suitable education for **all** Kansas children. We believe **HB 2233** is a step back toward the circumstances which precipitated the litigation leading to the 1992 School Finance Act. We would therefore encourage the committee to report the bill unfavorably.

LEG/HB2233

*House Education
Attachment 4
2-6-95*



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

Craig Grant Testimony Before
House Education Committee
Monday, February 6, 1995

Thank you, Madame Chairman. I am Craig Grant and I represent Kansas NEA. I appreciate this opportunity to visit with the committee about HB 2233.

We have problems with the concepts outlined in HB 2233. This type of proposal would allow the "property rich" districts to easily increase budgets which "property poor" districts would struggle with just the base budget. It is just this equalization problem which led to the difficulties in the old formula.

If districts need additional authority--and certainly many do--we should provide all districts with authority by increasing the base. If some--and I am sure it would be few--do not need the extra authority, the local board is quite capable of adopting a lesser budget.

Because of the potential disequalizing situations inherent in HB 2233, we would oppose the measure. Thank you for listening to our concerns.



TO: House Committee on Education
FROM: Mark Tallman, Director of Governmental Relations
DATE: February 6, 1995

RE: **Testimony on H.B. 2233**

Although KASB strongly believes school districts need additional funding authority, and supports the ability of school boards to adopt local enhancements to the base budget, we also believe that all districts must have a reasonably equal ability to exercise that option. We therefore cannot support H.B. 2233.

KASB supports the current local option budget because it is at least equalized to the 75th percentile. H.B. 2233 creates a local needs budget that would be financed entirely by the property tax. Property valuation per pupil is probably the single most unequal revenue source potentially available to districts. The simple fact is that districts with high property valuation per pupil would be able to use the local needs budget with far less local effort than districts with low property valuation per pupil. We think that is inherently unfair, and probably constitutionally suspect.

Testimony on H.B. 2237

KASB supports the passage of H.B. 2237. We believe that the 2% limitation on this fund is too low. Few million dollar budgets can be managed within 98% of accuracy. Since a school district cannot exceed its budget, school administrators obviously must exercise caution that may result in some budget savings during the year. But beyond a 2% reserve, districts must either "use or lose" any savings. They cannot save any more for the future. It is also important to remember that districts must decide on returning teachers in April and must adopt a budget by August; but do not receive a final enrollment count and budget authority until September 20 - almost one third of the way into the fiscal year! This further illustrates the need for greater budget flexibility.

Given the fact that the state general fund ending balance requirement is a minimum of 7.5%, it seems reasonable to us that the maximum school district contingency fund should be at least 5% for school districts of any size.

*House Education
Attachment 6
2-6-95*



HB 2237

Testimony presented before the House Committee on Education
by Gerald W. Henderson, Executive Director
United School Administrators of Kansas
February 6, 1995

Madam Chairman and Members of the Committee:

United School Administrators of Kansas is pleased to support the provisions of **HB 2237**. Changing the language from "emergencies" to "contingencies which were not anticipated" will help several school districts which came into conflict with auditors over what constituted an emergency.

The provision which raises the contingency fund to 3% or 5% depending on the size of the general fund budget is also a good change. If the state requires a 7.5% balance to feel comfortable, schools districts certainly need more than a 2% cushion. We urge the committee to report **HB 2237** favorably.

LEG/HB2237

*House Education
Attachment 7
2-6-95*



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

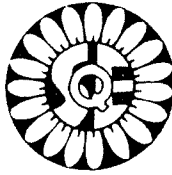
Craig Grant Testimony Before
House Education Committee
Monday, February 6, 1995

Thank you, Madame Chairman. I am Craig Grant and I represent Kansas NEA. I appreciate this chance to speak to the committee in support of HB 2237.

We do believe that the language about when a contingency fund can be used needs to be clarified as this bill does. Also, we believe the 2% is not quite large enough; however, we believe this method of two levels of contingency is better than SB 120 which allows a 5% for all districts.

We would recommend passage of HB 2237 or the amendment of SB 120 when/if it arrives in the committee to correspond to the language in this House bill.

We support the concept in HB 2237 and urge passage in this form. Thank you for listening to our concerns.



Schools for Quality Education

Bluemont Hall Manhattan, KS 66506 (913) 532-5886

February 6, 1995

TO: HOUSE EDUCATION COMMITTEE

SUBJECT: HB 2237--SCHOOL DISTRICT FINANCE, CONTINGENCY RESERVE FUNDS, INCREASE, AMOUNT DIFFERENTIAL

FROM: SCHOOLS FOR QUALITY EDUCATION

Madam Chair and Members of the Committee:

I am Jacque Oakes representing Schools For Quality Education, an organization of 113 small school districts.

We are submitting written testimony in favor of HB 2237 which strikes the word "emergencies" and "not reasonably foreseen" and adds "were not anticipated."

School districts have been extremely concerned about the use of the contingency reserve fund due to the stringent language. Therefore, these funds have quite often remained as a dormant account. This bill will clarify the language and make this fund more usable to school districts.

We are pleased to note the increase in the percentage that can be carried in that reserve fund. The 5% will be helpful because one-third of the school districts in the state have budgets in the \$3 million range or less. It is obvious that the 2% just does not give them enough financial help for expenses "not anticipated."

Thank you for your time and consideration of HB 2237.

"Rural is Quality"

*House Education
Attachment 9
2-6-95*