

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairman Edmonds at 9:00 a.m. on February 21, 2002 in Room 519-S of the Capitol.

All members were present except: Representative Mays, excused

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

Conferrees appearing before the Committee:

Rep. Bethell  
Rep. Findley  
Rep. Huff  
Larry Magill, Kansas Association of Insurance Agents  
Dr. Edwin Church, U.S.D. 405, Lyons  
Bill Frick, Shawnee Mission Public Schools  
Bob Vancrum, Blue Valley School District  
Mark Tallman, Kansas Association of School Boards

Others Attending: See attached list.

Consideration of HB 2647 - Extending the date of nongame and endangered species expenditures tax credits.

**Representative Hutchins moved, seconded by Representative Huff, that HB 2647 be amended in Sec. 1(d) to provide it is applicable for years 2002 through 2007, in no event shall: (1) the aggregate amount of credits allowed exceed \$100,000; and (2) any taxpayer be allowed an annual credit in an amount exceeding \$2,000." Motion adopted.**

**Representative Hutchins moved, seconded by Representative Huff, to report HB 2647 favorable for passage as amended. Motion adopted.**

**Hearing was opened on**

**HB 2804 - School district finance; teacher benefit and classroom enhancement budget.**

Representative Bethell presented testimony in support of **HB 2804 (Attachment #1)** which he believes contains a concept that will restore some of the local control to the school districts of Kansas, allowing a school district by vote of the qualified voters to create a fund up to 5% of the general fund to be used for the purpose of enhancing certified teacher salary and benefits and if additional funds are available, it is permitted to use those funds for classroom enhancements. Representative Bethell questioned the Fiscal Note and has asked the Fiscal Committee to look at it.

In response to a question Representative Bethell said it was his personal belief the case for education has not been appropriately presented to the voters in the State of Kansas and consequently it has always been said, "Everything has to be equal." He is not convinced we have an equal system now nor that the system we have had since 1992 is appropriate. He believes if a school district has a case that the teachers are not getting the salaries they need, the people will be supportive. The proposed bill gives the school district and teachers in that district the opportunity to go to the people and gives the voters the opportunity to do what they believe needs to be done about teachers' salaries. He noted the purposes for which the fund could be used are specified in the bill and any increase is subject to voter approval.

## CONTINUATION SHEET

Committee members commented this seemed to create different boundary lines for local sales which does not raise much revenue when people shop in larger towns and their sales tax supports the schools where they shop. Representative Bethell responded property tax could be the choice. There were questions as to whether a school district could place a tax county wide cutting across other districts. It was pointed out that in Topeka sales taxes generated by businesses on Wanamaker Corridor go to just districts in the county.

In response to questions Representative Bethell said adequate education is an undefined term and does not think it has to be defined as equal and if schools want to enhance, they should have that opportunity.

Dr. Edwin Church, Superintendent of U.S.D. 405 in Lyons, Rice County, presented testimony in support of **HB 2804 (Attachment #2)**. U.S.D. 405 has 950 students. He said this bill would provide school districts a process to increase revenue for specific purposes of increased teacher compensation and classroom enhancements. He believes the public recognizes teachers are underpaid and taxpayers are willing to pay additional taxes if assured additional revenue will be used to increase teacher pay and benefits. He outlined the group incentive pay plan negotiated in his district with a bonus to teachers if all goals are met. Dr. Church believes **HB 2804** would be improved with two changes: (1) allowing boards to take advantage of the additional 5% budget authority without requiring an election, and (2) providing equalization aid, as with the local option budget. Dr. Church looks at education as economic development.

When asked about dropping enrollment, Dr. Church said when there were 75-80 students in each section four teachers would be needed in first grade. Three were needed when it dropped to 70, and two are still needed for 55-60. He agreed "equal" is hard to define. Patrons in his district have been supportive of schools and approved another 8 mills for a bond issue two years ago when property taxes were going up 25 mills. When asked if he believes those elected should be able to place that tax with equity, he said the seven people were elected in his district to make such decisions and could be voted out of office if there was dissatisfaction with their decisions. When asked how an election would be funded, Dr. Church said there is an election expense item in their general fund. Special bond issue elections have cost \$1,200 to \$1,400 and \$200 for ballot by mail. A reason to remove the requirement for an election is that some districts would have difficulty funding an election.

Testimony was presented in support of **HB 2804** by Bill Frick, Assistant to the Superintendent, Shawnee Mission Public Schools (Attachment #3). He outlined cuts implemented in his district and said all districts could benefit from **HB 2804**. They were able to use local option budget to say whether they want more programs or more pay for teachers. He said their health benefit costs went up 10-15% this year. Mr. Frick said two-thirds of the districts in the state are declining, have used all of the bandaids, and are capped out of everything. In response to questions about cash balance of \$32 million June 30, 2001, he explained that was for all of the funds, including capital outlay, general operating funds, special education funds, food program, etc. and not all those funds could go directly to the classroom. Summer school is self-supporting but all funds are raised before June 30. Money is included to replace the old Greenwood School for which the taxpayers approved a \$147 million bond issue. He likened the balance to the state 7.5% to avoid a cash flow problem. In response to a question, he said districts get money from the state other than base aid per pupil. He noted from the Governor's first budget there is a likelihood of an \$800 million reduction. He described the process and timetable for building school budgets. Mr. Frick said the district would support school closings although the neighborhood concept would be lost and there would be busing. District enrollment has gone from 45,000 in 980s to 25,000, back to 35,000, and now down to 29,000 plus.

Bob Vancrum presented testimony in support of **HB 2804 (Attachment #4)** on behalf of Blue Valley USD 229 which he said is the fastest growing school district in Kansas, growing each year in the 1990s by more than the size of the average Kansas school district. As a part of the School Finance Coalition, the district endorsed the state Board's proposals for funding education. He described that plan, admitting it is a daunting goal considering projected deficits even maintaining current inadequate levels of support but said it must be done to avoid having Kansas schools sink toward mediocrity and below, when by every credible standard they now rank among the nation's best.

Mr. Vancrum said rapid growth requires building and staffing before students occupy a classroom creating difficulties living within a straight headcount formula. He believes **HB 2804** should not be viewed as a permanent solution which can only come from a major painful rewrite of the finance formula or a major tax increase or both. It recognizes school districts have expenses such as health insurance and technology running much more than the inflation rate while increases granted by the legislature have been below.

## CONTINUATION SHEET

He referred to Sec. 1(b) requiring expenditures be only for benefits for certified teachers, including increase in salary if that is chosen by the board, with remaining funds to be used for classroom enhancements. He said it is the job of the legislature to set policy for the state and that if it believes the sales tax should not be included, the bill would be helpful to many school districts in Kansas if it is property tax only. He noted some districts are operating without health insurance for their employees and it is not atypical in many districts for teachers to use their own money for classroom supplies. With reference to the reserve funds, he said that money includes both interest funds, capital outlay funds, kid's lunch money and it does include contingency funds which are approximately 4% to 5% of the general fund budget.

In response to a question he said he believes permanent solutions are going to be either from a major tax increase, a major painful re-write of the school finance formula, or both and said many legislators in 1992 were not in favor of this formula because they were concerned that the state would not keep the promise to replace property tax dollars that were taken away and that unfortunately that has happened.

When questioned about the difficulty levying sales tax where school districts overlap communities and counties, he said he believes interlocal agreements would have to be established to spread the money on a per pupil basis in each county and that there would be no problem limiting the bill to the property tax choice. When the formula went into effect, the district eliminated paying busing and it has not been re-implemented.

Mr. Vancrum said if the Legislature really believes in local control, that citizens of a community should be able to supplement and buy classroom enhancements they think are appropriate, then the argument that the current formula produces equality is absurd. There are districts in the state who receive more than twice as much per pupil than in other areas of the state.

Representative Huff presented testimony in support of **HB 2804 (Attachment #5)**. He said over 50% of the 303 school districts in Kansas have declining enrollment, have maximized their LOB and most districts' school boards will determine they have insufficient general funds to run their districts in 2003. The state will not be able to fund some of our school districts adequately this next year. **HB 2804** gives citizens of an individual district, small or large, the right to vote yes or no to raise their own property or sales taxes to support their local school district. He said over 50% of districts have maximized their local option budgets.

Mark Tallman presented testimony on behalf of the Kansas Association of School Boards in opposition to **HB 2804 (Attachment #6)**. He said KASB strongly supports the goal of increasing teacher salaries and benefits and enhancing classroom instruction and strongly agrees taxes must be raised to achieve those goals. The disagreement with **HB 2804** is that rather than providing funding to allow all districts to improve teacher salaries and benefits and classroom support, it would make these benefits available only through local taxes and only with approval of local voters. He described why they believe local tax resources to support schools are inherently unequal.

Reference was made to the recent Post Audit research on percentage of funds going to the classroom. Mr. Tallman said he believed the percentage of operating budget that appeared as "instruction" was about 57%. That is not the same as "going to the classroom". Post Audit says "instruction" is only classroom teachers' salaries. Under the Post Audit methodology librarians etc. are not considered an instructional expense. Non-instructional expenses include food service, transportation, building maintenance and a number of other items that have a direct impact on classrooms. This legislature mandated school breakfast programs, a requirement by this legislature that is not included in instruction.

The position of KASB is that school districts should not be allowed to increase their taxes unless all school districts have that option and opposition to **HB 2804** is primarily based on the fact that it is not equal. They believe what the legislature needs to do first is to meet the basic funding needs of all districts.

Representative Huff referred to the 2000 census figures that eight counties in the state have 75% of the population and asked how it would equal out when 97 counties have 25% of the population.

Mr. Tallman said KASB is not saying it ought to be equal but that it is the obligation of the legislature to ensure that all districts are provided suitable funding as required by the Constitution.

## CONTINUATION SHEET

Representative Vickery said in his testimony Mr. Tallman summarizes the problem in Miami County to keep their good teachers in competing with Blue Valley which has greater resources.

Mr. Tallman said there is strong competition for teachers in the private sector in addition to the competition among districts. He does not want in any way to minimize the problems but the only concern is that addressing it in this way can make it harder for other districts to be competitive.

Representative Owens expressed difficulty understanding the definition of suitable or adequate education, and believes what is being proposed by KASB is support of a mediocrity in not allowing for excellence to be cultivated where it can be by reducing support to the lowest common denominator. He said we have some very strong schools of excellence throughout the state and is concerned that KASB should be supportive of that excellence in education if the state is to attract economic development. He said he believes it is up to every individual in the state to rise up and say that we want excellence in education, but that those places that are willing to do so should not be held hostage.

Mr. Tallman said KASB wants to support excellence throughout the state and that we should not define our excellent schools as the ones spending more than others. KASB agrees with the premise that spending more in those schools will make them better, but if spending more in some schools would make them better, they believe spending more in all schools would make them better.

Representative Osborne encouraged an approach that would assist the proponents in improving the bill.

With reference to the recent Post Audit report, Mr. Tallman was asked about percentage of support attributed to "instruction". He said those figures were only classroom teachers and did not include libraries which affect on quality of education. He noted that the academic outcome of Kansas schools--national test scores, ACT, grade rates--are better than the averages of those four states that spend more money on "instruction" and he believes some of the things money is spent on have an effect on the quality of education.

When asked if KASB would be more in support of increasing the formula than of **HB 2804**, Mr. Tallman said that as the statewide mill levy has been decreased school districts have had to raise their local option budget, providing state aid on a more equalized basis. The legislature could raise the statewide mill levy and not correspondingly raise the base which would free up general fund money. In their opinion, raising the statewide mill levy and raising the base is better than doing this alone.

Representative Larkin said the local option budget was intended to create flexibility in the local use of funding so they would have authority to spend more money if they chose. The formula was rewritten in 1992 because of the threat of court action. Those creating it had no idea that because the formula has not been adequately supported, that the local option budget would become the major support.

In response to a question whether the value of a child's education in Pittsburg was worth what a child's education was in Johnson County, Mr. Tallman said that is the concern of KASB about new locally based funding systems because local resources are not remotely equal but wanted to acknowledge there are legitimate reasons to look at such things as cost of living.

Hearing on **HB 2804** was closed.

Meeting adjourned at 10:55 a.m. Next meeting is scheduled for February 22.

GUEST LIST

DATE Feb 21, 2002

NAME	REPRESENTING
Dr. Edwin Church	USD 405 - Lyons
Bernie Koch	Wichita Area Chamber
Clint Riley	KDWP
Todd Johnson	Kansas Livestock Assn.
Bill Mack	Shawnee Mission Public Schools
Bob Vance	USD #229
Mark Tallman	KTFB
Michelle Peterson	K. Governmental Consultants
Karin Baran	Kern Law Firm
Deann Williams	KMCA
Leslie Kaufman	KFB
Karl Peterjohn	K Taxpayers Network
George Petersen	" " "
Ruben Cox	KPOB
Diane Gjerstad	Wichita Public Schools
Ron Ninkas	TOB
Harri Ann Power	KATP
John Frederick	Boeing

BOB BETHELL  
 REPRESENTATIVE, 113TH DISTRICT  
 104 E. THIRD, P.O. BOX 186  
 ALDEN, KS 67512  
 (316) 534-3085  
 FAX 316-534-3086  
 bethell@ink.org



COMMITTEE ASS. NTS  
 VICE-CHAIR, KANSAS FUTU.  
 MEMBER, APPROPRIATIONS  
 SOCIAL SERVICES BUDGET  
 STATE CAPITOL—ROOM 175-W  
 TOPEKA, KS 66612-1504  
 785-296-7693

TOPEKA

## Testimony on House Bill 2804

Chairman Edmonds and members of the House Taxation Committee. Once again I appreciate the opportunity to come to your committee and present a concept that I believe is beneficial to the citizens of Kansas. Actually I just really like coming to Tax it is on my way to Appropriations and I like all of you. Seriously let me make a few statements about House Bill 2804.

HB 2804 contains a concept that I believe will restore some of the local control to the school districts of Kansas. It has been my opinion that the funding formula of 1992 can be credited with removing much of the control and responsibility of operating schools in Kansas from the persons that are most directly affected by the operation of the school. The board of education of the local district has had much of the power and responsibility that should be theirs taken from them. We have heard that Kansas by constitution is to provide an "adequate" education, a term by the way that is undefined. I believe it is the responsibility of the state to provide an adequate education and it should be the responsibility of the local citizens to enhance the education to whatever extent they choose.

We, the legislature, have restricted the local citizens from having the opportunity to fund their schools at the level they desire. Some would say that opportunity was given to the local citizens by way of the Local Option Budget. However it can be pointed out that when the LOB, which is capped at 25% of the general funds, is used to the legal limit the citizens of the district are restricted from any voluntary additional funding of their schools.

HB 2804 will allow a school district by vote of the qualified voters to create a fund up to 5% of the general fund to be used for the purpose of enhancing certified teacher salary and benefits. If then there is additional fund available, it is permitted to use those funds for classroom enhancements.

I have Mr. Chairman seen the fiscal note provided by the Division of Budget and would take exception with the figures. It is interesting to me that setting up workstations for four persons would cost \$16,750.00 each and that it would take \$300,000.00 to \$530,000.00 to determine the physical address of a business when those businesses are currently paying property tax in the very same district. Mr. Chairman I believe that we have asked the State Agencies to "think out of the box" once too often.

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

House Tax 2-21-02  
 Attach. No. 1  
 Page 1 of 1



**LYONS  
UNIFIED SCHOOL DISTRICT 405  
510 EAST AVE. SOUTH  
LYONS, KS 67554-3804**



Dr. Edwin Church, Superintendent

**USD 405  
Focusing on improving  
student learning**

Phone: (620) 257-5196  
Fax: (620) 257-5197

**Testimony on House Bill 2804**

Chairman Edmonds and members of the House Taxation Committee, thank you for allowing me to come before you today. I am Edwin Church, Superintendent of Unified School District 405 Lyons located in Rice County.

I would ask for your favorable consideration of HB 2804. This bill would provide school districts with a process to increase revenue for the specific purposes of increased teacher compensation and additional classroom enhancements.

The public recognizes that teachers are underpaid and taxpayers are willing to pay additional taxes, if they are assured that the increased school district revenue will be used for increases in teacher pay and benefits.

In my school district, we have negotiated a group incentive pay plan that enables teachers to receive an \$800 bonus each June if all district, building, and individual goals are met. For the 2002-2003 school year, the teachers have agreed to give the Board of Education the power to advance teachers on the salary schedule in order to attract and retain quality teachers. While these provisions are "business like" and fit well into what the legislature and public have asked schools to do, they are difficult to fund with little or no increase in the base budget per pupil, little unused local option budget authority, and declining enrollment.

USD 405 Lyons is the taxing unit for the Lyons Recreation Commission and eligible employees of the Recreation Commission are covered under the school district's health insurance plan. The Recreation Commission's budget has a separate levy for employee benefits and as health insurance premiums increase, this levy can be raised to compensate. School districts have no such taxing option, but the provisions of HB 2804 would serve as means for school districts to help offset the rapidly increasing cost of health insurance by having an addition 5% of budget authority.

I believe that HB 2804 would be improved with two changes:

1. allowing the local Board of Education to take advantage of the additional 5% in budget authority without requiring an election, and
2. providing equalization aid as with the current local option budget.

Even without these two changes, I support HB 2804 because it provides the local patrons of each district with the choice of providing needed additional revenue for teacher compensation.

Thank you again, I ask for your support of HB 2804 and I will stand for questions.

House Tax 2-21-02  
Attach. No. 2  
Page 1 of 1

Mission Statement

Unified School District 405 will be accountable for providing a balanced quality education in a positive environment where each student will develop into a self-reliant, life-long learner, with the ability to meet society's challenges.



Shawnee Mission Public Schools  
Howard D. McEachen  
Administrative Center  
7235 Antioch  
Shawnee Mission, Kansas 66204-1798  
Telephone 913 993-6439

Office of the  
Assistant to the Superintendent

The Shawnee Mission School District supports HB 2804. This bill allows school districts with declining enrollment to adopt a teacher benefit and classroom enhancement budget equal to 5% of the state financial aid. This would require a vote and the funds could be collected through a property tax or sales tax. All districts could benefit from this legislation.

As you know, the base state aid per pupil has increased less than 1% per year since the new formula was adopted in 1992. Fortunately, the district was able to use local option budget authority and correlation weighting to augment the base aid. These sources no longer provide additional support to the district and therefore the prospect for the future seems to rest solely with the base state aid increases. In light of the unprecedented state deficits, it appears that the district may even see a decrease in this funding.

The district implemented \$6 million of budget reductions this year along with another \$1.5 million in savings from school closings. At the January board meeting, the district released additional cuts of \$7.3 million for 2002-03. There were about 400 people in attendance who expressed anger that so much of the state's budget is funded by Johnson Countians, yet the school district is having to make deep cuts. Tentatively, it appears that another \$8 million reduction will be required in 2003-04.

It is against this backdrop that the district supports this bill. The resources are apparently not available at the state level to provide suitable increases in the base aid. Therefore, the district respectfully asks that patrons be given the opportunity to raise funds that will prevent a further dismantling of district programs.



SHAWNEE MISSION PUBLIC SCHOOLS

**BILL FRICK**

*Assistant to the Superintendent*

Government Affairs

(913) 993-6439- FAX (913) 993-6230

Internet # BillFrick@SMSD.ORG

7235 Antioch  
Shawnee Mission, KS 66204-1798

Home: (913) 599-2612  
Cell Phone: (913) 244-7517

House Tax 2-21-02  
Attach. No. 3  
Page 1 of 1



---

TESTIMONY OF BOB VANCURM TO HOUSE TAXATION COMMITTEE  
FEBRUARY 21, 2002

---

TO: HONORABLE JOHN EDMONDS AND MEMBERS OF HOUSE TAXATION COMMITTEE  
FROM: BOB VANCURM, BLUE VALLEY USD # 229, GOVERNMENT AFFAIRS SPECIALIST  
SUBJECT: HB2804  
DATE: 02/20/02

I am here today on behalf of USD# 229, an urban district that has been the fastest growing in total pupils added in the 1990's. WE have grown by more than the size of the average Kansas school district each year throughout the 90's. We are very sympathetic to declining enrollment districts and their plight under an entirely headcount formula, but you need to understand that rapid growth also creates difficulties living within a straight headcount formula, because we need to build and staff up before the students occupy a new classroom

Our school district is part of the School Finance Coalition and as such, have endorsed the State Board's proposals for funding education. We believe they are the goals that will insure quality education for all Kansas children.

The cornerstones of that plan are:

1. Increase the Base Budget Per Pupil over three years to bring Kansas' average teacher's salary up to the national average.
2. Funding for early childhood, full day kindergarten, at risk and staff development must be increased to close the student achievement gap and make sure no student is left behind.
3. Help USD's prepare to meet the huge loss of educators to retirement that will occur as Baby Boomers reach retirement age. More than a third of Kansas teachers are 50 and older. The Bureau of Labor Statistics recently found that nearly one million educators will retire in the next 6 years nationwide. We do not have long to wait to fill this shortage.

This is admittedly a daunting goal, especially considering the huge deficits you face in even maintaining the current inadequate levels of support. But it is what must be done if we are to avoid having Kansas schools sink toward mediocrity and below. By every credible standard, Kansas schools rank among the nation's best. What is required is the political will to step forward and vote for a tax increase this year.

Nor should this be a surprise to anyone who has watched this over the last several years. The reduction in state school property taxes with the state having increased the base budget only 7.5% in 9 years has left us where we are today. You cannot take away \$500 million dollars in property taxes without finding replacement dollars to match. When we were in boom times, the growth in revenues permitted this, but not when economic growth is flat.

HB2804 should not be viewed as a permanent solution, which can only come from a major, painful rewrite of the finance formula or a major tax increase, or both. However it does recognize that school districts across this state have expenses such as health insurance and technology that are

House Tax 2-21-02  
Attach. No. 4  
Page 1 of 2

running much more than the average rate of inflation, while the increases granted by the legislature have been below the rate of inflation. This is compounded by the fact that we need to be raising teacher salaries considerably faster than the rate of inflation to attract nearly a million new teachers to the profession over the next 6 years to replace those that are retiring. If you are not going to step forward with a major tax increase this session, you should at least let citizens who are very concerned with losing the economic development advantage of quality schools vote themselves a tax increase to support their local schools if they choose to do so. That is the impact of this bill. We salute Reps. Bethel and Huff for their efforts. I'll stand for questions.

X

::ODMA\PCDOCS\CWDDOCS\52146\1

House Tar 2-21-02  
Attach. No. 4  
Page 2 of 2

## HB 2804 - School Districts Bethel & Huff Bill

The state of Kansas has 303 school districts and over 50% of these districts have declining enrollment, have maximized their L.O.B., and most districts school boards will also determine that they will have insufficient general fund expenses to run their districts in 2003. Let's face facts!

The state of Kansas will not be able to fund some of our school districts adequately this next year. HB-2804 gives the citizens of an individual school district, let me repeat individual school district, small or large, the given right to vote yes or no to raise their own property or sales taxes to support their local school district.

Representative David Huff

House Tax. 2-21-02  
Attach. No. 5  
Page 1 of 1

KANSAS  
ASSOCIATION



OF  
SCHOOL  
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024  
785-273-3600

Testimony on  
**HB 2804 (Teacher Benefit and Classroom Enhancement Budget)**  
Before the  
**House Committee on Taxation**

By

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

February 21, 2002

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to testify on HB 2804. KASB strongly supports the goal of increasing teacher salaries and benefits and enhancing classroom instruction. We strongly agree that taxes must be raised to achieve those goals. Our disagreement with HB 2804 is simply this: rather than providing funding to allow all districts to improve teacher salaries and benefits and classroom support, this bill would make these benefits available only through local taxes and only with approval of local voters.

Local tax resources to support schools are inherently unequal. There are significant differences in the local valuation per pupil on which property taxes are based. This means a district's willingness to increase local property taxes for schools is not based simply on how much education is valued. It is also based on the fact that wealthy districts can increase school funding with a lower tax effort, because they can spread the cost of their educational programs over a broader tax base.

School district sales taxes are even more inequitable, because Kansans frequently shop in places other than their community of residence. I spent over ten years serving on the school board of a district here in Shawnee County that happens to contain West Ridge Mall and other shopping centers. These commercial properties are barely across the school district line from Topeka school district. Under a local option sales tax, patrons from other districts in Shawnee County, and in northwest Kansas would be paying a higher sales tax every time they shopped on Wanamaker Road that would provide absolutely no benefit to their districts and students.

The system contained in HB 2804, a combination of local property taxes and local sales taxes would almost certainly benefit primarily those districts with high property valuations, high personal incomes and high retail sales. These areas of Kansas already tend to have some of the strongest school systems, the highest salaries and rising enrollment. This bill, in other words, would help keep our strongest schools at high levels of excellence.

House Tax 2-21-02  
Attach. No. 6  
Page 1 of 2

This is certainly a worthy goal. But the bill would do little or nothing for poor districts, rural districts and districts which are losing enrollment. It would do little to help those districts with the greatest number of economically disadvantaged and academically at-risk students.

Some will probably ask: even if this bill allows increased funding for a relatively small number of districts, how can that hurt anyone else? If the patrons of some districts are willing to tax themselves more, asking no financial assistance from the state, why should other districts object?

I think the answer is that in education, human resources are finite. If some districts are able to raise whatever resources they want, it means that they will be in the best position to attract the very best teachers and administrators. If the quality of school staff has an impact on the quality of education, every district should be able to have a reasonable chance to attract and retain excellent educators on an equitable basis.

We believe the HB 2804 is a step away from this goal. The answer is not a policy that creates islands of academic excellence in a statewide sea of schools that are struggling financially. If property taxes are the answer, the Legislature should raise the statewide mill levy to benefit all districts. If the sales tax is the answer, the Legislature should raise the state sales tax, as Governor Graves has proposed, to benefit every taxpayer's schools. Frankly, we believe it will take a balanced mix of all major taxes to meet the funding needs of schools.

Thank you for your consideration. I would be happy to respond to any questions.

House Tax 2-21-02  
Attach. No. 6  
Page 2 of 2