

Approved: 3/7/01
Date

MINUTES OF THE HOUSE K-12 EDUCATION COMMITTEE.

The meeting was called to order by Chairperson Ralph Tanner at 9:00 a.m. on February 19, 2001 in Room 313-S of the Capitol.

All members were present except:

Committee staff present: Ben Barrett, Legislative Research
Carolyn Rampey, Legislative Research
Avis Swartzman, Revisor of Statutes
Ann Deitcher, Committee Secretary

Conferees appearing before the committee:

The Chair introduced Mark Desetti and Christy Levings of the Kansas National Education Association who spoke to the Committee of the Kansas State Reading Circle.

(Copies of brochures handed out by KNEA will be available in this office during the 2001 legislative session only.)

HB 2336 -School district finance, local option budgets, increase state prescribed percentage, repeal.

Representative Karen DiVita spoke to the Committee in support of **HB 2336**. (Attachment 1).

Speaking as a proponent of **HB 2336**, was Representative Gerry Ray. (Attachments 2, 3 and 4).

A letter from Bill Frick of Shawnee Mission USD 512, in support of **HB 2336**, was distributed. (Attachment 5).

Diane Gjerstad appeared before the Committee as an opponent of **HB 2336**. (Attachment 6).

Mark Tallman spoke in opposition of **HB 2336**. (Attachment 7).

The hearing on **HB 2336** was closed.

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for Tuesday, February 20, 2001.

HOUSE BILL 2336 - LOCAL OPTION BUDGET FINANCING

TESTIMONY BEFORE THE KANSAS HOUSE COMMITTEE
ON EDUCATION, GRADES K-12
BY REPRESENTATIVE KAREN DIVITA
FEBRUARY 19, 2001

Dear Mr. Chairman and Committee Members,

Thank you for this opportunity to present information regarding House Bill 2336. As we all realize, the need for additional school funding has reached a critical stage for many districts across this state. Shrinking enrollment and the rising costs associated with teacher recruitment and retention are forcing local school districts to choose between closing schools or eliminating courses. Although this Committee has offered its recommendation that the student base aid provided by our state should be raised by \$50 per student as suggested by Governor Graves, this amount is woefully inadequate for many districts. In my own district of Shawnee Mission, recent fiscal constraints led to the closing of three elementary schools and the threat of additional program losses hangs heavy over the district. Under current law local school districts may add new funds to their school budgets by increasing the local property tax mill levy to provide up to 25% in local dollars above the state aid. The Shawnee Mission School District and twenty other districts* have already maximized this option and have reached the ceiling. They have no where to go now for additional funding to keep schools open and programs viable.

House Bill 2336 has been introduced as an emergency measure for local option budget funding. This Bill would allow local districts to raise additional funds up to 10% over the next three years. More specifically, the permissible increases would result in a total LOB of 30% in year 2001-02, 33% in year 2002-03, and 35% in year 2003-04. The yearly increases in the LOB cannot be aggregated so as to cause an increase of more than the stated amount in any year. If, for example, a school district fails to exercise its option in the 2001-02 school year, that school district will have forfeited its opportunity for the

first 5% increase in the LOB. In order to maintain local control and minimize any abuse of this option, the bill contains a sunset clause that expires in three years and a provision that any increase in the mill levy may be subject to a protest petition by the voters. While the passage of this bill may not provide financial relief for all districts across the state, it will provide an opportunity for those crucial dollars needed by twenty-one districts. Combined with other measures that this committee may consider, House Bill 2336 is a means by which this committee can meet the unique concerns of administrators, teachers, parents and most importantly, the students across our state. Thank you for your consideration of this of this bill.

*Bonner Springs, Moscow, Ulysses, Elkhart, Fowler, Blue Valley, DeSoto, Olathe, Goddard, Mays, Renwick, Triplains, West Graham-Moore, Ness-Trego-Lane-Gove, Holcomb, Montezuma, Andover, Mullinville, Lawrence, and Topeka.

GERRY RAY
 REPRESENTATIVE, 20TH DISTRICT
 JOHNSON COUNTY
 9817 WOODSON
 OVERLAND PARK, KS 66207

STATE CAPITOL—ROOM 112-S
 TOPEKA, KS 66612-1504
 (785) 296-7682



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 CHAIRMAN: LOCAL GOVERNMENT
 MEMBER: ETHICS & ELECTIONS
 K-12 EDUCATION
 KANSAS FUTURES

February 19, 2001

TO: HOUSE EDUCATION COMMITTEE

FROM: REPRESENTATIVE GERRY RAY

SUBJ: HOUSE BILL 2336

Mr. Chairman, members of the committee I am Representative Gerry Ray from Overland Park, appearing in support of HB 2336. Thank you again for the opportunity to speak on the subject of increased Local Option Budget authority.

Although I understand the Local Option Budget is not a popular approach to addressing the problem of school funding, at this point it appears to be the only solution available even if it is only a temporary measure. Every year we come here and debate the issue of school finance. It seems most of us agree the formula is flawed, but we never have the time or the inclination to fix it. In some districts, we are now experiencing the funding crisis that has been predicted for several years. Today, we are asking that our citizens be allowed to deal with the situation at the local level.

It has been and remains a mystery as to why the people are denied the right to help themselves. The "suitable education" issue in the state constitution has been used, with the fear the court would overrule an increase in the L.O.B. Well, if it is overruled so be it. At least we will know where we stand rather than the guessing game we have been into for so long. It seems to be accepted that we will not completely redesign the formula this year, nor will we increase taxes to properly fund the existing one. This is why we are asking for a temporary solution, one with a sunset clause. This is the only way many legislators see to maintain the standard of education they support.

I truly hope you will seriously consider the L.O.B. proposal and allow the citizens the right to support their schools. Please give the L.O.B. increase serious consideration and recommend House Bill 2036 for passage.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
DISTRICT NAME	FTE ENROL 9-20-00	2000 ASSESSED VALUATION	2000 ASSD PER PUPIL	ASSESSED DOLLARS AT 1 MILL	2000-01 SUPP GEN BUDGET	% OF SUP GEN TO GEN	SUPP GEN MILL RATE	2000-01 BOND & INTEREST PAYMENTS	2000 B & I MILL RATE	PROPOSED STATE AID WEIGHT FTE EXTRA \$50	PROPOSED STATE AID LESS LO/COR EXTRS \$58	PROPOSED STATE AID ON FTE EXTRA \$64
BASEHOR-LINWOOD D0458	1,988.5	59,100,262	29,721	59,100	1,543,863	17.83	13.19	1,074,016	10.02	113,335	124,178	127,264
BUHLER D0313	2,205.5	91,053,861	41,285	91,054	1,790,228	17.99	17.27	1,290,013	7.96	130,275	142,842	141,152
CIPER-KANSAS CI D0203	1,259.5	34,039,122	27,026	34,039	1,160,000	18.10	15.36	804,208	13.53	83,895	80,742	80,608
FAIRIE HEIGHTS D0295	87.0	5,478,953	62,976	5,479	149,820	18.39	7.45	0	0.00	10,665	6,310	5,568
LOGOTON PUBLIC D0210	1,001.5	216,708,113	216,384	216,708	1,010,661	18.68	5.88	0	0.00	70,800	63,278	64,096
MANHATTAN D0383	5,494.0	265,430,736	48,313	265,431	4,668,270	18.72	17.24	2,123,676	6.34	326,405	357,460	351,616
MEL DORADO D0490	2,083.7	69,077,275	33,151	69,077	1,736,290	18.90	15.84	443,400	4.29	120,245	131,648	133,357
MURHAM-HILLSBOR D0410	715.5	25,343,351	35,420	25,343	808,850	19.29	23.32	229,035	5.54	54,880	45,872	45,792
NORTH SOLOMON VA D0213	71.0	7,763,800	109,349	7,764	164,855	19.36	21.56	0	0.00	11,145	6,409	4,544
ORADE D0226	490.5	42,663,793	86,980	42,664	587,375	19.73	10.00	0	0.00	38,975	30,728	31,392
ROYAL VALLEY D0337	882.0	17,198,164	19,499	17,198	1,000,000	19.74	27.04	0	0.00	66,320	58,122	56,448
SAVEN PUBLIC SC D0312	1,077.4	44,029,589	40,867	44,030	1,161,586	19.87	25.58	498,317	9.42	76,510	70,273	68,954
SEMANUTE PUBLIC D0413	1,868.1	45,191,207	24,191	45,191	1,665,000	19.93	14.88	778,240	10.06	109,340	119,677	119,558
SHAINVILLE D0270	400.7	19,284,389	48,127	19,284	530,000	20.02	12.82	0	0.00	34,655	26,813	25,645
SHAVENWORTH D0453	4,154.5	134,053,486	32,267	134,053	3,550,376	20.17	19.36	1,346,864	8.81	230,420	252,056	265,888
SHUTCHINSON PUBL D0308	4,740.7	173,407,351	36,578	173,407	4,181,657	20.25	18.19	1,954,603	8.19	270,290	295,806	303,405
SHUMAN D0345	3,237.3	148,784,241	45,959	148,784	2,836,560	20.35	18.99	1,531,608	7.42	182,405	199,723	207,187
SHUPHERSON D0418	2,622.2	122,366,220	46,665	122,366	2,316,845	20.36	18.23	1,053,248	6.39	148,945	162,974	167,821
SHOSE HILL PUBLI D0394	1,827.5	36,598,738	20,027	36,599	1,625,063	20.67	15.63	659,804	11.08	102,905	112,671	116,960
SHARNSONS D0503	1,619.0	42,859,893	26,473	42,860	1,529,339	20.71	13.90	378,541	8.95	96,635	104,156	103,616
SHARNES D0223	392.4	20,177,647	51,421	20,178	548,000	20.77	24.56	0	0.00	34,540	27,486	25,114
SHAWLEY CENTER P D0262	2,290.0	60,439,026	26,393	60,439	2,059,087	20.80	16.69	1,597,493	18.95	129,600	141,938	146,560
SHAWNEE PUBLIC SC D0468	122.5	5,960,908	48,660	5,961	209,000	20.80	18.19	0	0.00	13,150	7,592	7,840
SHAWALINA D0305	7,413.3	313,799,611	42,329	313,800	6,587,000	20.94	16.74	5,012,500	17.33	411,710	450,405	474,451
SHAWUDORA D0491	1,133.3	32,730,553	28,881	32,731	1,195,073	20.95	21.73	696,873	12.31	74,665	68,405	72,531
SHAWOMANACHE COUNTY D0300	318.5	30,558,642	95,946	30,559	465,539	21.00	10.70	0	0.00	29,015	22,852	20,384
SHAWRIE-ST PAUL D0101	1,151.0	26,962,134	23,425	26,962	1,312,437	21.24	21.49	0	0.00	80,885	75,881	73,664
SHAWJUNTER PUBLIC D0293	371.0	12,746,559	34,357	12,747	513,594	21.25	26.98	123,813	6.60	31,635	24,575	23,744
SHAWJURRTON D0369	258.6	11,147,192	43,106	11,147	385,000	21.48	24.56	116,473	6.93	23,455	16,808	16,550
SHAWJOUNDRIDGE D0423	430.2	29,788,117	69,242	29,788	605,000	21.70	17.90	334,583	11.53	36,485	28,617	27,533
SHAWINFIELD D0465	2,639.1	85,926,102	32,559	85,926	2,519,421	21.86	19.74	744,518	6.07	150,840	165,300	168,902
SHAWOLA D0257	1,588.8	35,940,711	22,621	35,941	1,617,940	21.90	19.14	579,940	8.78	96,680	103,391	101,683
SHAWANSTON D0228	133.0	7,777,873	58,480	7,778	254,000	22.36	13.42	0	0.00	14,870	9,007	8,512
SHAWANTA FE TRAIL D0434	1,299.4	32,119,821	24,719	32,120	1,504,162	22.61	20.07	649,580	11.57	87,085	84,958	83,162
SHAWANSING D0469	1,917.5	54,152,012	28,241	54,152	1,841,895	22.70	20.92	1,327,402	14.81	106,210	116,145	122,720
SHAWAROLA D0217	228.0	60,051,252	263,383	60,051	412,178	23.89	6.30	0	0.00	22,580	15,869	14,592
SHAWAYSVILLE D0261	4,307.3	86,919,456	20,180	86,919	4,627,166	24.41	19.97	1,514,783	14.52	248,100	272,003	275,667
SHAWARDNER-EDGERTO D0231	2,739.1	129,961,236	47,447	129,961	3,182,729	24.46	24.51	3,994,914	25.66	170,295	187,502	175,302
SHAWANSAS CITY D0500	20,066.6	566,168,267	28,214	566,168	22,056,107	24.61	19.68	0	0.00	1,173,035	1,287,153	1,284,262
SHAWSAW VALLEY D0321	1,068.0	244,663,951	229,086	244,664	1,418,748	24.81	6.27	0	0.00	74,845	68,202	68,352
SHAWOPELAND D0476	114.0	10,884,184	95,475	10,884	258,901	24.84	15.72	0	0.00	13,645	8,398	7,296
SHAWRAIRIE VIEW D0362	950.9	130,259,726	136,986	130,260	1,415,597	24.87	10.99	0	6.39	74,515	67,529	60,858
SHAWJUNNER-KANSAS C D0202	3,489.3	100,612,934	28,835	100,613	3,809,113	24.88	16.64	2,499,560	26.02	200,410	219,489	223,315
SHAWSPRING HILL D0230	1,428.8	55,534,264	38,868	55,534	1,698,277	24.97	23.45	1,176,426	13.66	89,035	89,175	91,443
SHAWAYS D0489	3,247.1	148,546,702	45,747	148,547	3,644,471	24.98	18.50	743,854	3.51	190,945	209,316	207,814
SHAWJUNNER SPRINGS D0204	2,195.0	69,283,452	31,564	69,283	2,346,244	25.00	14.38	1,950,352	18.70	122,840	134,450	140,480
SHAWOSCOW PUBLIC S D0209	214.0	61,647,392	288,072	61,647	411,128	25.00	6.87	0	0.00	21,525	14,790	13,696
SHAWLYSSES D0214	1,706.6	228,133,512	133,677	228,134	1,882,019	25.00	8.11	0	0.00	98,535	107,973	109,222

House Education Committee

Date: 2/19/01

Attachment # 3-1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
	FTE	2000	2000	ASSESSED	2000-01	% OF	SUPP	2000-01	2000	PROPOSED	PROPOSED	PROPOSED	
	ENROL	ASSESSED	ASSD	DOLLARS	SUPP	SUP GEN	GEN	BOND &	B & I	STATE AID	STATE AID	STATE AID	
		VALUATION	PER	AT 1 MILL	GEN	TO	MILL	INTEREST	MILL	WEIGHT FTE	LESS LO/COR	ON FTE	
STRICT NAME	#	9-20-00	PUPIL		BUDGET	GEN	RATE	PAYMENTS	RATE	EXTRA \$50	EXTRS \$58	EXTRA \$64	
KHART	D0218	496.7	50,371,314	101,412	50,371	831,901	25.00	15.55	0	8.00	43,555	35,142	31,789
WLER	D0225	159.3	12,131,897	76,158	12,132	331,672	25.00	22.81	0	0.00	17,365	10,829	10,195
UE VALLEY	D0229	16,455.0	1,491,891,597	90,665	1,491,892	18,895,630	25.00	13.95	30,132,283	21.73	989,300	1,087,262	1,053,120
SOTO	D0232	3,093.8	164,338,682	53,119	164,339	3,736,247	25.00	23.34	5,349,480	18.71	195,615	215,569	198,003
ATHE	D0233	19,730.5	1,129,640,565	57,254	1,129,641	22,510,114	25.00	19.74	22,032,263	16.14	1,178,540	1,294,769	1,262,752
DDARD	D0265	3,543.9	104,412,292	29,463	104,412	3,879,783	25.00	27.00	3,019,820	22.32	203,130	222,639	226,810
IZE	D0266	5,113.0	153,598,431	30,041	153,598	5,621,226	25.00	18.88	2,363,144	10.72	294,305	322,648	327,232
HWICK	D0267	1,894.0	62,820,786	33,168	62,821	2,151,424	25.00	24.03	1,511,238	17.88	112,640	123,720	121,216
PLAINS	D0275	91.5	11,416,995	124,776	11,417	205,039	25.00	15.45	0	0.00	10,735	6,392	5,856
ST GRAHAM MOR	D0280	63.0	5,728,207	90,924	5,728	175,911	25.00	24.10	0	0.00	9,210	5,220	4,032
S TRE LA GO	D0301	54.0	7,831,802	145,033	7,832	148,598	25.00	20.39	0	0.00	7,780	4,292	3,456
LCOMB	D0363	882.5	114,301,579	129,520	114,302	1,239,495	25.00	6.03	0	10.38	64,895	56,411	56,480
NTEZUMA	D0371	224.0	13,371,439	59,694	13,371	412,656	25.00	16.55	0	0.00	21,605	14,773	14,336
DOVER	D0385	2,862.6	113,782,431	39,748	113,782	3,211,188	25.00	23.31	3,415,392	19.91	168,125	184,399	183,206
LLINVILLE	D0424	89.0	12,265,943	137,820	12,266	218,504	25.00	16.10	0	0.00	11,440	6,624	5,696
WRENCE	D0497	10,035.9	638,952,561	63,667	638,953	10,803,151	25.00	12.69	7,062,309	12.17	565,610	619,162	642,298
PEKA PUBLIC S	D0501	13,344.9	536,058,256	40,170	536,058	14,497,187	25.00	19.10	3,670,104	4.11	759,015	831,244	854,074
ANNEE MISSION	D0512	29,665.3	2,515,180,571	84,785	2,515,181	31,799,972	25.00	12.05	13,396,714	4.15	1,664,920	1,820,916	1,898,579

ATE TOTALS		447,925.5	20,874,510,721	15,223,837	20,874,520	373,716,946	3,700.54	3,532.89	197,752,365	1,918.09	28,760,650	28,788,681	28,667,227

3.2

Senate Education Committee Testimony on the Local Option Budget
February 14, 2001
Bill Frick, Lobbyist, Shawnee Mission USD 512

From the beginning, the school finance law affected our district adversely. Base funding was set too low; the law provided an option for raising additional money through a local option budget; however, the local option budget was capped at 25% of the base funding.

To adequately finance existing school programs and services, many schools, including Shawnee Mission, were forced to use the local option budget to finance their on-going programs. Under current law, the Shawnee Mission District is using the maximum available local option funding.

At the same time, complicating the situation, the district, which is largely built out, is experiencing a small decline in enrollment of approximately 300 students per year. This number, which is less than 1%, does not allow the district to reduce its expenses. Legislation was passed to allow for an enrollment decline provision. This provision allows districts to budget on an average of three years of enrollment figures. This gives districts, like Shawnee Mission, time to react to a decline in enrollment, but we still have to adjust our budget. As we lose students, it is difficult to make deep cuts in our budget.

Correlation weighting, which helps mid-size and large districts, has been very important to us in helping balance the budget as we have declined. Although past increases under correlation weighting remain in the budget, additional correlation weighting remain in the budget, additional correlation weighting has only been available through special legislation.

- This year the district will experience a shortfall of approximately \$2.1 million.
- We have reserve funding to cover the shortfall for the 2001-2002 school year.
- However, this is not a long-term solution; by the 2002-2003 school year district reserve funding will be depleted.
- Currently, approximately 86% of the Shawnee Mission District operating budget is committed to salaries and benefits for staff members. Out of that percentage, .91% is budgeted for administration in the district office and 6.15% is budgeted for principals at 58 building sites. These figures represent Shawnee Mission's position as one of the lowest in allocations to administration. Additionally, we are ranked lowest in span of control with 17.9 teachers per administrator.
- Under the present school finance formula, it is becoming increasingly difficult to attract and retain quality certified and classified personnel.
- A shrinking pool of quality candidates has required our district to step up its recruitment program. Large districts, like Shawnee Mission that employs over 2,500 certified staff and over 2,000 classified staff, are no longer able to fill employment needs with candidates from within the state. In recent years, our recruiting trips have grown from 6 to 21 trips and now encompass four states: Nebraska, Iowa, Missouri, and Oklahoma.
- While Shawnee Mission traditionally has been the highest paying district in the state, our current starting teacher's salary of \$27,953 plus \$250 per month in benefits, is not adequate to meet the competition from other states offering candidates higher starting salaries in the low 30's and substantial signing bonuses generally in the amount of \$1,000. As of August 1, Shawnee Mission has spent \$75,000 on full employment credit and signing bonuses for the hiring of teachers for the 2000-2001 school year.

House Education Committee

Date: 2/19/01

Attachment # 5-1

**Senate Education Committee Testimony on the Local Option Budget
February 14, 2001
Page 2**

- In the past, school districts have been able to recapture money from salaries when senior teachers retire by hiring younger, less experienced teachers. Today, this is no longer the case particularly in hard to fill positions like business education, technical education, foreign languages, upper division math, sciences, and special education. These positions must often be filled by experienced teachers who have retired from another district, and in order to be competitive, we must offer full experience credit and even signing bonuses.
- In addition to an increase in salary costs, the cost of insurance continues to rise. From 1995-1999, health insurance costs rose 53%, or an average annual increase of 13%. Other insurance costs, like liability and auto, have increased 21% during the same period, for an average of 5.3% annually.
- With the increase of utility costs this year, the district anticipates that we will exceed our budgeted amount by \$750,000.

Given the school district's budget situation, plans were developed to address the anticipated shortfalls.

- Assisting in this process was a twenty-six member Superintendent's Budget Review Committee comprised of representatives of key stakeholder groups. This committee provided input to the superintendent regarding the budget for the 2001-2002 school year. Every program was examined.
- In addition to reviewing the operating budget, district officials studied per pupil enrollment projections in order to make recommendations to the board of education for the closing of three elementary schools. At this time, it is unknown as to whether we can close these schools since state law allows the voters in these attendance areas to make the final decision.

After listening to the testimony of the Governor's Task Force on School Finance this summer, we have found no one who is completely happy with the school finance formula and more than half of the districts across the state, like Shawnee Mission, are experiencing declining enrollment.

In Shawnee Mission, we are not trying to take anything away from anyone. We believe that all students in Kansas have the right to an adequate and appropriate educational opportunity. On the other hand, we need the tools to save ourselves.

We in Shawnee Mission, like others across the state, do not want to see people driven out of public school systems because they feel they have no control over their school district's programs, services, and financial matters.



**House Education Committee
Representative Tanner, chair
H.B. 2336
Local Option Budget**

February 19, 2001

*Diane Gjerstad
Wichita Public Schools*

Mr. Chairman, members of the committee:

The Wichita Public Schools rises in adamant opposition to H.B. 2336, a bill which would ultimately further to widen the gap in spending disparity. The root of the local option budget is found in political expediency in 1992. The LOB is further flawed due to the wrong-headed policy of permitting 'protest' of a school board's action. That fundamental flaw is what makes this bill inequitable and simply a poor choice for this committee.

Let's look at spending today among the six largest districts. Wichita is using two-thirds of its LOB authority. The other large districts are at full 25% authority.

The disparity. Per pupil spending above Wichita:

Blue Valley spends \$714 more per pupil
Kansas City spends \$426 more per pupil
Olathe spends \$269 more per pupil
Topeka spends \$236 more per pupil
Shawnee Mission spends \$107 more per pupil
Lawrence spends \$99 more per pupil

Viewed another way, what is the overall impact of such wide variations in spending?
If Wichita had Kansas City's the spending power, it would generate an additional **\$19M.**
If Wichita had Olathe's spending power, it would generate an additional **\$12M.**
If Wichita had Topeka's spending power, it would generate an additional **\$10.5M.**

House Education Committee

Date: 2/19/01

Attachment # 6-1

What would \$12M mean to Wichita? Several years ago it was estimated to take \$8M to lower class-size K-3. Or 315 teachers.

The Governor acknowledged in his State of the State address his budget using current revenues was “not adequate”. He implored the legislature examine the need and respond. He did not say “respond for a few”. The Governor did not say all day K *for a few*. The Governor did not say full funding of special education *for a few*. The Governor did not say competitive teacher salaries *for a few*.

Governor Graves' State of the State address:

It is a priority because I have been in classrooms throughout the state and I have seen firsthand how well-placed resources can produce dramatic results. It is a priority because I understand the financial demands technology and innovation place on our schools. It is a priority because I know firsthand that a great teacher can touch and change a child's life forever.

The legislature has the duty to examine the impact of policy throughout the state. Especially when it comes to our children. My constituency won't mount a massive letter writing campaign. They are too busy working multiple service jobs and making ends meet. My constituency won't send you compelling e-mails. They don't have Internet at home, nor a computer. Their child's only hope to being technologically literate is if the schools have technology.

In conclusion, I would like to share with the committee an e-mail I received recently from a small Wichita school with a preK-2 program:

*Approx 210 Students
Almost 140 ESOL students
3 languages spoken Spanish, Eng, and Vietnamese
Almost 110 children with little or no English
According to last census, 75% living with a single parent
94% receiving free/reduced lunch*

“Currently Title I funds are used to off-set the costs of all day kindergarten at Park School. This program is necessary, because according to this year's data, nearly 60% of our incoming kindergarten class came to us this year “Potentially Delayed” in concepts as measured by the DIAL 3 kindergarten assessment. Before our students come to school, nobody walks through the grocery store and has them count aloud, nobody reads them bed time stories, and nobody asks them to name the colors they see when they are riding in a car or walking down the street. Our children come from homes where a book shelf is used to store clothes, because there are isn't enough money to buy a dresser and there are NO books to be found in the home, except those checked out from the public school library. Our students believe that our Rotary Club's “RIF” free books distribution is magical and it just breaks my heart when I hear them say “Look this is MMMYYYYYY book, I am going to show my mommy that I have a book for her to read to me now!”

In the Governor's words, “...there is no higher priority for me this session...”. Nor is there one for the 210 students at Park Elementary who would be left behind by the passage of H.B. 2336.

Thank you, Mr. Chairman, I would stand for questions.



TO: House Committee on Education
FROM: Mark Tallman, Assistant Executive Director for Advocacy
DATE: February 19, 2001

RE: **Testimony on H.B. 2336**

Mr. Chairman, Members of the Committee:

We appreciate the opportunity to testify on this measure. The KASB Delegate Assembly has adopted a position supporting the concept of the local option budget. However, for a number of reasons, we oppose increasing the maximum LOB percentage beyond the current 25%. Therefore, we appear in opposition to the measure before you today.

Essentially, we believe that raising the maximum LOB is a limited solution to a much larger problem, and a solution that creates other, more serious problems. The root of this issue is that fact that when the school finance act was adopted in 1992, the base budget per pupil was set too low, forcing many districts to use a significant amount of local "option" budget to simply sustain their programs. This problem was compounded by the fact that the base budget – and with it school district general funds – have not kept up school districts. Therefore, districts have had to increase local option budgets just to keep up with inflation and other cost pressures. Those districts that started this process with high LOB's have simply run out of additional LOB authority first.

If effect, the local option budget has ceased to be either local or optional. Whether intentional or not, the Legislature had required districts to use the LOB to be fund basic educational program expenses, which is the state's responsibility. The right answer, we believe, is for the state to fund the cost of a "suitable" education through the base and weightings, funded from a statewide property tax and general state revenues.

Increasing the LOB is the wrong answer. First, it will almost certainly cost the state several million dollars in federal impact aid deductions at a time when current needs of districts and students are not being met. Second, property-wealthy districts will be able to use this additional budget authority at a much lower tax effort than poorer districts. Third, it will widen spending differences between economically diverse and prosperous districts on one hand and districts where property is really the only source of income. Fourth, it may reduce the pressure to address the broader needs of school finance.

The positive feature of proposals to raise the LOB is that they underscore one point we agree with: the base budget is too low and districts need additional revenue. That is not only true in districts at the 25% LOB maximum; it is true everywhere.

House Education Committee

Date: 2/19/01

Attachment # 7-1

The major argument against a significant increase in the base is that it would require a tax increase and the Legislature is not prepared to vote for a tax increase. Please understand that raising the LOB limit means a tax increase. It means a tax increase in those districts that exceed the 25% limit. As those districts spend more, they will raise the average budget per pupil in their LOB category. That will allow other districts to use additional LOB authority to rise to the average without being subject to protest. In both cases, property taxes will increase, but the tax increase will be greater in less wealthy district.

There will be a tax increase next year. The question is whether it will be balanced increase that helps every district in an equitable manner, or whether the Legislature will force local school boards to "take the heat." We hope you will support a funding plan that helps every public school student in Kansas.

Thank you for your consideration.