

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION K-12.

The meeting was called to order by Chairperson Ralph Tanner at 9:00 a.m. on March 7, 2002 in Room 313-S of the Capitol.

Committee staff present: Ben Barrett, Legislative Research Department
Jill Wolters, Revisor of Statutes
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Rep. Carlos Mayans
Rep. Jene Vickery
Pat Apple, School Board Pres., Louisburg, Ks
Winston Brooks, Supt., Wichita Public Schools
John Heim, Supt., Emporia Public Schools
Dale Dennis, Deputy Commissioner, KSDE

HB 2966 - Concerning schools; relating to school finance; relating to school facilities weighting.

Representative Carlos Mayans spoke to the Committee in support of **HB 2966**. (Attachment 1)

Dale Dennis explained the current statutory requirements regarding facilities payments for furnishings and equipping of the building. He said that the current law says that to receive new facilities weighting you have to have twenty-five percent local option budget (LOB). If you do have this and have new facilities, you get 25 percent weighting for each student that is educated in the new facility.

Next to appear in support of **HB 2966** was Winston Brooks. (Attachment 2).

Representative Jene Vickery introduced Dr. Joe Harrison, Superintendent of Schools, USD 416, Louisburg, who was present in the audience.

Pat Apple, President of the Board of Education, USD 416, Louisburg who spoke in favor of **HB 2966**. (Attachment 3).

Speaking briefly as a proponent of **HB 2966** was Mike Pomerico, Superintendent of Schools, Derby. (No attachment).

Emporia USD 253 Superintendent of Schools, John Heim, appeared in support of **HB 2966**. (Attachment 4).

Written testimony in opposition of **HB 2966** was provided by Mark Tallman, KASB. (Attachment 5).

Following a brief question and answer session, the hearing on **HB 2966** was closed.

The meeting was adjourned at 10:40 a.m. The next meeting is scheduled for Monday, March 11, 2002.

CARLOS MAYANS

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HOUSE OF
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 KANSAS FUTURES

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 ETHICS AND ELECTIONS
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 SPECIAL COMMITTEE
 ON KANSAS SECURITY

March 7, 2002

Mr. Chairman and Members of the
 Education Committee:

Current policy permits only school districts with 25% L.O.B.'s to access a weighting for new classrooms. This weighting defrays the cost of opening new schools.

All school districts opening new facilities experience increased costs. The linkage to L.O.B. usage is no longer valid and while the original intent of this weighting held true for many years, the changes in L.O.B. law have eroded the original arguments and has resulted in the unintended consequence of encouraging boards of education to increase local property taxes to secure this needed funding.

This situation has caused an unfairness issue in funding that requires immediate action. I ask you to please support **HB 2966**.

Thank you for the opportunity to present this to you.


 CARLOS MAYANS

House Education Committee

Date: 3/7/02

Attachment # 1



House Education Committee Representative Ralph Tanner, chairman

Submitted by: Winston Brooks, superintendent

March 7, 2002

Mr. Chairman, members of the committee:

Thank you for the opportunity to discuss our concerns with the committee about a specific policy within the school finance formula. This morning you will hear from Pat Apple, BOE president Louisburg; John Heim, Emporia's superintendent; and myself, representing the Wichita Public Schools. Together we will attempt to describe how the current "new facilities weighting" adversely impacts our school districts. To begin with let me review for you current policy.

Under current law to receive the new facilities weighting, school districts must:

- have full 25% LOB
- be opening new schools or new classroom space

For two years these districts receive the new facilities weighting of .25 *only* for the students attending classes in the new buildings.

The legislative history for this weighting correctly identified the additional cost school districts incur when opening new buildings, expenses beyond construction, as known as "start-up costs".

While the linkage to full LOB and new facilities may have been reasonable several years ago, we believe that link between LOB use and the new facilities is now a false premise for several reasons:

- Alterations to the LOB formula now permit districts to move to the 'average spending' for their enrollment category while avoiding protest.
- Now some school districts have reached full 25% LOBs through the averaging process. And would qualify for the weighting if they are building new schools.
- Inequities within the averaging formula:
 - the inclusion of all weightings (at-risk, bi-lingual, vocational and transportation) means districts with high weightings are mathematically slowed from reaching 25%. Wichita, with urban demographics and a rapidly growing bi-lingual population, falls behind.
 - the enrollment category includes districts from 1800 to Wichita's 49,500 students. If our enrollment category was limited to the largest districts, the average spending calculation for Wichita's would be higher.

While the original intent of this weighting held true for many years, the changes in LOB law have eroded the original arguments and has resulted in the unintended consequence of encouraging boards of education to increase local property taxes to secure this needed funding.

It is time to decouple the new facilities weighting from LOB use.

Thank you, Mr. Chairman, I would stand for questions at the appropriate time.

House Education Committee

Date: 3/7/02

Attachment # 2

March 7, 2002

State of Kansas
House Education Committee
Hearing on new facility's weighting

Dear Representatives,

My name is Pat Apple. I am currently serving as President of the Board of Education, USD #416, Louisburg, Kansas. This is my eleventh year on the board. I am an electrician by trade and co-owner of Apple Electric, Inc. We have twenty employees and have been in business since 1983. Debbie, my wife, our two daughters and myself are products of USD #416. Our daughters now attend Baker University.

This fall our district will open a new 180,000 square foot high school. Our bond issue was \$19,000,000.00. Repayment of these bonds occurs with 90% local and 10% state moneys. As in most districts that are growing, it is difficult for some people on fixed incomes to stay in a growing community. We have seen several families move south to Linn County to avoid higher property taxes and utility bills.

I am here today in support of HB2966. Briefly I would like to describe what it would mean to our district. Since the early 1990's we have been protective of our local option budget (LOB). Each year we find our district depending more on the LOB. Presently we are at 17%. To take advantage of new facility's weighting we would have to increase our LOB to 25%. This would mean an increase of about 10 Mills locally. The way the current law is written, it is an incentive to raise taxes. Most large districts can and do take advantage of new facility's weighting without the burden that would be placed on our property owners. This is due to their higher assessed valuation per student. We would much prefer not to max our LOB and create greater hardship on our local property owners. I would like to thank you for having new facility's weighting and understanding the need for such funding when opening new schools.

Thank you for your time and consideration.

Pat Apple
President, USD #416
Board of Education



House Education Committee

Date: 3/7/02

Attachment # 3

Testimony to the House Education Committee
John Heim
Superintendent, Emporia Public Schools
March 7, 2002

The Emporia community supports its school system. In November 2000, the community passed a \$35 million bond issue with 70% favoring the proposal. We are building two new elementary schools, adding on to our high school, and improving nearly all of our buildings.

At the same time, we were exploring options for furnishing and equipping our new schools. New facilities weighting is an option that was very attractive to us. The problem we faced was whether we could increase our Local Option Budget to the required 25% level. We began to make plans for that eventuality.

Last year, a new law went into effect that passed special education aid through the general fund. Emporia is the sponsoring district for the Flint Hills Special Education Cooperative. Therefore, our general fund budget was artificially inflated not just by our own special education aid, but also by the special education aid for North Lyon County, South Lyon County, Madison, Hamilton, Council Grove, and Chase County school districts. What had been a realistic financial goal became an artificially inflated moving target.

The intent of the new facilities weighting was to provide additional state support for districts that are making a significant local effort to their schools. Emporia is making a significant local effort. Our citizens are paying greater portions of their incomes to schools than taxpayers in many of our wealthier peer districts. It only seems fair that our district should be able to access the new facilities weighting on that basis alone.

But we were also preparing to play by the old rules, even though we did not consider them to be fair and equitable. Then the rules changed in the middle of the game. The target changed because we now must reach 25% of our general fund budget, plus our special education budget, and our neighbor's special education budgets.

Many sponsoring districts of special education cooperatives benefited from the additional budget authority they gained under the new law. Please do not take anything away from them after the fact. But an adjustment is needed for the few districts that were hurt by the inability to access new facilities weighting because of the change in the law.

Thank you for your consideration.

House Education Committee

Date: 3/7/02

Attachment # 4

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
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Testimony on
HB 2966 (New Facilities Weighting)

Before the
House Committee on Education

By

Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

March 7, 2002

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to testify on HB 2966, which would allow districts which have not reached the maximum 25 percent local option budget.

Our position in this measure is similar to other school finance bills introduced this session. We strongly agree with the intent of this measure. KASB believes that weighting factors should not be tied to use of the LOB. If opening new facilities results in additional costs – and there is abundant evidence that this is the case – that cost is not a local choice and funding should be made available to any district with these costs.

However, like other proposals we have commented on, we do not believe this bill should be passed in isolation. There is a wide range of critical school funding needs facing all districts. These needs have been expressed in the Kansas State Board of Education's funding plan, which our Association and the School Finance Coalition has endorsed. Obviously, no increase in funding is possible unless and until the Legislature agrees on a substantial state tax increase.

In the absence of such a tax increase, this bill would simply shift funds from most districts to provide additional funding to those districts that would qualify under the new criteria. Again, we urge this Committee to seek a comprehensive plan that meets the needs of all districts and all Kansas school children. This bill could be a part of such a plan.

Thank you for your consideration.

House Education Committee

Date: 3/7/02

Attachment # 5