

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairman John Edmonds at 9:00 a.m. on January 30, 2001 in Room 519-S of the Capitol.

All members were present except: Rep. Kirk, excused

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor
Winnie Crapson, Secretary

Conferees appearing before the committee: Brian Hall, KPMG
John Sundeen, Waddell & Reed

Others attending: See attached list.

The Chairman opened the meeting by asking for bill introductions.

By unanimous consent bill will be introduced to reclassify land used for recreational uses as requested by Representative Gatewood.. [HCR 5010 - Constitutional amendment reclassifying land devoted to recreational use for property tax purposes]

The Chairman called attention to material being distributed:

Memorandum prepared by Chris Courtwright, Principal Analyst, on Fiscal Notes on Property Tax Exemption Bills with Fiscal Notes for HB 2008, HB 2009, and HB 2043 (Attachment #1).

Dept. of Education letter January 24 to Ben F. Barrett providing, as requested during Mr. Barrett's presentation on Revenue Side of School Finance January 17, data for 2000-01 Estimated supplemental general fund budget, general fund state aid, general fund state aid ratio, and general fund mill rate; alphabetically by County (pp 2-12), low to high aid ratio (pp 13-19) and low to high mill rate (pp 20-26) (Attachment #2).

Testimony of Kansas Farm Bureau on HB 2008, HB 2009 and HB 2043, heard January 29 (Attachment #3).

Hearing was opened on:

HB 2061 - Income taxation of investment fund service companies

John Sundeen, Chief Financial Officer for Waddell & Reed Financial, Inc., presented testimony in support of the bill (Attachment #4). He introduced Brian Hall, Senior Manager with KPMG, who discussed the research paper prepared by KPMG (Attachment #5). Mr. Sundeen and Mr. Hall responded to questions from members of the committee.

Hearing on HB 2061 was closed.

Chairman Edmonds appointed a subcommittee consisting of Representatives Palmer, Tapanelli and Gatewood to study this proposal and report to the Committee February 8.

Committee adjourned at 10:00 a.m. Next scheduled meeting is January 31.

GUEST LIST

DATE Jan. 30

NAME	REPRESENTING
George Peterson	Ks Taxpayers Network
Richard Cram	KDOR
Y. Gentry	KDOR
Tom Bruno	KGCWA
Ramona Carpenter	FB
Bliss Casey	FB
Gary H. Burton	FB
Cassie Burton	FB
Charles Hamfield	FB
Patsy Sampson	BD ca FB
Lydia Foster	" " "
Melvin Casey	FB
John C. Sotterby	Waddell & Reed
Mable Carpenter	RCCTB
Henry Beebe	Cherokee FB
Don Jure	FB
Hal Hudson	NFIB/KS
Ann Dukes	DOB
John Peterson	Ks Governmental Consulting

MEMORANDUM

January 29, 2001

To: House Taxation Committee
From: Chris W. Courtwright, Principal Analyst
Re: Fiscal Notes on Property Tax Exemption Bills

The purpose of this memo is provide a more thorough discussion regarding the fiscal impact of bills which affect the property tax base, including the three bills we heard this morning - HB 2008, HB 2009, and HB 2043.

Any time legislation is enacted which narrows the property tax base (or slows the rate at which the base is currently projected to expand), two primary things occur which have policy implications of potential interest to the Committee.

First off, such legislation inevitably causes a property tax shift on the local level to all other kinds and classes of property within the same taxing jurisdiction as the property being given the tax-favored treatment. (Because you have unhooked another horse from the wagon, the remaining horses have to pull that much harder.)

Secondly, such legislation DOES have a fiscal impact at the state level in that it reduces the amount of local effort which will be produced by the 20-mill school district general fund levy. If it is the intent of the Legislature to continue to fully fund school finance up to the levels proposed in the Governor's Budget, increased expenditures in excess of the amounts recommended by the Governor would be needed to offset the loss in local effort. Also, the 1.5 mill levy earmarked for state building funds would raise less money than is contemplated in the Governor's Budget and under current projections.

I have spoken with the Department of Revenue and the Budget Division about making sure in the future that BOTH of these caveats are attached to fiscal notes assigned to legislation affecting the property tax base, including even those bills for which an impact is not readily identifiable.

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January 24, 2001

TO: Ben F. Barrett, Director
Legislative Research Department

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Supplemental General Fund

As per your request, we are forwarding a computer printout (L0102) which provides the 2000-01 supplemental general fund budget, supplemental general fund state aid, the ratio of state aid to the budget, and the estimated mill rate.

Feel free to contact this office if you have questions.

COLUMN EXPLANATION

- COLUMN 1 -- 2000-01 Est. supplemental general fund budget
- 2 -- 2000-01 Est. supplemental general fund state aid
- 3 -- 2000-01 Est. supplemental general fund state aid ratio
- 4 -- 2000-01 Est. supplemental general fund mill rate

		+----- 2000-01 SUPP GENERAL -----+			
COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

CHAUTAUQUA	010				
CEDAR VALE	D0285	0	0	0.2453	0.00
CHAUTAUQUA COUN	D0286	67,500	33,912	0.5024	4.02
CHEROKEE	011				
RIVERTON	D0404	425,000	185,130	0.4356	8.52
COLUMBUS	D0493	900,000	194,760	0.2164	14.76
GALENA	D0499	401,550	296,384	0.7381	10.39
BAXTER SPRINGS	D0508	415,000	209,700	0.5053	10.72
CHEYENNE	012				
CHEYLIN	D0103	150,000	0	0.0000	13.16
ST FRANCIS COMM	D0297	100,000	0	0.0000	6.97
CLARK	013				
MINNEOLA	D0219	182,519	0	0.0000	10.62
ASHLAND	D0220	291,970	0	0.0000	14.18
CLAY	014				
CLAY CENTER	D0379	450,000	171,765	0.3817	4.88
CLOUD	015				
CONCORDIA	D0333	944,958	373,258	0.3950	17.53
SOUTHERN CLOUD	D0334	212,069	0	0.0000	19.85
COFFEY	016				
LEBO-WAVERLY	D0243	435,000	149,205	0.3430	11.12
BURLINGTON	D0244	781,627	0	0.0000	2.75
LEROY-GRIDLEY	D0245	76,000	6,490	0.0854	3.91
COMANCHE	017				
COMANCHE COUNTY	D0300	465,539	0	0.0000	10.70
COWLEY	018				
CENTRAL	D0462	210,000	95,298	0.4538	10.81
UDALL	D0463	117,500	33,875	0.2883	7.59
WINFIELD	D0465	2,519,421	947,050	0.3759	19.74
ARKANSAS CITY	D0470	1,975,000	1,147,475	0.5810	11.93
DEXTER	D0471	0	0	0.4566	0.00
CRAWFORD	019				
NORTHEAST	D0246	365,000	196,954	0.5396	9.59
CHEROKEE	D0247	315,000	146,444	0.4649	7.87
GIRARD	D0248	550,000	268,730	0.4886	9.21
FRONTENAC PUBLI	D0249	0	0	0.5210	0.00
PITTSBURG	D0250	1,756,395	342,321	0.1949	12.97

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		+----- 2000-01 SUPP GENERAL -----+			
COUNTY NAME	#		STATE	AID	MILL
DISTRICT NAME	#	BUDGET	AID	RATIO	RATE

ALLEN	001				
MARMATON VALLEY	D0256	0	0	0.3946	0.00
IOLA	D0257	1,617,940	937,920	0.5797	19.14
HUMBOLDT	D0258	290,000	75,661	0.2609	10.71
ANDERSON	002				
GARNETT	D0365	500,000	108,650	0.2173	9.74
CREST	D0479	101,000	27,634	0.2736	6.49
ATCHISON	003				
ATCHISON CO COM	D0377	328,000	85,083	0.2594	10.30
ATCHISON PUBLIC	D0409	956,888	305,343	0.3191	11.91
BARBER	004				
BARBER COUNTY N	D0254	185,000	22,718	0.1228	4.91
SOUTH BARBER	D0255	110,917	166	0.0015	5.62
BARTON	005				
CLAFLIN	D0354	202,000	87,001	0.4307	9.96
ELLINWOOD PUBLI	D0355	253,540	119,417	0.4710	5.98
GREAT BEND	D0428	2,383,002	873,370	0.3665	18.73
HOISINGTON	D0431	500,000	220,000	0.4400	11.09
BOURBON	006				
FORT SCOTT	D0234	640,950	311,438	0.4859	0.00
UNIONTOWN	D0235	30,000	16,146	0.5382	2.02
BROWN	007				
HIAWATHA	D0415	497,876	91,659	0.1841	10.90
SOUTH BROWN COU	D0430	422,492	230,976	0.5467	12.52
BUTLER	008				
BLUESTEM	D0205	531,744	229,182	0.4310	15.67
REMINGTON-WHITE	D0206	413,293	49,347	0.1194	16.34
CIRCLE	D0375	1,207,290	0	0.0000	13.94
ANDOVER	D0385	3,211,188	818,853	0.2550	23.31
ROSE HILL PUBLI	D0394	1,625,063	995,026	0.6123	15.63
DOUGLASS PUBLIC	D0396	370,000	239,612	0.6476	7.14
AUGUSTA	D0402	1,082,000	574,217	0.5307	12.45
EL DORADO	D0490	1,736,290	608,049	0.3502	15.84
FLINTHILLS	D0492	178,654	35,231	0.1972	10.76
CHASE	009				
CHASE COUNTY	D0284	251,590	0	0.0000	11.14

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		----- 2000-01 SUPP GENERAL -----			
COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

DECATUR 020					
OBERLIN	D0294	296,343	2,045	0.0069	13.98
PRAIRIE HEIGHTS	D0295	149,820	0	0.0000	7.45
DICKINSON 021					
SOLOMON	D0393	35,316	13,159	0.3726	2.61
ABILENE	D0435	1,064,559	364,079	0.3420	18.49
CHAPMAN	D0473	709,296	215,768	0.3042	12.59
RURAL VISTA	D0481	51,510	14,438	0.2803	4.00
HERINGTON	D0487	500,229	273,475	0.5467	14.29
DONIPHAN 022					
WATHENA	D0406	0	0	0.4809	0.00
HIGHLAND	D0425	157,000	47,273	0.3011	10.90
TROY PUBLIC SCH	D0429	189,000	111,227	0.5885	8.16
MIDWAY SCHOOLS	D0433	0	0	0.0369	0.00
ELWOOD	D0486	0	0	0.2588	0.00
DOUGLAS 023					
BALDWIN CITY	D0348	1,093,070	423,455	0.3874	21.43
EUDORA	D0491	1,195,073	514,120	0.4302	21.73
LAWRENCE	D0497	10,803,151	0	0.0000	12.69
EDWARDS 024					
KINSLEY-OFFERLE	D0347	366,976	0	0.0000	18.38
LEWIS	D0502	0	0	0.0000	0.00
ELK 025					
WEST ELK	D0282	200,000	42,020	0.2101	7.48
ELK VALLEY	D0283	0	0	0.4397	0.00
ELLIS 026					
ELLIS	D0388	319,000	66,129	0.2073	13.80
VICTORIA	D0432	200,507	30,577	0.1525	14.71
HAYS	D0489	3,644,471	411,461	0.1129	18.50
ELLSWORTH 027					
ELLSWORTH	D0327	600,000	224,400	0.3740	15.82
LORRAINE	D0328	518,794	0	0.0000	10.50
FINNEY 028					
HOLCOMB	D0363	1,239,495	0	0.0000	6.03
GARDEN CITY	D0457	4,450,138	1,616,735	0.3633	11.97
FORD 029					
SPEARVILLE	D0381	82,000	39,868	0.4862	4.03
DODGE CITY	D0443	3,115,005	1,249,740	0.4012	12.97
BUCKLIN	D0459	114,072	0	0.0000	7.60

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COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

FRANKLIN	030				
WEST FRANKLIN	D0287	749,510	322,964	0.4309	15.37
CENTRAL HEIGHTS	D0288	0	0	0.4971	0.00
WELLSVILLE	D0289	664,167	209,744	0.3158	15.32
OTTAWA	D0290	1,750,010	651,529	0.3723	16.66
GEARY	031				
JUNCTION CITY	D0475	4,319,600	2,957,198	0.6846	12.87
GOVE	032				
GRINNELL PUBLIC	D0291	20,000	0	0.0000	3.76
WHEATLAND	D0292	101,246	0	0.0000	7.01
QUINTER PUBLIC	D0293	513,594	181,710	0.3538	26.98
GRAHAM	033				
WEST GRAHAM-MOR	D0280	175,911	0	0.0000	24.10
HILL CITY	D0281	120,000	23,004	0.1917	9.78
GRANT	034				
ULYSSES	D0214	1,882,019	0	0.0000	8.11
GRAY	035				
CIMARRON-ENSIGN	D0102	102,500	10,066	0.0982	5.62
MONTEZUMA	D0371	412,656	0	0.0000	16.55
COPELAND	D0476	258,901	0	0.0000	15.72
INGALLS	D0477	0	0	0.1263	0.00
GREELEY	036				
GREELEY COUNTY	D0200	205,287	0	0.0000	11.75
GREENWOOD	037				
MADISON-VIRGIL	D0386	155,000	24,335	0.1570	11.59
EUREKA	D0389	286,000	73,330	0.2564	5.07
HAMILTON	D0390	0	0	0.0000	0.00
HAMILTON	038				
SYRACUSE	D0494	509,122	0	0.0000	12.88
HARPER	039				
ANTHONY-HARPER	D0361	728,061	229,849	0.3157	16.12
ATTICA	D0511	174,593	0	0.0000	9.28
HARVEY	040				
BURRTON	D0369	385,000	82,236	0.2136	24.56
NEWTON	D0373	2,460,362	953,882	0.3877	13.04
SEDGWICK PUBLIC	D0439	140,000	81,676	0.5834	5.13
HALSTEAD	D0440	425,000	93,330	0.2196	10.74
HESSTON	D0460	705,716	180,593	0.2559	16.12

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COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

HASKELL	041				
SUBLETTE	D0374	302,162	0	0.0000	6.50
SATANTA	D0507	356,180	0	0.0000	4.20
HODGEMAN	042				
JETMORE	D0227	102,380	24,960	0.2438	5.36
HANSTON	D0228	254,000	0	0.0000	13.42
JACKSON	043				
NORTH JACKSON	D0335	150,000	69,285	0.4619	12.35
HOLTON	D0336	550,000	274,010	0.4982	8.34
ROYAL VALLEY	D0337	1,000,000	613,600	0.6136	27.04
JEFFERSON	044				
VALLEY FALLS	D0338	215,560	119,959	0.5565	8.64
JEFFERSON COUNT	D0339	249,800	123,126	0.4929	10.04
JEFFERSON WEST	D0340	573,500	274,018	0.4778	12.10
OSKALOOSA PUBLI	D0341	560,375	288,425	0.5147	11.03
MCLOUTH	D0342	190,000	65,170	0.3430	11.99
PERRY PUBLIC SC	D0343	753,385	186,990	0.2482	12.74
JEWELL	045				
WHITE ROCK	D0104	150,000	0	0.0000	11.77
MANKATO	D0278	185,000	70,948	0.3835	12.09
JEWELL	D0279	161,227	0	0.0000	19.00
JOHNSON	046				
BLUE VALLEY	D0229	18,895,630	0	0.0000	13.95
SPRING HILL	D0230	1,698,277	372,942	0.2196	23.45
GARDNER-EDGERTO	D0231	3,182,729	320,183	0.1006	24.51
DESOTO	D0232	3,736,247	83,318	0.0223	23.34
OLATHE	D0233	22,510,114	0	0.0000	19.74
SHAWNEE MISSION	D0512	31,799,972	0	0.0000	12.05
KEARNY	047				
LAKIN	D0215	736,225	0	0.0000	7.03
DEERFIELD	D0216	381,918	0	0.0000	11.42
KINGMAN	048				
KINGMAN-NORWICH	D0331	619,000	134,137	0.2167	10.42
CUNNINGHAM	D0332	219,200	0	0.0000	5.94
KIOWA	049				
GREENSBURG	D0422	366,000	0	0.0000	11.18
MULLINVILLE	D0424	218,504	0	0.0000	16.10
HAVILAND	D0474	166,592	0	0.0000	12.10

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COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

LABETTE	050				
PARSONS	D0503	1,529,339	776,445	0.5077	13.90
OSWEGO	D0504	375,000	207,225	0.5526	15.09
CHETOPA	D0505	245,000	136,612	0.5576	15.73
LABETTE COUNTY	D0506	1,382,368	786,153	0.5687	12.94
LANE	051				
HEALY PUBLIC SC	D0468	209,000	5,643	0.0270	18.19
DIGHTON	D0482	299,871	0	0.0000	13.99
LEAVENWORTH	052				
FT LEAVENWORTH	D0207	804,263	794,210	0.9875	8.50
EASTON	D0449	472,319	216,369	0.4581	12.86
LEAVENWORTH	D0453	3,550,376	1,230,560	0.3466	19.36
BASEHOR-LINWOOD	D0458	1,543,863	659,075	0.4269	13.19
TONGANOXIE	D0464	1,139,916	444,111	0.3896	14.41
LANSING	D0469	1,841,895	857,955	0.4658	20.92
LINCOLN	053				
LINCOLN	D0298	160,000	20,080	0.1255	8.60
SYLVAN GROVE	D0299	0	0	0.0988	0.00
LINN	054				
PLEASANTON	D0344	140,000	74,228	0.5302	7.11
JAYHAWK	D0346	409,194	117,521	0.2872	14.25
PRAIRIE VIEW	D0362	1,415,597	0	0.0000	10.99
LOGAN	055				
OAKLEY	D0274	256,805	0	0.0000	10.74
TRIPPLAINS	D0275	205,039	0	0.0000	15.45
LYON	056				
NORTH LYON COUN	D0251	175,000	56,385	0.3222	8.24
SOUTHERN LYON C	D0252	180,012	46,515	0.2584	5.14
EMPORIA	D0253	3,033,323	1,330,719	0.4387	13.78
MARION	057				
CENTRE	D0397	225,000	8,820	0.0392	19.93
PEABODY-BURNS	D0398	100,000	34,280	0.3428	3.97
MARION-FLORENCE	D0408	420,000	157,836	0.3758	12.99
DURHAM-HILLSBOR	D0410	808,850	228,662	0.2827	23.32
GOESSEL	D0411	350,000	135,310	0.3866	21.01
MARSHALL	058				
MARYSVILLE	D0364	516,000	84,056	0.1629	9.72
VERMILLION	D0380	245,000	81,585	0.3330	8.15
AXTELL	D0488	236,550	58,191	0.2460	4.59
VALLEY HEIGHTS	D0498	231,805	102,690	0.4430	8.98

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COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

MCPHERSON	059				
SMOKY VALLEY	D0400	214,000	59,535	0.2782	4.90
MCPHERSON	D0418	2,316,845	226,356	0.0977	18.23
CANTON-GALVA	D0419	252,092	40,335	0.1600	10.27
MOUNDRIDGE	D0423	605,000	0	0.0000	17.90
INMAN	D0448	175,000	31,693	0.1811	6.58
MEADE	060				
FOWLER	D0225	331,672	0	0.0000	22.81
MEADE	D0226	587,375	0	0.0000	10.00
MIAMI	061				
OSAWATOMIE	D0367	689,725	332,585	0.4822	14.16
PAOLA	D0368	1,450,000	308,270	0.2126	14.82
LOUISBURG	D0416	700,000	2,800	0.0040	10.40
MITCHELL	062				
WACONDA	D0272	315,000	115,259	0.3659	14.47
BELOIT	D0273	740,960	125,445	0.1693	17.19
MONTGOMERY	063				
CANEY VALLEY	D0436	363,000	214,751	0.5916	9.60
COFFEYVILLE	D0445	1,300,000	383,890	0.2953	15.21
INDEPENDENCE	D0446	1,531,600	487,355	0.3182	14.84
CHERRYVALE	D0447	462,133	259,210	0.5609	15.20
MORRIS	064				
MORRIS COUNTY	D0417	410,000	109,060	0.2660	7.90
MORTON	065				
ROLLA	D0217	412,178	0	0.0000	6.30
ELKHART	D0218	831,901	0	0.0000	15.55
NEMAHA	066				
SABETHA	D0441	775,000	274,428	0.3541	15.07
NEMAHA VALLEY S	D0442	240,000	50,496	0.2104	8.76
B & B	D0451	172,658	84,896	0.4917	9.77
NEOSHO	067				
ERIE-ST PAUL	D0101	1,312,437	701,891	0.5348	21.49
CHANUTE PUBLIC	D0413	1,665,000	881,784	0.5296	14.88
NESS	068				
NES TRE LA GO	D0301	148,598	0	0.0000	20.39
SMOKY HILL	D0302	118,582	1,767	0.0149	14.37
NESS CITY	D0303	145,000	0	0.0000	7.52
BAZINE	D0304	123,000	0	0.0000	8.53

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COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

NORTON	069				
NORTON COMMUNIT	D0211	578,929	271,344	0.4687	15.38
NORTHERN VALLEY	D0212	160,000	31,392	0.1962	15.20
WEST SOLOMON VA	D0213	164,855	0	0.0000	21.56
OSAGE	070				
OSAGE CITY	D0420	0	0	0.4635	0.00
LYNDON	D0421	0	0	0.4224	0.00
SANTA FE TRAIL	D0434	1,504,162	791,791	0.5264	20.07
BURLINGAME	D0454	197,910	101,587	0.5133	9.00
MARAIS DES CYGN	D0456	180,000	45,792	0.2544	11.01
OSBORNE	071				
OSBORNE COUNTY	D0392	100,000	35,690	0.3569	3.38
OTTAWA	072				
NORTH OTTAWA CO	D0239	412,675	120,460	0.2919	9.13
TWIN VALLEY	D0240	535,015	240,168	0.4489	17.19
PAWNEE	073				
FT LARNED	D0495	990,000	289,179	0.2921	20.25
PAWNEE HEIGHTS	D0496	130,000	0	0.0000	14.07
PHILLIPS	074				
EASTERN HEIGHTS	D0324	71,500	21,328	0.2983	7.17
PHILLIPSBURG	D0325	539,050	176,862	0.3281	15.77
LOGAN	D0326	100,000	17,470	0.1747	7.50
POTTAWATOMIE	075				
WAMEGO	D0320	716,050	291,934	0.4077	12.06
KAW VALLEY	D0321	1,418,748	0	0.0000	6.27
ONAGA-HAVENSVIL	D0322	164,435	32,328	0.1966	9.62
ROCK CREEK	D0323	225,000	123,143	0.5473	5.99
PRATT	076				
PRATT	D0382	856,041	216,664	0.2531	10.76
SKYLINE SCHOOLS	D0438	192,500	25,218	0.1310	10.91
RAWLINS	077				
HERNDON	D0317	37,000	0	0.0000	8.00
ATWOOD	D0318	285,517	47,539	0.1665	16.64
RENO	078				
HUTCHINSON PUBL	D0308	4,181,657	1,133,647	0.2711	18.19
NICKERSON	D0309	782,764	150,682	0.1925	11.92
FAIRFIELD	D0310	421,900	0	0.0000	18.54
PRETTY PRAIRIE	D0311	272,000	54,890	0.2018	17.68
HAVEN PUBLIC SC	D0312	1,161,586	237,428	0.2044	25.58

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		+----- 2000-01 SUPP GENERAL -----+			
COUNTY NAME	#		STATE	AID	MILL
DISTRICT NAME	#	BUDGET	AID	RATIO	RATE

RENO	078				
BUHLER	D0313	1,790,228	401,548	0.2243	17.27
REPUBLIC	079				
PIKE VALLEY	D0426	69,910	13,570	0.1941	4.75
BELLEVILLE	D0427	467,251	86,722	0.1856	16.20
HILLCREST RURAL	D0455	50,000	0	0.0000	7.30
RICE	080				
STERLING	D0376	409,000	112,230	0.2744	16.09
CHASE	D0401	219,982	0	0.0000	23.00
LYONS	D0405	700,000	283,990	0.4057	15.99
LITTLE RIVER	D0444	218,049	0	0.0000	11.72
RILEY	081				
RILEY COUNTY	D0378	411,448	181,860	0.4420	9.63
MANHATTAN	D0383	4,668,270	502,773	0.1077	17.24
BLUE VALLEY	D0384	81,379	19,694	0.2420	5.87
ROOKS	082				
PALCO	D0269	238,877	19,875	0.0832	6.05
PLAINVILLE	D0270	530,000	143,683	0.2711	12.82
STOCKTON	D0271	0	0	0.3161	0.00
RUSH	083				
LACROSSE	D0395	255,000	0	0.0000	13.18
OTIS-BISON	D0403	56,579	1,064	0.0188	2.01
RUSSELL	084				
PARADISE	D0399	205,000	0	0.0000	6.49
RUSSELL COUNTY	D0407	752,480	198,504	0.2638	10.59
SALINE	085				
SALINA	D0305	6,587,000	1,096,077	0.1664	16.74
SOUTHEAST OF SA	D0306	109,394	0	0.0000	2.29
ELL-SALINE	D0307	186,834	86,224	0.4615	8.31
SCOTT	086				
SCOTT COUNTY	D0466	719,448	0	0.0000	14.29
SEDGWICK	087				
WICHITA	D0259	35,888,931	6,104,707	0.1701	13.37
DERBY	D0260	3,550,000	1,069,970	0.3014	14.85
HAYSVILLE	D0261	4,627,166	2,751,313	0.5946	19.97
VALLEY CENTER P	D0262	2,059,087	996,804	0.4841	16.69
MULVANE	D0263	1,114,045	678,788	0.6093	11.14
CLEARWATER	D0264	620,000	138,322	0.2231	12.48
GODDARD	D0265	3,879,783	1,767,241	0.4555	27.00

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		----- 2000-01 SUPP GENERAL -----			
COUNTY NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
DISTRICT NAME	#				

SEDGWICK	087				
MAIZE	D0266	5,621,226	2,475,588	0.4404	18.88
RENWICK	D0267	2,151,424	937,806	0.4359	24.03
CHENEY	D0268	650,000	354,835	0.5459	15.91
SEWARD	088				
LIBERAL	D0480	1,300,000	435,890	0.3353	11.85
KISMET-PLAINS	D0483	0	0	0.0000	0.00
SHAWNEE	089				
SEAMAN	D0345	2,836,560	247,348	0.0872	18.99
SILVER LAKE	D0372	636,000	321,498	0.5055	15.82
AUBURN WASHBURN	D0437	3,210,055	0	0.0000	11.03
SHAWNEE HEIGHTS	D0450	2,424,431	751,574	0.3100	13.21
TOPEKA PUBLIC S	D0501	14,497,187	3,071,954	0.2119	19.10
SHERIDAN	090				
HOXIE COMMUNITY	D0412	195,000	351	0.0018	9.36
SHERMAN	091				
GOODLAND	D0352	875,000	74,025	0.0846	14.05
SMITH	092				
SMITH CENTER	D0237	216,500	31,631	0.1461	6.95
WEST SMITH COUN	D0238	0	0	0.2606	0.00
STAFFORD	093				
STAFFORD	D0349	272,943	63,023	0.2309	14.06
ST JOHN-HUDSON	D0350	259,072	19,301	0.0745	12.57
MACKSVILLE	D0351	92,750	0	0.0000	5.86
STANTON	094				
STANTON COUNTY	D0452	207,082	0	0.0000	4.55
STEVENS	095				
MOSCOW PUBLIC S	D0209	411,128	0	0.0000	6.87
HUGOTON PUBLIC	D0210	1,010,661	0	0.0000	5.88
SUMNER	096				
WELLINGTON	D0353	1,348,637	679,848	0.5041	9.10
CONWAY SPRINGS	D0356	330,000	163,416	0.4952	11.24
BELLE PLAINE	D0357	623,851	391,404	0.6274	14.20
OXFORD	D0358	150,000	75,210	0.5014	6.36
ARGONIA PUBLIC	D0359	13,300	3,974	0.2988	2.00
CALDWELL	D0360	248,074	59,835	0.2412	17.52
SOUTH HAVEN	D0509	0	0	0.5091	0.00

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COUNTY NAME	#		STATE	AID	MILL
DISTRICT NAME	#	BUDGET	AID	RATIO	RATE

THOMAS	097				
BREWSTER	D0314	95,000	0	0.0000	8.95
COLBY PUBLIC SC	D0315	577,500	83,276	0.1442	9.77
GOLDEN PLAINS	D0316	25,000	2,018	0.0807	3.17
TREGO	098				
WAKEENEY	D0208	200,000	8,480	0.0424	7.57
WABAUNSEE	099				
MILL CREEK VALL	D0329	400,000	67,400	0.1685	14.88
WABAUNSEE EAST	D0330	222,900	56,706	0.2544	9.37
WALLACE	100				
WALLACE COUNTY	D0241	35,000	0	0.0000	3.27
WESKAN	D0242	90,000	0	0.0000	9.37
WASHINGTON	101				
NORTH CENTRAL	D0221	211,000	0	0.0000	13.88
WASHINGTON SCHO	D0222	225,000	83,340	0.3704	12.44
BARNES	D0223	548,000	0	0.0000	24.56
CLIFTON-CLYDE	D0224	200,000	7,900	0.0395	11.32
WICHITA	102				
LEOTI	D0467	240,573	0	0.0000	9.58
WILSON	103				
ALTOONA-MIDWAY	D0387	95,000	31,854	0.3353	5.78
NEODESHA	D0461	609,000	355,656	0.5840	16.21
FREDONIA	D0484	699,230	237,319	0.3394	16.67
WOODSON	104				
WOODSON	D0366	200,000	52,940	0.2647	7.22
WYANDOTTE	105				
TURNER-KANSAS C	D0202	3,809,113	1,579,258	0.4146	16.64
PIPER-KANSAS CI	D0203	1,160,000	551,696	0.4756	15.36
BONNER SPRINGS	D0204	2,346,244	885,942	0.3776	14.38
KANSAS CITY	D0500	22,056,107	9,080,499	0.4117	19.68

STATE TOTALS		373,716,946	84,315,268	76.5182	3,532.89

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
CHEYLIN	D0103	150,000	0	0.0000	13.16
WHITE ROCK	D0104	150,000	0	0.0000	11.77
GREELEY COUNTY	D0200	205,287	0	0.0000	11.75
MOSCOW PUBLIC S	D0209	411,128	0	0.0000	6.87
HUGOTON PUBLIC	D0210	1,010,661	0	0.0000	5.88
WEST SOLOMON VA	D0213	164,855	0	0.0000	21.56
ULYSSES	D0214	1,882,019	0	0.0000	8.11
LAKIN	D0215	736,225	0	0.0000	7.03
DEERFIELD	D0216	381,918	0	0.0000	11.42
ROLLA	D0217	412,178	0	0.0000	6.30
ELKHART	D0218	831,901	0	0.0000	15.55
MINNEOLA	D0219	182,519	0	0.0000	10.62
ASHLAND	D0220	291,970	0	0.0000	14.18
NORTH CENTRAL	D0221	211,000	0	0.0000	13.88
BARNES	D0223	548,000	0	0.0000	24.56
FOWLER	D0225	331,672	0	0.0000	22.81
MEADE	D0226	587,375	0	0.0000	10.00
HANSTON	D0228	254,000	0	0.0000	13.42
BLUE VALLEY	D0229	18,895,630	0	0.0000	13.95
OLATHE	D0233	22,510,114	0	0.0000	19.74
WALLACE COUNTY	D0241	35,000	0	0.0000	3.27
WESKAN	D0242	90,000	0	0.0000	9.37
BURLINGTON	D0244	781,627	0	0.0000	2.75
OAKLEY	D0274	256,805	0	0.0000	10.74
TRIPPLAINS	D0275	205,039	0	0.0000	15.45
JEWELL	D0279	161,227	0	0.0000	19.00
WEST GRAHAM-MOR	D0280	175,911	0	0.0000	24.10
CHASE COUNTY	D0284	251,590	0	0.0000	11.14
GRINNELL PUBLIC	D0291	20,000	0	0.0000	3.76
WHEATLAND	D0292	101,246	0	0.0000	7.01
PRAIRIE HEIGHTS	D0295	149,820	0	0.0000	7.45
ST FRANCIS COMM	D0297	100,000	0	0.0000	6.97
COMANCHE COUNTY	D0300	465,539	0	0.0000	10.70
NES TRE LA GO	D0301	148,598	0	0.0000	20.39
NESS CITY	D0303	145,000	0	0.0000	7.52
BAZINE	D0304	123,000	0	0.0000	8.53
SOUTHEAST OF SA	D0306	109,394	0	0.0000	2.29
FAIRFIELD	D0310	421,900	0	0.0000	18.54
BREWSTER	D0314	95,000	0	0.0000	8.95
HERNDON	D0317	37,000	0	0.0000	8.00
KAW VALLEY	D0321	1,418,748	0	0.0000	6.27
LORRAINE	D0328	518,794	0	0.0000	10.50
CUNNINGHAM	D0332	219,200	0	0.0000	5.94
SOUTHERN CLOUD	D0334	212,069	0	0.0000	19.85
KINSLEY-OFFERLE	D0347	366,976	0	0.0000	18.38
MACKSVILLE	D0351	92,750	0	0.0000	5.86

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
PRAIRIE VIEW	D0362	1,415,597	0	0.0000	10.99
HOLCOMB	D0363	1,239,495	0	0.0000	6.03
MONTEZUMA	D0371	412,656	0	0.0000	16.55
SUBLETTE	D0374	302,162	0	0.0000	6.50
CIRCLE	D0375	1,207,290	0	0.0000	13.94
HAMILTON	D0390	0	0	0.0000	0.00
LACROSSE	D0395	255,000	0	0.0000	13.18
PARADISE	D0399	205,000	0	0.0000	6.49
CHASE	D0401	219,982	0	0.0000	23.00
GREENSBURG	D0422	366,000	0	0.0000	11.18
MOUNDRIDGE	D0423	605,000	0	0.0000	17.90
MULLINVILLE	D0424	218,504	0	0.0000	16.10
AUBURN WASHBURN	D0437	3,210,055	0	0.0000	11.03
LITTLE RIVER	D0444	218,049	0	0.0000	11.72
STANTON COUNTY	D0452	207,082	0	0.0000	4.55
HILLCREST RURAL	D0455	50,000	0	0.0000	7.30
BUCKLIN	D0459	114,072	0	0.0000	7.60
SCOTT COUNTY	D0466	719,448	0	0.0000	14.29
LEOTI	D0467	240,573	0	0.0000	9.58
HAVILAND	D0474	166,592	0	0.0000	12.10
COPELAND	D0476	258,901	0	0.0000	15.72
DIGHTON	D0482	299,871	0	0.0000	13.99
KISMET-PLAINS	D0483	0	0	0.0000	0.00
SYRACUSE	D0494	509,122	0	0.0000	12.88
PAWNEE HEIGHTS	D0496	130,000	0	0.0000	14.07
LAWRENCE	D0497	10,803,151	0	0.0000	12.69
LEWIS	D0502	0	0	0.0000	0.00
SATANTA	D0507	356,180	0	0.0000	4.20
ATTICA	D0511	174,593	0	0.0000	9.28
SHAWNEE MISSION	D0512	31,799,972	0	0.0000	12.05
SOUTH BARBER	D0255	110,917	166	0.0015	5.62
HOXIE COMMUNITY	D0412	195,000	351	0.0018	9.36
LOUISBURG	D0416	700,000	2,800	0.0040	10.40
OBERLIN	D0294	296,343	2,045	0.0069	13.98
SMOKY HILL	D0302	118,582	1,767	0.0149	14.37
OTIS-BISON	D0403	56,579	1,064	0.0188	2.01
DESOTO	D0232	3,736,247	83,318	0.0223	23.34
HEALY PUBLIC SC	D0468	209,000	5,643	0.0270	18.19
MIDWAY SCHOOLS	D0433	0	0	0.0369	0.00
CENTRE	D0397	225,000	8,820	0.0392	19.93
CLIFTON-CLYDE	D0224	200,000	7,900	0.0395	11.32
WAKEENEY	D0208	200,000	8,480	0.0424	7.57
ST JOHN-HUDSON	D0350	259,072	19,301	0.0745	12.57
GOLDEN PLAINS	D0316	25,000	2,018	0.0807	3.17
PALCO	D0269	238,877	19,875	0.0832	6.05
GOODLAND	D0352	875,000	74,025	0.0846	14.05
LEROY-GRIDLEY	D0245	76,000	6,490	0.0854	3.91
SEAMAN	D0345	2,836,560	247,348	0.0872	18.99

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
MCPHERSON	D0418	2,316,845	226,356	0.0977	18.23
CIMARRON-ENSIGN	D0102	102,500	10,066	0.0982	5.62
SYLVAN GROVE	D0299	0	0	0.0988	0.00
GARDNER-EDGERTO	D0231	3,182,729	320,183	0.1006	24.51
MANHATTAN	D0383	4,668,270	502,773	0.1077	17.24
HAYS	D0489	3,644,471	411,461	0.1129	18.50
REMINGTON-WHITE	D0206	413,293	49,347	0.1194	16.34
BARBER COUNTY N	D0254	185,000	22,718	0.1228	4.91
LINCOLN	D0298	160,000	20,080	0.1255	8.60
INGALLS	D0477	0	0	0.1263	0.00
SKYLINE SCHOOLS	D0438	192,500	25,218	0.1310	10.91
COLBY PUBLIC SC	D0315	577,500	83,276	0.1442	9.77
SMITH CENTER	D0237	216,500	31,631	0.1461	6.95
VICTORIA	D0432	200,507	30,577	0.1525	14.71
MADISON-VIRGIL	D0386	155,000	24,335	0.1570	11.59
CANTON-GALVA	D0419	252,092	40,335	0.1600	10.27
MARYSVILLE	D0364	516,000	84,056	0.1629	9.72
SALINA	D0305	6,587,000	1,096,077	0.1664	16.74
ATWOOD	D0318	285,517	47,539	0.1665	16.64
MILL CREEK VALL	D0329	400,000	67,400	0.1685	14.88
BELOIT	D0273	740,960	125,445	0.1693	17.19
WICHITA	D0259	35,888,931	6,104,707	0.1701	13.37
LOGAN	D0326	100,000	17,470	0.1747	7.50
INMAN	D0448	175,000	31,693	0.1811	6.58
HIAWATHA	D0415	497,876	91,659	0.1841	10.90
BELLEVILLE	D0427	467,251	86,722	0.1856	16.20
HILL CITY	D0281	120,000	23,004	0.1917	9.78
NICKERSON	D0309	782,764	150,682	0.1925	11.92
PIKE VALLEY	D0426	69,910	13,570	0.1941	4.75
PITTSBURG	D0250	1,756,395	342,321	0.1949	12.97
NORTHERN VALLEY	D0212	160,000	31,392	0.1962	15.20
ONAGA-HAVENSVIL	D0322	164,435	32,328	0.1966	9.62
FLINTHILLS	D0492	178,654	35,231	0.1972	10.76
PRETTY PRAIRIE	D0311	272,000	54,890	0.2018	17.68
HAVEN PUBLIC SC	D0312	1,161,586	237,428	0.2044	25.58
ELLIS	D0388	319,000	66,129	0.2073	13.80
WEST ELK	D0282	200,000	42,020	0.2101	7.48
NEMAHA VALLEY S	D0442	240,000	50,496	0.2104	8.76
TOPEKA PUBLIC S	D0501	14,497,187	3,071,954	0.2119	19.10
PAOLA	D0368	1,450,000	308,270	0.2126	14.82
BURRTON	D0369	385,000	82,236	0.2136	24.56
COLUMBUS	D0493	900,000	194,760	0.2164	14.76
KINGMAN-NORWICH	D0331	619,000	134,137	0.2167	10.42
GARNETT	D0365	500,000	108,650	0.2173	9.74
SPRING HILL	D0230	1,698,277	372,942	0.2196	23.45
HALSTEAD	D0440	425,000	93,330	0.2196	10.74
CLEARWATER	D0264	620,000	138,322	0.2231	12.48
BUHLER	D0313	1,790,228	401,548	0.2243	17.27

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
STAFFORD	D0349	272,943	63,023	0.2309	14.06
CALDWELL	D0360	248,074	59,835	0.2412	17.52
BLUE VALLEY	D0384	81,379	19,694	0.2420	5.87
JETMORE	D0227	102,380	24,960	0.2438	5.36
CEDAR VALE	D0285	0	0	0.2453	0.00
AXTELL	D0488	236,550	58,191	0.2460	4.59
PERRY PUBLIC SC	D0343	753,385	186,990	0.2482	12.74
PRATT	D0382	856,041	216,664	0.2531	10.76
WABAUNSEE EAST	D0330	222,900	56,706	0.2544	9.37
MARAIS DES CYGN	D0456	180,000	45,792	0.2544	11.01
ANDOVER	D0385	3,211,188	818,853	0.2550	23.31
HESSTON	D0460	705,716	180,593	0.2559	16.12
EUREKA	D0389	286,000	73,330	0.2564	5.07
SOUTHERN LYON C	D0252	180,012	46,515	0.2584	5.14
ELWOOD	D0486	0	0	0.2588	0.00
ATCHISON CO COM	D0377	328,000	85,083	0.2594	10.30
WEST SMITH COUN	D0238	0	0	0.2606	0.00
HUMBOLDT	D0258	290,000	75,661	0.2609	10.71
RUSSELL COUNTY	D0407	752,480	198,504	0.2638	10.59
WOODSON	D0366	200,000	52,940	0.2647	7.22
MORRIS COUNTY	D0417	410,000	109,060	0.2660	7.90
PLAINVILLE	D0270	530,000	143,683	0.2711	12.82
HUTCHINSON PUBL	D0308	4,181,657	1,133,647	0.2711	18.19
CREST	D0479	101,000	27,634	0.2736	6.49
STERLING	D0376	409,000	112,230	0.2744	16.09
SMOKY VALLEY	D0400	214,000	59,535	0.2782	4.90
RURAL VISTA	D0481	51,510	14,438	0.2803	4.00
DURHAM-HILLSBOR	D0410	808,850	228,662	0.2827	23.32
JAYHAWK	D0346	409,194	117,521	0.2872	14.25
UDALL	D0463	117,500	33,875	0.2883	7.59
NORTH OTTAWA CO	D0239	412,675	120,460	0.2919	9.13
FT LARNED	D0495	990,000	289,179	0.2921	20.25
COFFEYVILLE	D0445	1,300,000	383,890	0.2953	15.21
EASTERN HEIGHTS	D0324	71,500	21,328	0.2983	7.17
ARGONIA PUBLIC	D0359	13,300	3,974	0.2988	2.00
HIGHLAND	D0425	157,000	47,273	0.3011	10.90
DERBY	D0260	3,550,000	1,069,970	0.3014	14.85
CHAPMAN	D0473	709,296	215,768	0.3042	12.59
SHAWNEE HEIGHTS	D0450	2,424,431	751,574	0.3100	13.21
ANTHONY-HARPER	D0361	728,061	229,849	0.3157	16.12
WELLSVILLE	D0289	664,167	209,744	0.3158	15.32
STOCKTON	D0271	0	0	0.3161	0.00
INDEPENDENCE	D0446	1,531,600	487,355	0.3182	14.84
ATCHISON PUBLIC	D0409	956,888	305,343	0.3191	11.91
NORTH LYON COUN	D0251	175,000	56,385	0.3222	8.24
PHILLIPSBURG	D0325	539,050	176,862	0.3281	15.77
VERMILLION	D0380	245,000	81,585	0.3330	8.15
ALTOONA-MIDWAY	D0387	95,000	31,854	0.3353	5.78

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE

LIBERAL	D0480	1,300,000	435,890	0.3353	11.85
FREDONIA	D0484	699,230	237,319	0.3394	16.67
ABILENE	D0435	1,064,559	364,079	0.3420	18.49
PEABODY-BURNS	D0398	100,000	34,280	0.3428	3.97
LEBO-WAVERLY	D0243	435,000	149,205	0.3430	11.12
MCLOUTH	D0342	190,000	65,170	0.3430	11.99
LEAVENWORTH	D0453	3,550,376	1,230,560	0.3466	19.36
EL DORADO	D0490	1,736,290	608,049	0.3502	15.84
QUINTER PUBLIC	D0293	513,594	181,710	0.3538	26.98
SABETHA	D0441	775,000	274,428	0.3541	15.07
OSBORNE COUNTY	D0392	100,000	35,690	0.3569	3.38
GARDEN CITY	D0457	4,450,138	1,616,735	0.3633	11.97
WACONDA	D0272	315,000	115,259	0.3659	14.47
GREAT BEND	D0428	2,383,002	873,370	0.3665	18.73
WASHINGTON SCHO	D0222	225,000	83,340	0.3704	12.44
OTTAWA	D0290	1,750,010	651,529	0.3723	16.66
SOLOMON	D0393	35,316	13,159	0.3726	2.61
ELLSWORTH	D0327	600,000	224,400	0.3740	15.82
MARION-FLORENCE	D0408	420,000	157,836	0.3758	12.99
WINFIELD	D0465	2,519,421	947,050	0.3759	19.74
BONNER SPRINGS	D0204	2,346,244	885,942	0.3776	14.38
CLAY CENTER	D0379	450,000	171,765	0.3817	4.88
MANKATO	D0278	185,000	70,948	0.3835	12.09
GOESSEL	D0411	350,000	135,310	0.3866	21.01
BALDWIN CITY	D0348	1,093,070	423,455	0.3874	21.43
NEWTON	D0373	2,460,362	953,882	0.3877	13.04
TONGANOXIE	D0464	1,139,916	444,111	0.3896	14.41
MARMATON VALLEY	D0256	0	0	0.3946	0.00
CONCORDIA	D0333	944,958	373,258	0.3950	17.53
DODGE CITY	D0443	3,115,005	1,249,740	0.4012	12.97
LYONS	D0405	700,000	283,990	0.4057	15.99
WAMEGO	D0320	716,050	291,934	0.4077	12.06
KANSAS CITY	D0500	22,056,107	9,080,499	0.4117	19.68
TURNER-KANSAS C	D0202	3,809,113	1,579,258	0.4146	16.64
LYNDON	D0421	0	0	0.4224	0.00
BASEHOR-LINWOOD	D0458	1,543,863	659,075	0.4269	13.19
EUDORA	D0491	1,195,073	514,120	0.4302	21.73
CLAFLIN	D0354	202,000	87,001	0.4307	9.96
WEST FRANKLIN	D0287	749,510	322,964	0.4309	15.37
BLUESTEM	D0205	531,744	229,182	0.4310	15.67
RIVERTON	D0404	425,000	185,130	0.4356	8.52
RENWICK	D0267	2,151,424	937,806	0.4359	24.03
EMPORIA	D0253	3,033,323	1,330,719	0.4387	13.78
ELK VALLEY	D0283	0	0	0.4397	0.00
HOISINGTON	D0431	500,000	220,000	0.4400	11.09
MAIZE	D0266	5,621,226	2,475,588	0.4404	18.88
RILEY COUNTY	D0378	411,448	181,860	0.4420	9.63
VALLEY HEIGHTS	D0498	231,805	102,690	0.4430	8.98

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
TWIN VALLEY	D0240	535,015	240,168	0.4489	17.19
CENTRAL	D0462	210,000	95,298	0.4538	10.81
GODDARD	D0265	3,879,783	1,767,241	0.4555	27.00
DEXTER	D0471	0	0	0.4566	0.00
EASTON	D0449	472,319	216,369	0.4581	12.86
ELL-SALINE	D0307	186,834	86,224	0.4615	8.31
NORTH JACKSON	D0335	150,000	69,285	0.4619	12.35
OSAGE CITY	D0420	0	0	0.4635	0.00
CHEROKEE	D0247	315,000	146,444	0.4649	7.87
LANSING	D0469	1,841,895	857,955	0.4658	20.92
NORTON COMMUNIT	D0211	578,929	271,344	0.4687	15.38
ELLINWOOD PUBLI	D0355	253,540	119,417	0.4710	5.98
PIPER-KANSAS CI	D0203	1,160,000	551,696	0.4756	15.36
JEFFERSON WEST	D0340	573,500	274,018	0.4778	12.10
WATHENA	D0406	0	0	0.4809	0.00
OSAWATOMIE	D0367	689,725	332,585	0.4822	14.16
VALLEY CENTER P	D0262	2,059,087	996,804	0.4841	16.69
FORT SCOTT	D0234	640,950	311,438	0.4859	0.00
SPEARVILLE	D0381	82,000	39,868	0.4862	4.03
GIRARD	D0248	550,000	268,730	0.4886	9.21
B & B	D0451	172,658	84,896	0.4917	9.77
JEFFERSON COUNT	D0339	249,800	123,126	0.4929	10.04
CONWAY SPRINGS	D0356	330,000	163,416	0.4952	11.24
CENTRAL HEIGHTS	D0288	0	0	0.4971	0.00
HOLTON	D0336	550,000	274,010	0.4982	8.34
OXFORD	D0358	150,000	75,210	0.5014	6.36
CHAUTAUQUA COUN	D0286	67,500	33,912	0.5024	4.02
WELLINGTON	D0353	1,348,637	679,848	0.5041	9.10
BAXTER SPRINGS	D0508	415,000	209,700	0.5053	10.72
SILVER LAKE	D0372	636,000	321,498	0.5055	15.82
PARSONS	D0503	1,529,339	776,445	0.5077	13.90
SOUTH HAVEN	D0509	0	0	0.5091	0.00
BURLINGAME	D0454	197,910	101,587	0.5133	9.00
OSKALOOSA PUBLI	D0341	560,375	288,425	0.5147	11.03
FRONTENAC PUBLI	D0249	0	0	0.5210	0.00
SANTA FE TRAIL	D0434	1,504,162	791,791	0.5264	20.07
CHANUTE PUBLIC	D0413	1,665,000	881,784	0.5296	14.88
PLEASANTON	D0344	140,000	74,228	0.5302	7.11
AUGUSTA	D0402	1,082,000	574,217	0.5307	12.45
ERIE-ST PAUL	D0101	1,312,437	701,891	0.5348	21.49
UNIONTOWN	D0235	30,000	16,146	0.5382	2.02
NORTHEAST	D0246	365,000	196,954	0.5396	9.59
CHENEY	D0268	650,000	354,835	0.5459	15.91
SOUTH BROWN COU	D0430	422,492	230,976	0.5467	12.52
HERINGTON	D0487	500,229	273,475	0.5467	14.29
ROCK CREEK	D0323	225,000	123,143	0.5473	5.99
OSWEGO	D0504	375,000	207,225	0.5526	15.09
VALLEY FALLS	D0338	215,560	119,959	0.5565	8.64

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE

CHETOPA	D0505	245,000	136,612	0.5576	15.73
CHERRYVALE	D0447	462,133	259,210	0.5609	15.20
LABETTE COUNTY	D0506	1,382,368	786,153	0.5687	12.94
IOLA	D0257	1,617,940	937,920	0.5797	19.14
ARKANSAS CITY	D0470	1,975,000	1,147,475	0.5810	11.93
SEDGWICK PUBLIC	D0439	140,000	81,676	0.5834	5.13
NEODESHA	D0461	609,000	355,656	0.5840	16.21
TROY PUBLIC SCH	D0429	189,000	111,227	0.5885	8.16
CANEY VALLEY	D0436	363,000	214,751	0.5916	9.60
HAYSVILLE	D0261	4,627,166	2,751,313	0.5946	19.97
MULVANE	D0263	1,114,045	678,788	0.6093	11.14
ROSE HILL PUBLI	D0394	1,625,063	995,026	0.6123	15.63
ROYAL VALLEY	D0337	1,000,000	613,600	0.6136	27.04
BELLE PLAINE	D0357	623,851	391,404	0.6274	14.20
DOUGLASS PUBLIC	D0396	370,000	239,612	0.6476	7.14
JUNCTION CITY	D0475	4,319,600	2,957,198	0.6846	12.87
GALENA	D0499	401,550	296,384	0.7381	10.39
FT LEAVENWORTH	D0207	804,263	794,210	0.9875	8.50

STATE TOTALS		373,716,946	84,315,268	76.5182	3,532.89

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE

FORT SCOTT	D0234	640,950	311,438	0.4859	0.00
WEST SMITH COUN	D0238	0	0	0.2606	0.00
FRONTENAC PUBLI	D0249	0	0	0.5210	0.00
MARMATON VALLEY	D0256	0	0	0.3946	0.00
STOCKTON	D0271	0	0	0.3161	0.00
ELK VALLEY	D0283	0	0	0.4397	0.00
CEDAR VALE	D0285	0	0	0.2453	0.00
CENTRAL HEIGHTS	D0288	0	0	0.4971	0.00
SYLVAN GROVE	D0299	0	0	0.0988	0.00
HAMILTON	D0390	0	0	0.0000	0.00
WATHENA	D0406	0	0	0.4809	0.00
OSAGE CITY	D0420	0	0	0.4635	0.00
LYNDON	D0421	0	0	0.4224	0.00
MIDWAY SCHOOLS	D0433	0	0	0.0369	0.00
DEXTER	D0471	0	0	0.4566	0.00
INGALLS	D0477	0	0	0.1263	0.00
KISMET-PLAINS	D0483	0	0	0.0000	0.00
ELWOOD	D0486	0	0	0.2588	0.00
LEWIS	D0502	0	0	0.0000	0.00
SOUTH HAVEN	D0509	0	0	0.5091	0.00
ARGONIA PUBLIC	D0359	13,300	3,974	0.2988	2.00
OTIS-BISON	D0403	56,579	1,064	0.0188	2.01
UNIONTOWN	D0235	30,000	16,146	0.5382	2.02
SOUTHEAST OF SA	D0306	109,394	0	0.0000	2.29
SOLOMON	D0393	35,316	13,159	0.3726	2.61
BURLINGTON	D0244	781,627	0	0.0000	2.75
GOLDEN PLAINS	D0316	25,000	2,018	0.0807	3.17
WALLACE COUNTY	D0241	35,000	0	0.0000	3.27
OSBORNE COUNTY	D0392	100,000	35,690	0.3569	3.38
GRINNELL PUBLIC	D0291	20,000	0	0.0000	3.76
LEROY-GRIDLEY	D0245	76,000	6,490	0.0854	3.91
PEABODY-BURNS	D0398	100,000	34,280	0.3428	3.97
RURAL VISTA	D0481	51,510	14,438	0.2803	4.00
CHAUTAUQUA COUN	D0286	67,500	33,912	0.5024	4.02
SPEARVILLE	D0381	82,000	39,868	0.4862	4.03
SATANTA	D0507	356,180	0	0.0000	4.20
STANTON COUNTY	D0452	207,082	0	0.0000	4.55
AXTELL	D0488	236,550	58,191	0.2460	4.59
PIKE VALLEY	D0426	69,910	13,570	0.1941	4.75
CLAY CENTER	D0379	450,000	171,765	0.3817	4.88
SMOKY VALLEY	D0400	214,000	59,535	0.2782	4.90
BARBER COUNTY N	D0254	185,000	22,718	0.1228	4.91
EUREKA	D0389	286,000	73,330	0.2564	5.07
SEDGWICK PUBLIC	D0439	140,000	81,676	0.5834	5.13
SOUTHERN LYON C	D0252	180,012	46,515	0.2584	5.14
JETMORE	D0227	102,380	24,960	0.2438	5.36

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
CIMARRON-ENSIGN	D0102	102,500	10,066	0.0982	5.62
SOUTH BARBER	D0255	110,917	166	0.0015	5.62
ALTOONA-MIDWAY	D0387	95,000	31,854	0.3353	5.78
MACKSVILLE	D0351	92,750	0	0.0000	5.86
BLUE VALLEY	D0384	81,379	19,694	0.2420	5.87
HUGOTON PUBLIC	D0210	1,010,661	0	0.0000	5.88
CUNNINGHAM	D0332	219,200	0	0.0000	5.94
ELLINWOOD PUBLI	D0355	253,540	119,417	0.4710	5.98
ROCK CREEK	D0323	225,000	123,143	0.5473	5.99
HOLCOMB	D0363	1,239,495	0	0.0000	6.03
PALCO	D0269	238,877	19,875	0.0832	6.05
KAW VALLEY	D0321	1,418,748	0	0.0000	6.27
ROLLA	D0217	412,178	0	0.0000	6.30
OXFORD	D0358	150,000	75,210	0.5014	6.36
PARADISE	D0399	205,000	0	0.0000	6.49
CREST	D0479	101,000	27,634	0.2736	6.49
SUBLETTE	D0374	302,162	0	0.0000	6.50
INMAN	D0448	175,000	31,693	0.1811	6.58
MOSCOW PUBLIC S	D0209	411,128	0	0.0000	6.87
SMITH CENTER	D0237	216,500	31,631	0.1461	6.95
ST FRANCIS COMM	D0297	100,000	0	0.0000	6.97
WHEATLAND	D0292	101,246	0	0.0000	7.01
LAKIN	D0215	736,225	0	0.0000	7.03
PLEASANTON	D0344	140,000	74,228	0.5302	7.11
DOUGLASS PUBLIC	D0396	370,000	239,612	0.6476	7.14
EASTERN HEIGHTS	D0324	71,500	21,328	0.2983	7.17
WOODSON	D0366	200,000	52,940	0.2647	7.22
HILLCREST RURAL	D0455	50,000	0	0.0000	7.30
PRAIRIE HEIGHTS	D0295	149,820	0	0.0000	7.45
WEST ELK	D0282	200,000	42,020	0.2101	7.48
LOGAN	D0326	100,000	17,470	0.1747	7.50
NESS CITY	D0303	145,000	0	0.0000	7.52
WAKEENEY	D0208	200,000	8,480	0.0424	7.57
UDALL	D0463	117,500	33,875	0.2883	7.59
BUCKLIN	D0459	114,072	0	0.0000	7.60
CHEROKEE	D0247	315,000	146,444	0.4649	7.87
MORRIS COUNTY	D0417	410,000	109,060	0.2660	7.90
HERNDON	D0317	37,000	0	0.0000	8.00
ULYSSES	D0214	1,882,019	0	0.0000	8.11
VERMILLION	D0380	245,000	81,585	0.3330	8.15
TROY PUBLIC SCH	D0429	189,000	111,227	0.5885	8.16
NORTH LYON COUN	D0251	175,000	56,385	0.3222	8.24
ELL-SALINE	D0307	186,834	86,224	0.4615	8.31
HOLTON	D0336	550,000	274,010	0.4982	8.34
FT LEAVENWORTH	D0207	804,263	794,210	0.9875	8.50
RIVERTON	D0404	425,000	185,130	0.4356	8.52
BAZINE	D0304	123,000	0	0.0000	8.53
LINCOLN	D0298	160,000	20,080	0.1255	8.60

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE

VALLEY FALLS	D0338	215,560	119,959	0.5565	8.64
NEMAHA VALLEY S	D0442	240,000	50,496	0.2104	8.76
BREWSTER	D0314	95,000	0	0.0000	8.95
VALLEY HEIGHTS	D0498	231,805	102,690	0.4430	8.98
BURLINGAME	D0454	197,910	101,587	0.5133	9.00
WELLINGTON	D0353	1,348,637	679,848	0.5041	9.10
NORTH OTTAWA CO	D0239	412,675	120,460	0.2919	9.13
GIRARD	D0248	550,000	268,730	0.4886	9.21
ATTICA	D0511	174,593	0	0.0000	9.28
HOXIE COMMUNITY	D0412	195,000	351	0.0018	9.36
WESKAN	D0242	90,000	0	0.0000	9.37
WABAUNSEE EAST	D0330	222,900	56,706	0.2544	9.37
LEOTI	D0467	240,573	0	0.0000	9.58
NORTHEAST	D0246	365,000	196,954	0.5396	9.59
CANEY VALLEY	D0436	363,000	214,751	0.5916	9.60
ONAGA-HAVENSUIL	D0322	164,435	32,328	0.1966	9.62
RILEY COUNTY	D0378	411,448	181,860	0.4420	9.63
MARYSVILLE	D0364	516,000	84,056	0.1629	9.72
GARNETT	D0365	500,000	108,650	0.2173	9.74
COLBY PUBLIC SC	D0315	577,500	83,276	0.1442	9.77
B & B	D0451	172,658	84,896	0.4917	9.77
HILL CITY	D0281	120,000	23,004	0.1917	9.78
CLAFLIN	D0354	202,000	87,001	0.4307	9.96
MEADE	D0226	587,375	0	0.0000	10.00
JEFFERSON COUNT	D0339	249,800	123,126	0.4929	10.04
CANTON-GALVA	D0419	252,092	40,335	0.1600	10.27
ATCHISON CO COM	D0377	328,000	85,083	0.2594	10.30
GALENA	D0499	401,550	296,384	0.7381	10.39
LOUISBURG	D0416	700,000	2,800	0.0040	10.40
KINGMAN-NORWICH	D0331	619,000	134,137	0.2167	10.42
LORRAINE	D0328	518,794	0	0.0000	10.50
RUSSELL COUNTY	D0407	752,480	198,504	0.2638	10.59
MINNEOLA	D0219	182,519	0	0.0000	10.62
COMANCHE COUNTY	D0300	465,539	0	0.0000	10.70
HUMBOLDT	D0258	290,000	75,661	0.2609	10.71
BAXTER SPRINGS	D0508	415,000	209,700	0.5053	10.72
OAKLEY	D0274	256,805	0	0.0000	10.74
HALSTEAD	D0440	425,000	93,330	0.2196	10.74
PRATT	D0382	856,041	216,664	0.2531	10.76
FLINTHILLS	D0492	178,654	35,231	0.1972	10.76
CENTRAL	D0462	210,000	95,298	0.4538	10.81
HIAWATHA	D0415	497,876	91,659	0.1841	10.90
HIGHLAND	D0425	157,000	47,273	0.3011	10.90
SKYLINE SCHOOLS	D0438	192,500	25,218	0.1310	10.91
PRAIRIE VIEW	D0362	1,415,597	0	0.0000	10.99
MARAIS DES CYGN	D0456	180,000	45,792	0.2544	11.01
OSKALOOSA PUBLI	D0341	560,375	288,425	0.5147	11.03
AUBURN WASHBURN	D0437	3,210,055	0	0.0000	11.03

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
HOISINGTON	D0431	500,000	220,000	0.4400	11.09
LEBO-WAVERLY	D0243	435,000	149,205	0.3430	11.12
MULVANE	D0263	1,114,045	678,788	0.6093	11.14
CHASE COUNTY	D0284	251,590	0	0.0000	11.14
GREENSBURG	D0422	366,000	0	0.0000	11.18
CONWAY SPRINGS	D0356	330,000	163,416	0.4952	11.24
CLIFTON-CLYDE	D0224	200,000	7,900	0.0395	11.32
DEERFIELD	D0216	381,918	0	0.0000	11.42
MADISON-VIRGIL	D0386	155,000	24,335	0.1570	11.59
LITTLE RIVER	D0444	218,049	0	0.0000	11.72
GREELEY COUNTY	D0200	205,287	0	0.0000	11.75
WHITE ROCK	D0104	150,000	0	0.0000	11.77
LIBERAL	D0480	1,300,000	435,890	0.3353	11.85
ATCHISON PUBLIC	D0409	956,888	305,343	0.3191	11.91
NICKERSON	D0309	782,764	150,682	0.1925	11.92
ARKANSAS CITY	D0470	1,975,000	1,147,475	0.5810	11.93
GARDEN CITY	D0457	4,450,138	1,616,735	0.3633	11.97
MCLOUTH	D0342	190,000	65,170	0.3430	11.99
SHAWNEE MISSION	D0512	31,799,972	0	0.0000	12.05
WAMEGO	D0320	716,050	291,934	0.4077	12.06
MANKATO	D0278	185,000	70,948	0.3835	12.09
JEFFERSON WEST	D0340	573,500	274,018	0.4778	12.10
HAVILAND	D0474	166,592	0	0.0000	12.10
NORTH JACKSON	D0335	150,000	69,285	0.4619	12.35
WASHINGTON SCHO	D0222	225,000	83,340	0.3704	12.44
AUGUSTA	D0402	1,082,000	574,217	0.5307	12.45
CLEARWATER	D0264	620,000	138,322	0.2231	12.48
SOUTH BROWN COU	D0430	422,492	230,976	0.5467	12.52
ST JOHN-HUDSON	D0350	259,072	19,301	0.0745	12.57
CHAPMAN	D0473	709,296	215,768	0.3042	12.59
LAWRENCE	D0497	10,803,151	0	0.0000	12.69
PERRY PUBLIC SC	D0343	753,385	186,990	0.2482	12.74
PLAINVILLE	D0270	530,000	143,683	0.2711	12.82
EASTON	D0449	472,319	216,369	0.4581	12.86
JUNCTION CITY	D0475	4,319,600	2,957,198	0.6846	12.87
SYRACUSE	D0494	509,122	0	0.0000	12.88
LABETTE COUNTY	D0506	1,382,368	786,153	0.5687	12.94
PITTSBURG	D0250	1,756,395	342,321	0.1949	12.97
DODGE CITY	D0443	3,115,005	1,249,740	0.4012	12.97
MARION-FLORENCE	D0408	420,000	157,836	0.3758	12.99
NEWTON	D0373	2,460,362	953,882	0.3877	13.04
CHEYLIN	D0103	150,000	0	0.0000	13.16
LACROSSE	D0395	255,000	0	0.0000	13.18
BASEHOR-LINWOOD	D0458	1,543,863	659,075	0.4269	13.19
SHAWNEE HEIGHTS	D0450	2,424,431	751,574	0.3100	13.21
WICHITA	D0259	35,888,931	6,104,707	0.1701	13.37
HANSTON	D0228	254,000	0	0.0000	13.42
EMPORIA	D0253	3,033,323	1,330,719	0.4387	13.78

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+----- 2000-01 SUPP GENERAL -----+					
DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE

ELLIS	D0388	319,000	66,129	0.2073	13.80
NORTH CENTRAL	D0221	211,000	0	0.0000	13.88
PARSONS	D0503	1,529,339	776,445	0.5077	13.90
CIRCLE	D0375	1,207,290	0	0.0000	13.94
BLUE VALLEY	D0229	18,895,630	0	0.0000	13.95
OBERLIN	D0294	296,343	2,045	0.0069	13.98
DIGHTON	D0482	299,871	0	0.0000	13.99
GOODLAND	D0352	875,000	74,025	0.0846	14.05
STAFFORD	D0349	272,943	63,023	0.2309	14.06
PAWNEE HEIGHTS	D0496	130,000	0	0.0000	14.07
OSAWATOMIE	D0367	689,725	332,585	0.4822	14.16
ASHLAND	D0220	291,970	0	0.0000	14.18
BELLE PLAINE	D0357	623,851	391,404	0.6274	14.20
JAYHAWK	D0346	409,194	117,521	0.2872	14.25
SCOTT COUNTY	D0466	719,448	0	0.0000	14.29
HERINGTON	D0487	500,229	273,475	0.5467	14.29
SMOKY HILL	D0302	118,582	1,767	0.0149	14.37
BONNER SPRINGS	D0204	2,346,244	885,942	0.3776	14.38
TONGANOXIE	D0464	1,139,916	444,111	0.3896	14.41
WACONDA	D0272	315,000	115,259	0.3659	14.47
VICTORIA	D0432	200,507	30,577	0.1525	14.71
COLUMBUS	D0493	900,000	194,760	0.2164	14.76
PAOLA	D0368	1,450,000	308,270	0.2126	14.82
INDEPENDENCE	D0446	1,531,600	487,355	0.3182	14.84
DERBY	D0260	3,550,000	1,069,970	0.3014	14.85
MILL CREEK VALL	D0329	400,000	67,400	0.1685	14.88
CHANUTE PUBLIC	D0413	1,665,000	881,784	0.5296	14.88
SABETHA	D0441	775,000	274,428	0.3541	15.07
OSWEGO	D0504	375,000	207,225	0.5526	15.09
NORTHERN VALLEY	D0212	160,000	31,392	0.1962	15.20
CHERRYVALE	D0447	462,133	259,210	0.5609	15.20
COFFEYVILLE	D0445	1,300,000	383,890	0.2953	15.21
WELLSVILLE	D0289	664,167	209,744	0.3158	15.32
PIPER-KANSAS CI	D0203	1,160,000	551,696	0.4756	15.36
WEST FRANKLIN	D0287	749,510	322,964	0.4309	15.37
NORTON COMMUNIT	D0211	578,929	271,344	0.4687	15.38
TRIPPLAINS	D0275	205,039	0	0.0000	15.45
ELKHART	D0218	831,901	0	0.0000	15.55
ROSE HILL PUBLI	D0394	1,625,063	995,026	0.6123	15.63
BLUESTEM	D0205	531,744	229,182	0.4310	15.67
COPELAND	D0476	258,901	0	0.0000	15.72
CHETOPA	D0505	245,000	136,612	0.5576	15.73
PHILLIPSBURG	D0325	539,050	176,862	0.3281	15.77
ELLSWORTH	D0327	600,000	224,400	0.3740	15.82
SILVER LAKE	D0372	636,000	321,498	0.5055	15.82
EL DORADO	D0490	1,736,290	608,049	0.3502	15.84
CHENEY	D0268	650,000	354,835	0.5459	15.91
LYONS	D0405	700,000	283,990	0.4057	15.99

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
STERLING	D0376	409,000	112,230	0.2744	16.09
MULLINVILLE	D0424	218,504	0	0.0000	16.10
ANTHONY-HARPER	D0361	728,061	229,849	0.3157	16.12
HESSTON	D0460	705,716	180,593	0.2559	16.12
BELLEVILLE	D0427	467,251	86,722	0.1856	16.20
NEODESHA	D0461	609,000	355,656	0.5840	16.21
REMINGTON-WHITE	D0206	413,293	49,347	0.1194	16.34
MONTEZUMA	D0371	412,656	0	0.0000	16.55
TURNER-KANSAS C	D0202	3,809,113	1,579,258	0.4146	16.64
ATWOOD	D0318	285,517	47,539	0.1665	16.64
OTTAWA	D0290	1,750,010	651,529	0.3723	16.66
FREDONIA	D0484	699,230	237,319	0.3394	16.67
VALLEY CENTER P	D0262	2,059,087	996,804	0.4841	16.69
SALINA	D0305	6,587,000	1,096,077	0.1664	16.74
TWIN VALLEY	D0240	535,015	240,168	0.4489	17.19
BELOIT	D0273	740,960	125,445	0.1693	17.19
MANHATTAN	D0383	4,668,270	502,773	0.1077	17.24
BUHLER	D0313	1,790,228	401,548	0.2243	17.27
CALDWELL	D0360	248,074	59,835	0.2412	17.52
CONCORDIA	D0333	944,958	373,258	0.3950	17.53
PRETTY PRAIRIE	D0311	272,000	54,890	0.2018	17.68
MOUNDRIDGE	D0423	605,000	0	0.0000	17.90
HUTCHINSON PUBL	D0308	4,181,657	1,133,647	0.2711	18.19
HEALY PUBLIC SC	D0468	209,000	5,643	0.0270	18.19
MCPHERSON	D0418	2,316,845	226,356	0.0977	18.23
KINSLEY-OFFERLE	D0347	366,976	0	0.0000	18.38
ABILENE	D0435	1,064,559	364,079	0.3420	18.49
HAYS	D0489	3,644,471	411,461	0.1129	18.50
FAIRFIELD	D0310	421,900	0	0.0000	18.54
GREAT BEND	D0428	2,383,002	873,370	0.3665	18.73
MAIZE	D0266	5,621,226	2,475,588	0.4404	18.88
SEAMAN	D0345	2,836,560	247,348	0.0872	18.99
JEWELL	D0279	161,227	0	0.0000	19.00
TOPEKA PUBLIC S	D0501	14,497,187	3,071,954	0.2119	19.10
IOLA	D0257	1,617,940	937,920	0.5797	19.14
LEAVENWORTH	D0453	3,550,376	1,230,560	0.3466	19.36
KANSAS CITY	D0500	22,056,107	9,080,499	0.4117	19.68
OLATHE	D0233	22,510,114	0	0.0000	19.74
WINFIELD	D0465	2,519,421	947,050	0.3759	19.74
SOUTHERN CLOUD	D0334	212,069	0	0.0000	19.85
CENTRE	D0397	225,000	8,820	0.0392	19.93
HAYSVILLE	D0261	4,627,166	2,751,313	0.5946	19.97
SANTA FE TRAIL	D0434	1,504,162	791,791	0.5264	20.07
FT LARNED	D0495	990,000	289,179	0.2921	20.25
NES TRE LA GO	D0301	148,598	0	0.0000	20.39
LANSING	D0469	1,841,895	857,955	0.4658	20.92
GOESSEL	D0411	350,000	135,310	0.3866	21.01
BALDWIN CITY	D0348	1,093,070	423,455	0.3874	21.43

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DISTRICT NAME	#	BUDGET	STATE AID	AID RATIO	MILL RATE
ERIE-ST PAUL	D0101	1,312,437	701,891	0.5348	21.49
WEST SOLOMON VA	D0213	164,855	0	0.0000	21.56
EUDORA	D0491	1,195,073	514,120	0.4302	21.73
FOWLER	D0225	331,672	0	0.0000	22.81
CHASE	D0401	219,982	0	0.0000	23.00
ANDOVER	D0385	3,211,188	818,853	0.2550	23.31
DURHAM-HILLSBOR	D0410	808,850	228,662	0.2827	23.32
DESOTO	D0232	3,736,247	83,318	0.0223	23.34
SPRING HILL	D0230	1,698,277	372,942	0.2196	23.45
RENWICK	D0267	2,151,424	937,806	0.4359	24.03
WEST GRAHAM-MOR	D0280	175,911	0	0.0000	24.10
GARDNER-EDGERTO	D0231	3,182,729	320,183	0.1006	24.51
BARNES	D0223	548,000	0	0.0000	24.56
BURRTON	D0369	385,000	82,236	0.2136	24.56
HAVEN PUBLIC SC	D0312	1,161,586	237,428	0.2044	25.58
QUINTER PUBLIC	D0293	513,594	181,710	0.3538	26.98
GODDARD	D0265	3,879,783	1,767,241	0.4555	27.00
ROYAL VALLEY	D0337	1,000,000	613,600	0.6136	27.04

STATE TOTALS		373,716,946	84,315,268	76.5182	3,532.89
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Kansas Farm Bureau

2627 KFB Plaza, P.O. Box 3500, Manhattan, Kansas 66505-8508 / (913) 587-6000

January 29, 2001

Rep. John Edmonds, Chair
House Taxation Committee
Statehouse, Room 171-W
Topeka, Kansas 66612

Dear Rep. Edmonds,

Thank you for the opportunity to share Kansas Farm Bureau's support for the concepts contained in HB 2008, HB 2009 and HB 2043 with you and the other members of the House Taxation Committee. As you know, HB 2008 provides a property tax exemption for property used in producing agricultural ethyl alcohol, HB 2009 provides a similar exemption for property used in producing biodiesel and HB 2043 enacts a property tax exemption for property used in dispensing E-85 motor fuel.

Kansas Farm Bureau strongly encourages increased efforts to develop, promote and utilize traditional and alternative products derived from the crops and livestock produced by our state's farmers and ranchers. Converting Kansas grown grain into renewable fuels is one such initiative. The use of crop-based fuels can reduce U.S. reliance on foreign oil, expand grain markets, improve air quality and protect water quality.

Farm Bureau policy supports consumer education, promotion efforts and tax credits to expand the production and use of crop-based alternative fuels. Although, technically the three tax bills discussed herein are tax exemptions, rather than credits, the goal of the bills appears to be that of providing incentives to increase the production, sale and use of renewable fuels. Farm Bureau has advocated for this type of initiative for many years.

Our farmer and rancher members adopted new language at their 82nd Annual Meeting this past November that urges agriculture producers to take the lead in utilizing crop-based fuels in their vehicles and machinery. Our policy also advocates the use of ethanol and biodiesel in state operated vehicles and machinery. As a means of encouraging greater retail availability of bio-fuels, our voting delegates adopted new policy language calling for all fuel marketers, including farmer cooperatives, to make ethanol blend and biodiesel fuels available to consumers. The tax exemption provided in HB 2043 is an incentive to make this happen.



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Agriculture producers need a variety of markets and uses for their Kansas-grown products. We encourage the committee to look favorably on proposals, such as the concepts contained in HB 2008, HB 2009 and HB 2043, designed to help foster and develop traditional and non-traditional uses for crops and livestock.

Thank you again for the opportunity to share the views of farmers and ranchers from across Kansas with the House Taxation Committee. If you have questions or desire further information from us, please contact us at the following numbers:

Topeka Legislative Office: 785/234-4535
Lobbyist Message Center: 785/234-5500

Sincerely,


Leslie J. Kaufman, Associate Director
Public Policy Division
Kansas Farm Bureau

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“Source State” Tax Legislation
for Investment Companies

Testimony before the Kansas House Tax Committee
January 30th, 2001
9:00 am

Mr. Chairman and members of the House Tax Committee: I want to thank you for your interest in House Bill number 2061 and for giving me the opportunity to appear before you this morning. I am John Sundeen, Chief Financial Officer for Waddell & Reed Financial, Inc..

As you may know, our company is headquartered in Overland Park, though we have offices in 14 locations throughout Kansas and in over 300 locations throughout all 50 states. Waddell & Reed has been headquartered in Kansas since 1990, when we moved here from Kansas City, Missouri. We are an investment company focused on the businesses of mutual funds and financial planning. Our market is middle Americans located in smaller metropolitan and rural communities across the country, where our advisors meet with individuals one-on-one to help them develop plans for their financial future. Our products are 43 mutual funds that have some of the best performance track records in the industry. You may not be familiar with our company because our advertising is very limited.

We are a public company with \$2.9 billion in market capitalization, listed on the New York Stock Exchange, and included in the Standard & Poors 400 stock index. Our employees and advisors total approximately 4,000 people located around the country. Of those, 725 work in Kansas.

W&R has been around since 1937, but we think of it as a new company. We have only been on our own for 2 years, since being spun-off from an Alabama insurance company in November 1998. In that time we have been successful, but there is much more that we want to accomplish. We are now able to invest in ourselves and in our community in a way that an Alabama company didn't care to. Particularly because they were so focused on insurance. We are much more interested in growing Waddell & Reed, which is in a high growth business benefiting from an aging baby boom generation moving into their peak years of investing for retirement.

Despite having \$40 B of Assets Under Management and over \$500 million of revenue a year, a company our size is only a mid-tier player in the mutual fund industry on the national scale. We are facing significant competition. Baron's magazine stated that Waddell & Reed, as a mid-tier firm will have to quote-unquote "pair-off" with another firm or quote "need to dance pretty fast to keep up with the music" of "spending heavily to build their brands, maintain expensive marketing arms and plow cash into new technology". To give you a specific example, Fidelity reportedly spends \$1.5 billion a year on technology, whereas Waddell & Reed spends around \$15 million; that is only one percent as much. Added to that kind of competition, with the recent repeal of the Glass Steagall Act at the federal level, banks are now able to get into our business as well as insurance companies, which have been able to do so for years. Kansas investment companies must grow and we must invest in our business to survive this kind of competition.

Unfortunately, our state taxes put us at a disadvantage to our competitors. As I am sure you are aware, in Kansas as in other states, banks and insurance companies have special state tax rates that are lower than regular corporations. (Waddell & Reed is taxed as a regular corporation.) In addition, 10 other states, have passed legislation, similar to what we ask you to consider today, that allows mutual fund companies to pay lower taxes. In these states, mutual fund companies pay taxes on income in proportion to how many of their customers reside in the state -- what we are calling the "source state".

Due to current Kansas tax statutes, we are essentially penalized for having our headquarters in this state. Less than ten percent of Waddell & Reed customers reside in Kansas, yet half of our income is subject to Kansas income tax. We would contend that it would be more logical to base our income taxes on where the customers reside -- which is what we are proposing. This type of legislation was passed in Missouri in 1997 and was referred to as "Source-State Taxation".

States with this type of legislation include:

- New York
- Massachusetts
- New Jersey

- Connecticut
- Rhode Island
- Maine
- Utah
- Kentucky
- Texas
- And Missouri.

It just so happens that much of the mutual fund industry is concentrated in those 10 states.

If this legislation were to be passed, it would help the mutual fund industry to invest in itself and to grow. As a Kansas resident I would think that the mutual fund industry is one of the more desirable industries to have in our state – it's clean, non-polluting, and provides stable, good-paying jobs -- so we should do what we can to attract and retain mutual fund companies. KPMG has conducted a research effort and published a research paper that supports this thesis.

Waddell & Reed plans on growing earnings between 15 and 20% per year over the long-term. Kansas will benefit from that growth. If we don't grow we might be gobbled up by a giant European bank or insurance company, which lately have been making numerous acquisitions of U.S. companies like ours.

But we are excited about our own prospects. The demographics are still great for this industry, as baby boomers are still increasing their investments for their retirement.

In a sense, we are suggesting that Kansas join us in making an investment in this industry by supporting "Source State Taxation". The bottom line is this: we suggest that Kansas mutual fund companies pay less tax on income that has a source from out-of-state customers. We appreciate any consideration you can give to what we have discussed today.

At this point I would like to introduce Brian Hall, who is a Senior Manager with KPMG, and who will offer some brief comments about their research. Brian and I will be happy to respond to any questions at the conclusion of Brian's remarks and after the hearing.

Analysis of Competitive Landscape of
Mutual Fund Industry Prepared on Behalf of
Kansas Advocates for Source-State
Legislation for Investment Advisors

Prepared by



December 18, 2000

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National Landscape

The mutual fund industry has been growing at a much faster rate than the overall economy. On a national basis, assets under management have grown at a rate in excess of 24% per year in the last three years.¹ Total assets under management approximate \$6.846 trillion as of 12/31/99.²

The industry is presently enjoying unprecedented growth as a result of a number of coinciding factors. These factors include: a prolonged bull market, a growing economy, governmental policies which promote contributions to pension plans and a larger number of net savers due to the maturing of the baby boomer generation.³

However, net cash inflows to mutual funds were significantly less in 1999 over the previous year according to the Investment Company Institute ("ICI"), an industry trade group.⁴ This means that the amount flowing into mutual funds was still a positive number, but less flowed in than in the previous year. Rationale for the decline in the overall growth rate includes the volatility of financial markets and an abundance of alternative attractive investment vehicles.

In recent years the industry has seen a few giant players arise. The biggest firms in this industry, Fidelity, Janus and Vanguard (the "Big 3"); garner approximately two-thirds of all money fund inflows. Another trend that has bearing upon the industry has been the development of mutual fund supermarkets such as Charles Schwab. A third significant development for the industry is the repeal of the Glass-Steagall Act. This repeal allows banks and other financial institutions, which were previously prohibited from selling investment products, to enter into the mutual fund industry. This will result in increased competition in an already competitive marketplace.

A mutual fund's ability to attract investors is a product of a number of factors, all of which are associated with the ultimate return the fund earns for its investors.⁵ Among such factors are the recruitment of talented fund managers to pick the right investments, the ability to efficiently market and distribute products and the reduction of costs associated with the management of the funds assets.

¹ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see table Chapter one page 2) at http://www.ici.org/pdf/00fb_ch1.pdf.

² Id.

³ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see gray text box page one) at http://www.ici.org/pdf/00fb_ch4.pdf.

⁴ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see table Chapter one page 2) at http://www.ici.org/pdf/00fb_ch1.pdf.

⁵ FREQUENTLY ASKED QUESTIONS ABOUT MUTUAL FUND FEES, (ICI, Washington, D.C.), Sept. 1998 (see text and graphs on pages 15-17) at http://www.ici.org/aboutfunds/bro_mf_fees_faq.html#EXPENSES.

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According to research performed by the ICI, fund shareholders tend to invest in funds with relatively lower costs than other funds of the same class.⁶ According to the ICI's survey, seventy-eight percent of all investor accounts are in funds that charge [management fees] less than the industry average.⁷ The ICI also notes that the larger funds have a distinct advantage over smaller funds as the larger funds maintain much lower expense ratios than their smaller counterparts.⁸ This implies that larger funds are more competitive in attracting new investment due to the economies of scale enjoyed by the larger funds.

Consequently, it has become increasingly important for small to mid-sized fund companies to reduce costs in order to remain competitive. Barron's noted that in the near term, mid-sized mutual fund companies will have to react quickly to these industry dynamics, consolidate with larger mutual fund companies, or carve out smaller niches within the mutual fund market.⁹

Kansas/Missouri Landscape

Kansas mutual fund companies have also experienced prosperity over the last five years.¹⁰ Kansas investment managers have assets under management of nearly \$58 billion, much of which is mutual funds.¹¹ There are nine different companies that control a measurable share of the market within the state.¹² These organizations employ approximately 2000 people with an average annual wage of \$47,993.¹³ This average wage is among the highest of all industry groups in the state.

Kansas mutual fund companies are expected to experience growth over the next five years, that will keep pace with the industry's growth rate at the national level. The Kansas Department of Human Resources ("KDHR") projects employment for financial management personnel to grow 19 percent each of the next five years.

In addition to the "Big three" mutual fund companies (one of which has significant Missouri ties), Kansas companies also face intense competition from Missouri domiciled companies. The state of Missouri ranks among the top ten states in the nation in mutual fund companies domiciled within its borders.

⁶ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see chapter 3 pages 30-31) at http://www.ici.org/pdf/00fb_ch3.pdf.

⁷ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see illustration on page 31) at http://www.ici.org/pdf/00fb_ch3.pdf.

⁸ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see text box on page 30) at http://www.ici.org/pdf/00fb_ch3.pdf.

⁹ Santoli, Michael, *Midlife Crisis*, BARRON'S LIPPER MUTUAL FUNDS QUARTERLY, April 10, 2000, F5-F8.

¹⁰ See attached Exhibit A labeled Assets under Management in Kansas.

¹¹ Id.

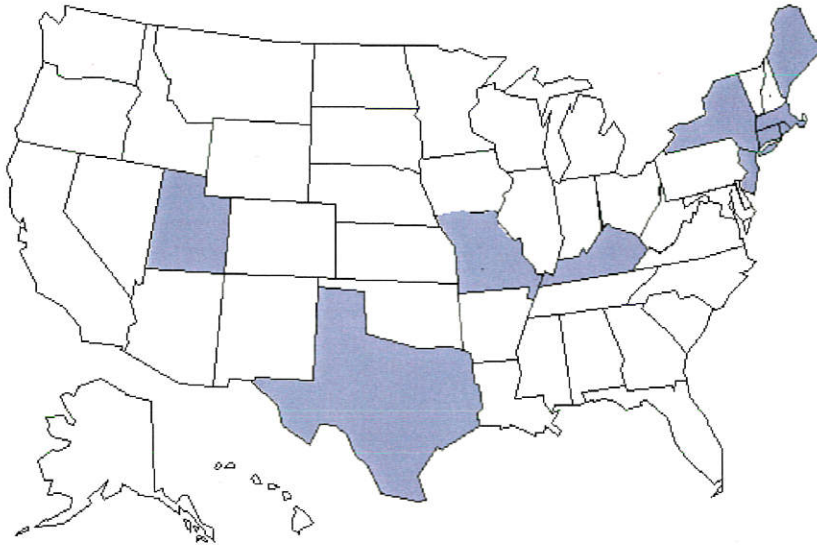
¹² Id.

¹³ 1998 Annual Employment and Wages, Kansas Labor Market Information at <http://laborstats.hr.state.ks.us/industry/aew98/kansas.htm>.

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Many of the states which have a large mutual fund presence have enacted legislation to encourage the continued growth of the industry.¹⁴ This type of legislation has been shown to precipitate growth of the mutual fund industry in these progressive states. Kansas has not yet offered similar legislation to help level the playing field for Kansas-based mutual fund companies.

Current States with Special Mutual Fund Apportionment



A level playing field will help Kansas-based mutual fund companies to compete with larger out-of-state mutual fund companies. In order to level the income tax playing field, Kansas mutual fund companies must be allowed to apportion their income differently.

Like most other industries these days the mutual fund industry is in a state of flux. Reliable industry sources predict consolidation in the industry.¹⁵ None of the Kansas-based mutual fund companies falls into the category of an industry Goliath.¹⁶ If the Kansas-based companies were acquired by these larger out-of-state companies, it is highly likely that many of the jobs now located in Kansas would be moved to another state. While the proposed tax legislation may not prevent takeovers within the mutual fund industry, it can make Kansas-based companies more competitive.

¹⁴ States that have passed legislation include: Connecticut, Kentucky, Maine, Massachusetts, Missouri, New Jersey, New York, Rhode Island, Texas and Utah. See e.g., RSMo §143.451, NY CLS Tax § 210.3(a)(6), Utah Code Ann. § 59-7-319(3).

¹⁵ See Santoli, Michael, *Midlife Crisis*, BARRON'S LIPPER MUTUAL FUNDS QUARTERLY, April 10, 2000, F5-F8.

¹⁶ See attached Exhibit A showing assets under management by Kansas-based investment managers, much of which is mutual funds.

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Present Taxation of Mutual Fund Industry in Kansas

The current scheme of taxation for a mutual fund company in the State of Kansas is described below. The income generated from its day to day business is identified as apportionable income taxable by the various states in which the company conducts business.¹⁷ The amount taxable in any given state is driven by the apportionment factor in each state. In Kansas, the apportionment factor is computed as the average of three separate factors—(1) the payroll factor, (2) the property factor & (3) the sales/gross receipts factor.¹⁸ It is the sales factor however that is key to the taxation of mutual fund companies. Under present rules in the State of Kansas, nearly all of the receipts of a Kansas-based mutual fund company are categorized as Kansas sales which increases the Kansas sales factor and thereby increases these companies' Kansas income tax liability.¹⁹

Other States' Procedures for Income Taxation of Mutual Funds

Most states begin with a three factor method of apportionment like the one Kansas uses.²⁰ However, in recent years there has been a trend towards using the single factor method of apportionment. This move to single sales factor apportionment allows market states to grab a larger percentage of the sales made into the state from businesses located outside the state.²¹

With respect to the mutual fund industry many states have seen fit to grant the industry special methods of apportionment which tend to more accurately reflect the companies activities in these states.²² The special apportionment factors granted to mutual fund companies in certain states all came about because of competitive pressures and the desire by states to attract and retain the mutual fund industry in these states. These states can be broken down into two categories.

The first category of state laws allows mutual fund companies to be taxed on a single-factor basis. Within this first category are Massachusetts, Connecticut, Rhode Island,

¹⁷ See generally 1 JEROME HELLERSTEIN and WALTER HELLERSTEIN, STATE TAXATION ¶ 9.01 (2nd Edition 1990). See attached Exhibit C demonstrating present calculation of Kansas tax liability.

¹⁸ K.S.A. § 79-3279; KAR 92-12-53 See attached Exhibit C demonstrating Kansas' current apportionment formula.

¹⁹ KAR 92-12-100 See attached Exhibit C and D illustrating the calculation of Kansas tax liability.

²⁰ See generally 1 JEROME HELLERSTEIN and WALTER HELLERSTEIN, STATE TAXATION ¶ 9.06 (2nd Edition 1990).

²¹ This trend cuts across industry lines and is not limited to the mutual fund industry.

²² See generally 1 JEROME HELLERSTEIN and WALTER HELLERSTEIN, STATE TAXATION ¶ 10.06 (2nd Edition 1990). By its very nature the apportionment concept is not designed to exactly measure income and expenses in each state. Instead, the concept of formulary apportionment is intended to approximate a company's activities and income in a state. Hence, where traditional methods of apportionment do not accomplish this objective, special methods are appropriate. Many states have now concluded that the traditional three-factor method of apportionment does not accurately reflect the activities of mutual funds domiciled in their states. For a list of states with special apportionment for mutual fund companies, see footnote 14.

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Texas, Kentucky, Maine and Missouri. However, because of the workings of the Multistate Tax Compact (MTC), the mere adoption of the single sales factor method of apportionment provides very little relief to mutual fund companies. This is because the MTC sources service income based on where the costs of performance are incurred.²³ Based upon this costs of performance test most mutual fund companies would end up with nearly all of their sales being sourced to their state of domicile since most of the costs incurred in the sale of the fund shares would be at the funds headquarters.²⁴ Thus, adoption of a single factor apportionment method alone provides little, if any tax benefit.²⁵

To prevent this result from occurring, these states have not only adopted a single sales factor method of apportionment, but have also granted the fund companies a special method of computing the sales factor numerator that does not follow the traditional MTC costs of performance test. The method for computing the sales factor adopted by these states looks through the fund sales to the state of residency of the shareholders in the underlying mutual funds.²⁶ It is this combination of single-factor apportionment coupled with shareholder based sourcing rules that would provide a truly level playing field for Kansas-based mutual fund companies. Thus, if a Kansas-based mutual fund were to sell shares to an investor in St. Louis, these sales would be sourced to Missouri and would only be placed in the denominator of the Kansas sales factor²⁷. This is the same sort of factor relief which Missouri-based mutual funds presently enjoy.²⁸

In the other category, states have opted to keep all three factors in the computation, but have adopted a special method for calculating the sales factor which excludes out-of-state sales altogether.²⁹ Thus, under this methodology, the property and payroll factors are computed normally, but the out-of-state sales are included only in the denominator of the sales factor. The in-state sales are placed in the numerator and denominator, and in-state sales are distinguished from out-of-state sales based upon the residency of the shareholders of the funds.³⁰

This methodology has been adopted by New York, New Jersey and Utah.³¹ The sales factor sourcing under this method once again sheds the MTC rule for sourcing based upon costs of performance in favor of a method that effectively excludes out-of state sales from the numerator of the apportionment factor. Under this methodology, if a New

²³ See generally 1 JEROME HELLERSTEIN and WALTER HELLERSTEIN, STATE TAXATION ¶ 9.21[3][a] (2nd Edition 1990). See attached Exhibit F.

²⁴ These headquarters costs would include accounting, marketing, payroll and other administrative costs.

²⁵ See attached Exhibit F.

²⁶ One example of this type of statutory provision can be found in Missouri at §143.451.2(5), RSMo.

²⁷ This would be the result under the proposed legislation. Under current law, this sale most likely ends up in both the numerator and denominator of the sales factor because the majority of the fund's cost of performance would be in Kansas. See attached Exhibit G.

²⁸ §143.451.2(5), RSMo.

²⁹ See NY CLS Tax § 210.3(a)(6) and Utah Code Ann. § 59-7-319(3).

³⁰ With respect to sourcing based on the underlying shareholder's state of residency, this second category of statute is identical to the first. See attached Exhibit E.

³¹ See NY CLS Tax § 210.3(a)(6) and Utah Code Ann. § 59-7-319(3).

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York based mutual fund were to sell shares to a Kansan, the sale would only appear in the denominator of the New York sales factor.³²

Missouri Legislation

In 1997, the State of Missouri passed legislation similar to that already adopted by Massachusetts and Connecticut.³³ Under the Missouri law, mutual fund companies were allowed to elect a special single-factor apportionment method.³⁴ A qualifying mutual fund can elect to be taxed based upon the residency of the mutual fund shareholder.³⁵ The 1997 legislation enabled Missouri-based mutual funds to become more competitive in the industry.³⁶

Without this mutual fund apportionment legislation, Missouri mutual fund companies could be taxed under either the single factor or three factor methods of apportionment.³⁷ However, under either of these methods, a Missouri mutual fund would have had a relatively high Missouri apportionment factor. Under the three factor method, a Missouri based company would have most of its property and payroll in Missouri. Since mutual fund companies derive revenue from the sale of services, the sales factor would be nearly 100% Missouri based on the costs of performance test.³⁸

Even though Missouri had a pre-existing single-factor method of apportionment, use of this method would not provide much tax relief to Missouri-based mutual funds.³⁹ Before the 1997 legislation, a Missouri-based fund company choosing the single factor method would still find itself with a Missouri apportionment percentage higher than fifty percent. As a service provider its sales factor would be computed using the source of income test

³²See NY CLS Tax § 210.3(a)(6).

³³ The bill passed the Missouri legislature during the 1997 legislative session and became effective on January 1, 1998.

³⁴ See also §§620.1350-1360. These sections require mutual fund companies to provide certain data to the Missouri Department of Economic development to qualify to use the special method of apportionment in §143.451.2(5).

³⁵ See § 620.1355, RSMo regarding qualification for the election.

³⁶ It should be noted that most out-of-state mutual funds were probably not materially impacted by the Missouri legislation. If these companies elected the traditional three factor method their costs of performance most likely dictated sourcing sales to Missouri customers to the States in which the funds were domiciled. If these out-of-state funds were using the Missouri single-factor method, the result would be that fifty percent of the sales to Missouri customers would most likely have been put in the numerator of the Missouri single factor apportionment factor. After the 1997 legislation, most out-of-state companies likely continued to file in Missouri using the three factor method which sources none of the sales to Missouri. Moreover, because this new method is elective, no company would choose it unless there was a benefit.

³⁷ See §§ 32.200 & 143.451, RSMo.

³⁸ This applies to the three-factor method of apportionment. Under the costs of performance test all of the revenue generated from a service is generally allocated to the state where the majority of the service providers costs are incurred in performing the service. We are assuming that a Missouri-based fund company would incur the majority of its costs of performance in Missouri on all of its sales rather than just upon sales to Missouri shareholders.

³⁹ §143.451, RSMo.

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in Missouri.⁴⁰ Since the fund company's headquarters would be located in Missouri, there would be a presumption that all sales would be included in the numerator of the sales factor at either fifty percent or 100 percent in accordance with the statutes at that time.⁴¹ Because of this treatment of Mutual Fund Industry sales, it was necessary for Missouri to enact legislation which would more accurately reflect this service industry apportionment.

Thus, until 1997, when Missouri mutual fund companies were granted the right to apportion their sales based upon shareholder domicile, Missouri mutual fund companies received little benefit from the Missouri single factor method of apportionment. It was not until the single-factor method was combined with shareholder sourcing that Missouri mutual fund companies were able to lower their state income taxes to effectively compete with companies domiciled in tax favored jurisdictions.⁴²

Proposed Treatment of Mutual Fund Industry in Kansas

Kansas should adopt legislation to put Kansas-based mutual funds on a level playing field with mutual funds located in sister states like Missouri. This level playing field is necessary to help Kansas companies to compete with their larger counterparts. Taxes paid by the mutual fund companies must ultimately be passed along to the underlying mutual funds which causes the costs associated with the funds to rise. In today's information age, consumers tend to shop around for funds with the lowest costs.

The Securities and Exchange Commission requires all costs for running a fund to be published.⁴³ The mutual fund industry is fiercely competitive, and many sophisticated consumers closely scrutinize the costs associated with each fund. These costs are important because all other things being equal, funds with lower costs will provide investors with higher returns, and it is these lower cost funds that will have a competitive advantage in the marketplace.⁴⁴

Since 1980, the average cost for running equity mutual funds has decreased by about forty percent.⁴⁵ As evidence that investors are cognizant of the costs associated with mutual funds, seventy-eight percent of all investor accounts are in funds that charge less than the industry average costs as of 2000.⁴⁶

⁴⁰ See e.g., *Wohl Shoe Company v. Director of Revenue*, 771 S.W.2d 339 (Mo banc 1989), *Dick Procter Imports, Inc.*, 746 S.W.2d 571 (Mo banc 1988).

⁴¹ See *Bank Building v. Director of Revenue*, 687 S.W.2d 168 (Mo banc 1985), *J.C. Nichols v. Director of Revenue*, 796 S.W.2d 16 (Mo banc 1990).

⁴² See footnote 14.

⁴³ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see Chapter 3 p.27) at http://www.ici.org/pdf/00fb_ch3.pdf.

⁴⁴ *Frequently asked Questions about Mutual Fund Fees*, (ICI Investor Awareness Series, Washington, D.C.), Sept. 1998 (text and graphs on pages 15-17) at http://www.ici.org/aboutfunds/bro_mf_fees_faq.html#EXPENSES.

⁴⁵ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see Chapter 3 p.30) at http://www.ici.org/pdf/00fb_ch3.pdf.

⁴⁶ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 (see Chapter 3 p.31—illustration) at http://www.ici.org/pdf/00fb_ch3.pdf.

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A single factor apportionment method with apportioned sales sourced based upon the residency of fund shareholders would put Kansas companies on the same footing as their competitors in many other states. Under this proposal sales of fund shares to Kansas residents would be placed in the numerator and denominator of the Kansas sales factor while sales to residents of other states would be placed only in the denominator of the Kansas sales factor.⁴⁷

Kansas Taxation of Other Types of Financial Institutions

Other types of financial institutions such as banks and insurance companies are already taxed based on a methodology which caters towards financial institutions. The traditional three factor method of apportionment used by the Kansas income tax was developed in an era when most businesses were manufacturing concerns.⁴⁸ As such, the three factor method does not always work very well when it is applied to a service provider such as a mutual fund company. This means that for most financial institutions, the three-factor method will either attribute too much income to a state or too little because the factors are not geared to measure the types of activities undertaken by financial institutions.

With the repeal of the Glass-Steagall Act, the mutual fund industry in Kansas will be competing not just with out-of-state mutual fund companies, but in the future banks will also be vying for a share of each saver's funds.⁴⁹ In many states, including Kansas, banks are taxed differently because state legislatures realized early on that the banking business was different than manufacturing. In Kansas the tax rate for banks is 4.375% compared with the tax rate of 7.35% imposed on other corporations.⁵⁰ As this tax rate for banks is almost 3 percentage points below the rate imposed on mutual fund companies, big out-of-state banks will be at a competitive advantage over in-state mutual funds.

Again, for Kansas based mutual funds to survive in the highly competitive world of mutual fund investing there must be a level playing field. Without providing Kansas' mutual funds with state taxation on the same basis as large out-of-state mutual funds and large out-of-state banks, the relatively smaller Kansas-based mutual funds, already at somewhat of a competitive disadvantage,⁵¹ will be even further hindered in their efforts to compete.

Practical Example of How Revenue is Taxed

For purposes of this example, the Company is based in State A, and earns \$100 of income. Of this \$100 in income, \$50 is from sales to residents in State A and \$50 is from sales to residents of State B. All of Company's sales are qualifying sales from the

⁴⁷ See Exhibit G.

⁴⁸ See generally 1 JEROME HELLERSTEIN and WALTER HELLERSTEIN, STATE TAXATION ¶ 8.06 (2nd Edition 1990).

⁴⁹ Glass -Steagall was repealed by the Gramm-Leach-Bliley Act signed into law on November 12, 1999.

⁵⁰ See K.S.A. § 79-1107 and § 79-32,110(c).

⁵¹ 2000 MUTUAL FUND FACT BOOK, (ICI, Washington, D.C.), May 2000 at http://www.ici.org/pdf/00fb_ch3.pdf

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provision of investment advisory services.⁵² All of Company's property and payroll is located in State A. Where the three-factor method is used assume that the state adopts an evenly weighted version where property, payroll and sales are each weighted one-third of the overall apportionment factor. Except in scenario two below it is assumed that the Company is a mutual fund.

Scenario 1—State A uses the Three-Factor method of apportionment⁵³

Under this scenario the apportionment factor is computed by adding together the property payroll and sales factors and dividing the sum by three.

$$\frac{\text{Property Factor (100\%)} + \text{Payroll Factor (100\%)} + \text{Sales Factor (100\%)}}{3} = 100\%$$

In this example, the property factor would be 100%, the payroll factor would be 100% and the sales factor would also be 100% because the costs of performance would be considered to be in State A. Hence 100% of the income earned by the Company will be taxed in State A even though 50% of its sales are made in State B because the majority of the costs Company incurs in making sales into State B occur at Company's headquarters in State A.⁵⁴

Scenario 2—State A uses the Three-Factor method of apportionment and Company is a manufacturer of widgets.⁵⁵

Under this scenario the apportionment factor is computed by adding together the property payroll and sales factors and dividing the sum by three.

$$\frac{\text{Property Factor (100\%)} + \text{Payroll Factor (100\%)} + \text{Sales Factor (50\%)}}{3} = 83.33\%$$

In this example, the property factor would be 100%, the payroll factor would be 100% but the sales factor would also be only 50%. For manufacturing businesses, sales are sourced based upon the location of the customer to whom the goods are shipped. Using this methodology, Company's State A sales factor will be 50% since half of its sales are to customers in State A. Hence, the overall apportionment factor for the Company would be 83.33%.⁵⁶

⁵² This relates to the requirements in other states' laws that only allows the special method of apportionment to be applied to qualifying sales. Other categories of income earned by mutual fund companies must be apportioned under the traditional methods of apportionment allowed under each state's laws.

⁵³ This is Kansas' present methodology.

⁵⁴ See Exhibit D.

⁵⁵ This is Kansas' present methodology for manufacturers.

⁵⁶ See Exhibit E. Because this company sells tangible personal property (i.e. widgets), rather than services/intangibles, Kansas sales would be those widgets shipped to Kansas. Those widgets shipped anywhere other than Kansas would be sourced to the destination state (unless subject to throw-back rules).

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Scenario 3—State A uses the Three Factor method but allows mutual fund companies to compute the sales factor based on the shareholder's residence.⁵⁷

Under this scenario the apportionment factor is computed by adding together the property payroll and sales factors and dividing the sum by three.

$$\frac{\text{Property Factor (100\%)} + \text{Payroll Factor (100\%)} + \text{Sales Factor (50\%)}}{3} = 83.33\%$$

In this example, the property factor would be 100%, the payroll factor would be 100% and the sales factor would also be 50% because the sales to customers in State A constitute 50% of Company's total sales. Hence, the apportionment factor for Company would be 83.33%.⁵⁸

Scenario 4—State A uses the Single Factor method and allows mutual fund companies to compute the sales factor based on the shareholder's residence.⁵⁹

Under this scenario there is no property or payroll factor. The sales factor numerator only includes sales to residents of state A.

$$\frac{\text{Resident Sales (\$50)}}{\text{Everywhere Sales (\$100)}} = 50\%$$

Thus, the sales factor is 50%. Here State A can only tax 50% of Company's income based on the fact that only 50% of Company's sales are to residents of State A.⁶⁰

Corporate Income Taxes As a Percentage of Kansas Tax Collections:

Corporate income taxes made up 6.3% of the overall taxes collected by the State of Kansas in 1998.⁶¹ The largest piece of the Kansas tax pie was derived from sales taxes collections followed by individual income taxes, motor fuel taxes and corporate income taxes.⁶² Together the sales tax and the individual income tax made up 77.9 percent of Kansas's overall state tax collections.⁶³

It is estimated that if this legislative proposal passes, Kansas corporate income tax collections relating to the mutual fund industry will be reduced by approximately \$4,000,000 - \$6,000,000 in the law's first full year in effect. In future years, this amount will rise and fall with the income of the mutual fund companies based in Kansas. There

⁵⁷ This is the model presently adopted by New York, New Jersey and Utah.

⁵⁸ See Exhibit E.

⁵⁹ This is the model adopted by Missouri, Massachusetts, Connecticut, Rhode Island, Texas Kentucky and Maine.

⁶⁰ See Exhibit G.

⁶¹ Kansas Department of Revenue 1998 Annual Report.

⁶² Id.

⁶³ Id.

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should not be a loss of any other type of tax directly attributable to the proposed amendment to Kansas' apportionment methodology for mutual fund companies.

As an industry that pays higher than average wages, the mutual fund industry in Kansas has an approximate payroll of \$112,000,000. Assuming an effective tax rate on these wages of 7%, this translates into \$7,800,000 of Kansas income tax paid by mutual fund employees.⁶⁴

If Kansas mutual fund companies continue to grow at rates in excess of 15%, approximately 1500 new jobs will be created in the next five years. If we can assume that the average industry wage will also follow its historical level, then the average wage in the industry in 2005 will be \$65,290. Thus, if the wage and employment data track historical norms, in the year 2005 the mutual fund industry will have Kansas employment of 3500 and an average wage of \$65,290. This translates into a projected 2005 Kansas payroll of \$228,515,000.⁶⁵ If we again assume a seven percent effective tax rate applied to this Kansas payroll the total Kansas individual income tax collections attributable to the mutual fund industry will be \$15,996,050 in the year 2005.⁶⁶

The mutual fund industry has some direct feeder industries that supply it services. Thus, there are other industries that benefit from the mutual fund industry's presence in the state of Kansas. With the growth in the mutual fund industry and the stock market, many companies are emerging to take on the "back office" accounting responsibilities for the larger mutual fund companies.⁶⁷ One of the world's largest mutual fund service providers has quadrupled in size in the past decade and anticipates the demand for their services to continue to grow.⁶⁸ As the mutual fund industry grows in Kansas, these other industries receive a benefit which in turn generates additional tax flows into the coffers of the State of Kansas.

Pending Legislation:

There is legislation pending before the Kansas legislature that would adopt the Missouri methodology for taxing mutual funds. This would put Kansas-based companies on an equal-footing with Missouri based companies which are competing for much of the same regional investment dollars. This methodology would also put Kansas-based mutual fund companies on equal footing with many other large out-of-state mutual funds. Passage of this legislation should help to insure the continued prosperity of the mutual fund industry in this state. It would be beneficial to the state of Kansas to support an industry which pays above average and wages and is not a pollution concern.

⁶⁴ \$112,000,000 payroll multiplied by 7%.

⁶⁵ 3500 employees multiplied by average salary of \$65,290.

⁶⁶ \$228,515,000 payroll multiplied by 7%.

⁶⁷ Margaret Schmitz Rizzo, A Compounding Demand: Fund Accountants Thrive as Number of Investors Grows, K.C. Star, Nov. 26, 2000 at D13.

⁶⁸ Id.

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Assets Under Management In Kansas

<u>Company</u>	<u>\$ Billion</u>
Waddell & Reed	41.5
Security Benefit (excl. Var. Ann Funds & General Acct)	6.2 * - <i>Ins. Company will not benefit</i>
Amvestors	4.0 *
InTrust (excluding Bank Assets)	3.0 * <i>Banks will not benefit</i>
Fountain Capital	1.3
Eveans Bash Magrino & Klein	0.9
Integrity	0.3
Kornitzer Capital	0.2
Ranson & Associates	<u>0.2</u>
Total	57.6

(Not all of these assets are mutual funds)

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Three Factor vs. Single Factor Apportionment

$$\text{Three Factor Apportionment} = \frac{\text{Sales Factor} + \text{Payroll Factor} + \text{Property Factor}}{3}$$

$$\text{Single Sales Factor Apportionment} = \frac{\text{KS Sales}}{\text{Everywhere Sales}}$$

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Current Computation of Kansas Tax

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$$\text{KS Current Apportionment} = \left[\frac{\text{KS Sales}^*}{\text{Everywhere Sales}} + \frac{\text{KS Payroll}}{\text{Everywhere Payroll}} + \frac{\text{KS Property}}{\text{Everywhere Property}} \right] \times \frac{1}{3}$$

* Typically determined by costs of performance and will approximate 100% for mutual fund investment managers

$$\text{Apportioned KS Taxable Income} = \frac{\text{Federal Taxable Income} \times \text{KS Apportionment Factor}}{\text{KS Apportionment Factor}}$$

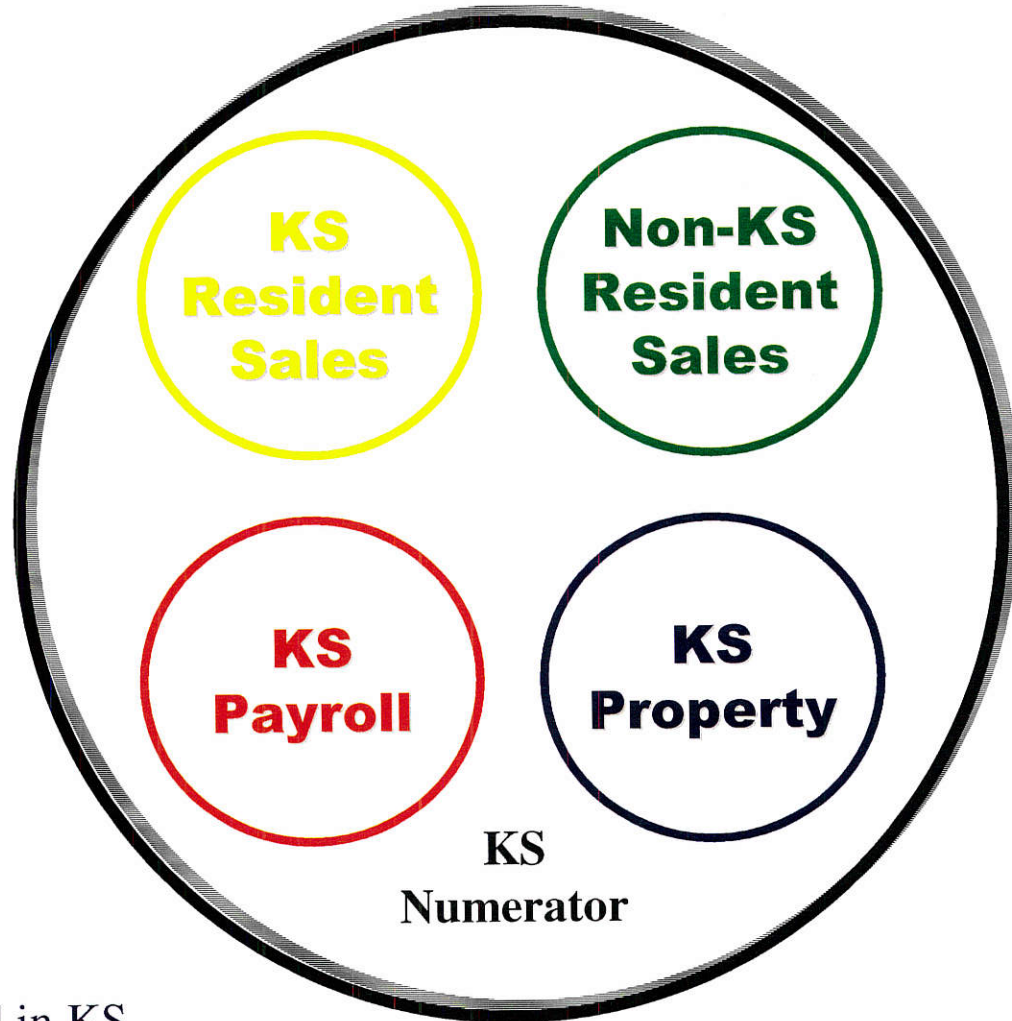
$$\text{KS Tax Liability} = \frac{\text{Apportioned KS Taxable Income} \times \text{Tax Rate}}{\text{Tax Rate}}$$

Components of Numerator of Kansas Apportionment Factor

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USING:

Traditional
Three Factor
with Costs
of
Performance*



* Present method used in KS

Exhibit D

Components of Numerator of Kansas Apportionment Factor

USING:

Modified
Three Factor
With Sourcing
Based on
Residency

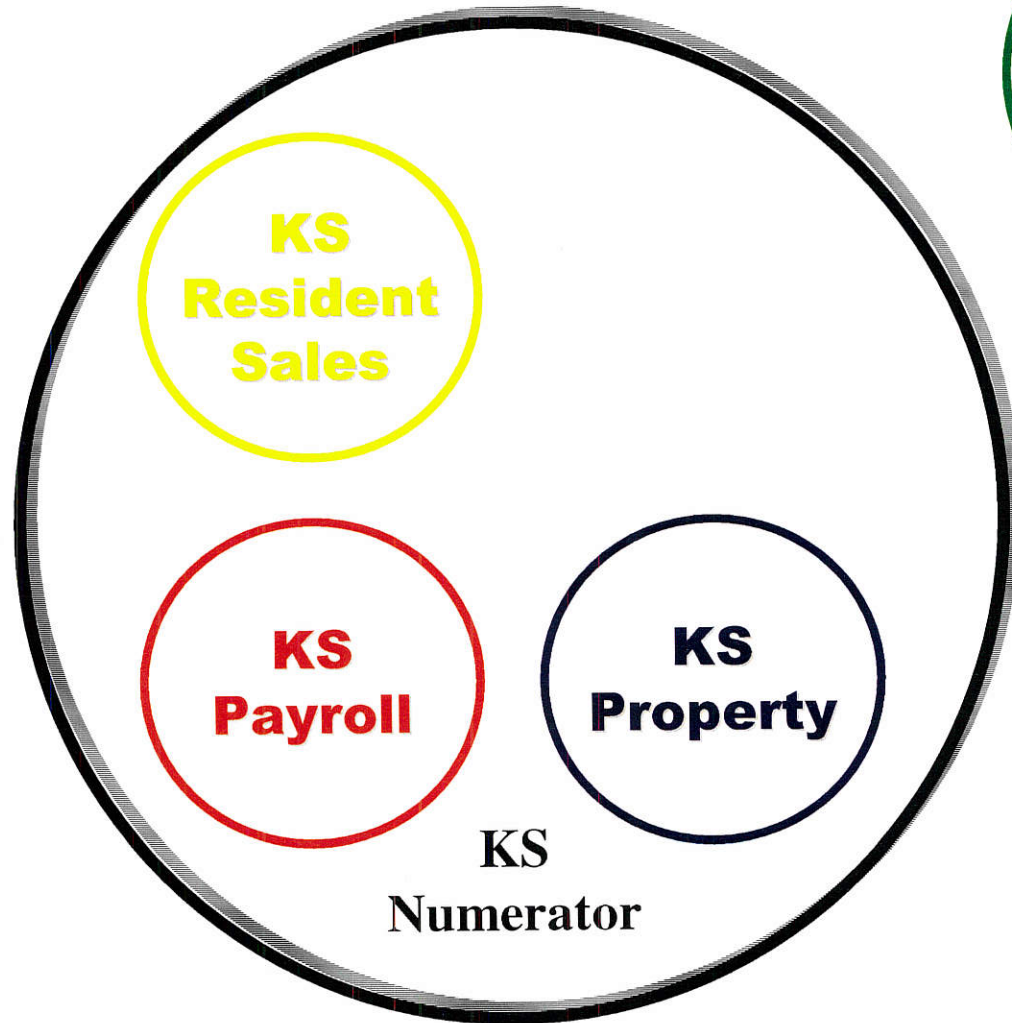


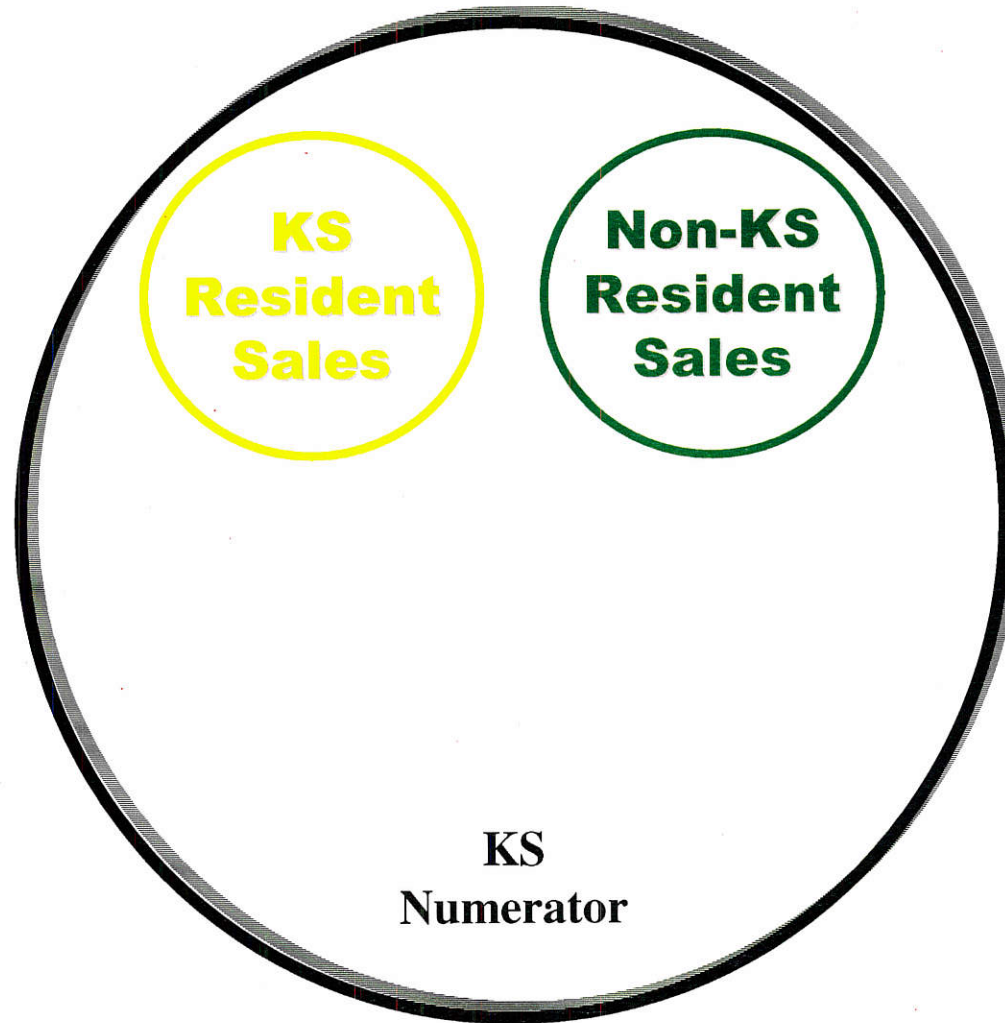
Exhibit E

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Components of Numerator of Kansas Apportionment Factor

USING:

Single Factor
With Costs
of
Performance



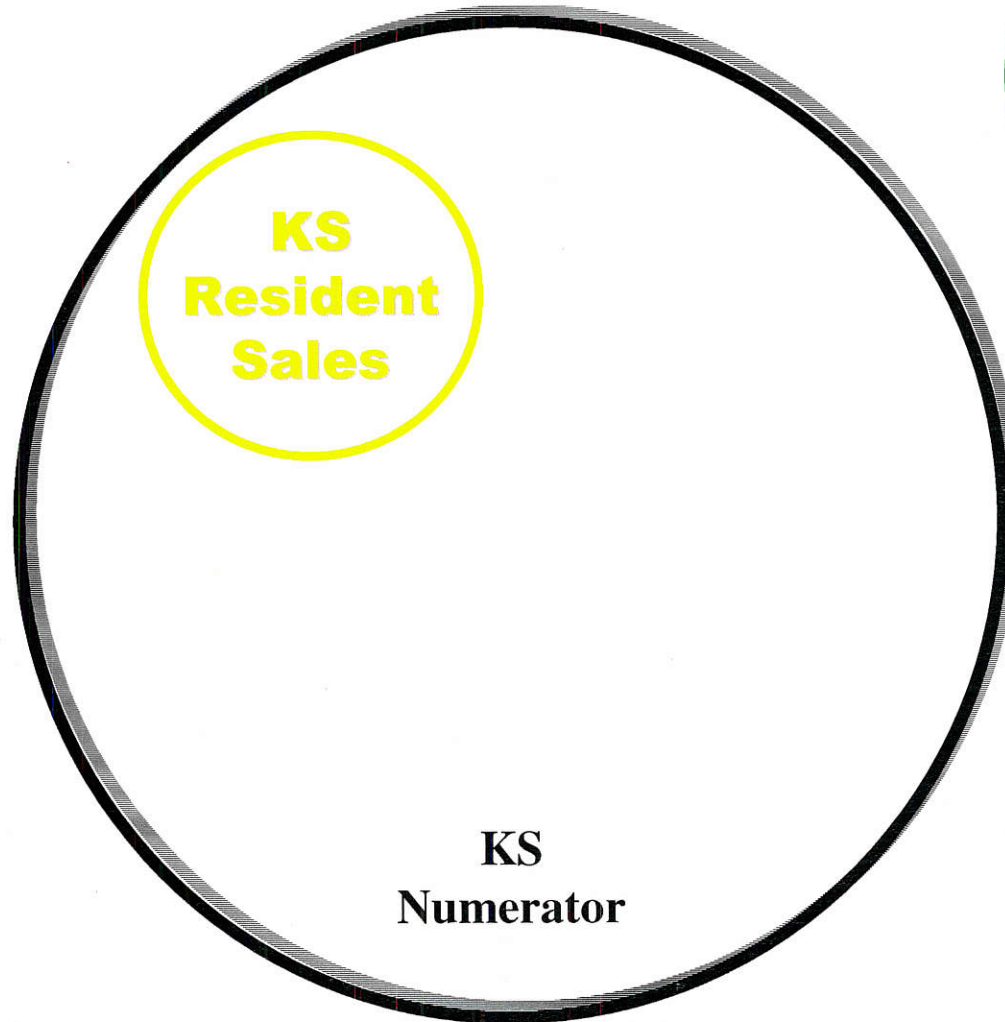
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Exhibit F

Components of Numerator of Kansas Apportionment Factor

USING:

Modified
Single Factor
With Sourcing
Based on
Residency*



**Non-KS
Resident
Sales**
Denominator
Only

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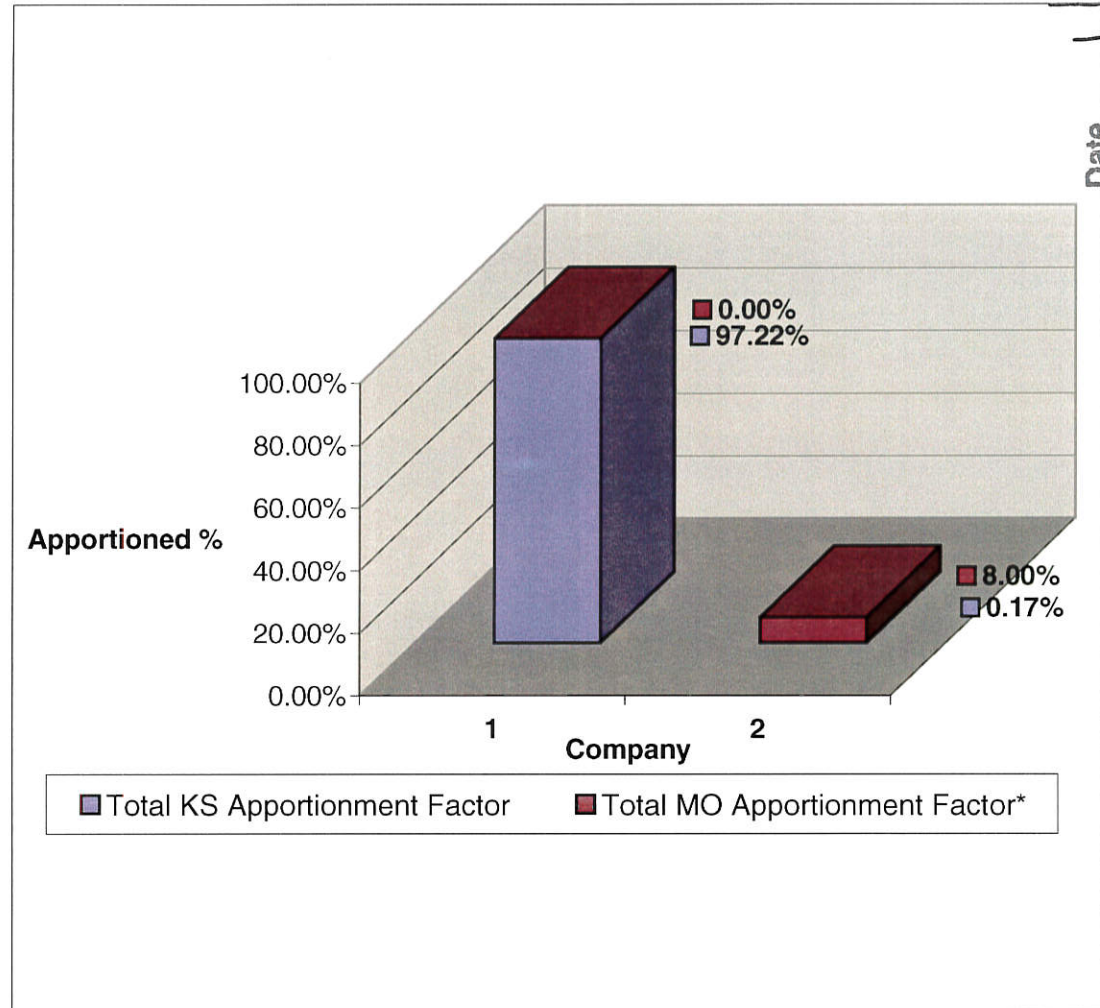
Exhibit G

* Method used in Missouri and in proposed Kansas legislation

Comparative Analysis of KS vs. MO Apportionment Methodology

	Company 1	Company 2
KS Sales	8,000,000	8,000,000
MO Sales	8,000,000	8,000,000
Everywhere Sales	100,000,000	100,000,000
KS Sales Apportionment	100.00%	0.00%
MO Sales Apportionment	0.00%	8.00%
KS Property	19,000,000	100,000
MO Property	100,000	19,000,000
All Other States Property	900,000	900,000
Everywhere Property	20,000,000	20,000,000
KS Property Apportionment	95.00%	0.50%
MO Property Apportionment	0.50%	95.00%
KS Payroll	29,000,000	0
MO Payroll	0	29,000,000
Everywhere Payroll	30,000,000	30,000,000
KS Payroll Apportionment	96.67%	0.00%
MO Payroll Apportionment	0.00%	96.67%
Total KS Apportionment Factor	97.22%	0.17%
Total MO Apportionment Factor*	0.00%	8.00%
Total Apportioned Income	97.22%	8.17%

* Computed on a single factor basis



Analysis evaluates 2 identical model Investment Management Companies
 Company A is domiciled in the state of KS
 Company B is domiciled in the state of MO
 All other states excluded as distribution is deemed to be the same

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