

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION K-12.

The meeting was called to order by Chairperson Kathe Decker at 9:00 a.m. on February 11, 2003 in Room 313-S of the Capitol.

All members were present.

Committee staff present: Carolyn Rampey, Legislative Research Department  
Kathie Sparks, Legislative Research Department  
Jill Wolters, Office of the Revisor of Statutes  
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Rep. Everett Johnson  
Rep. Tim Owens  
Rep. Dan Williams  
Fred Kaufman, Supt. USD 489  
Gary George, Asst. Supt. USD 233  
Mark Tallman, KASB

**HB 2179 - relating to members of state board of education.**

Representative Johnson appeared before the committee in support of **HB 2179**. (Attachment 1).

The hearing on **HB 2179** was closed.

Testimony on behalf of **HB 2105** was then offered by Representative Owens. (Attachments 2 and 3).

Following a question and answer session, the hearing on **HB 2105** was closed.

**HB 2178 - Increasing state prescribed percentage for purpose of local option budget.**

Representative Williams spoke as a proponent for **HB 2178**. (Attachments 4 and 5).

Fred Kaufman spoke in favor of **HB 2178**. (Attachment 6).

Gary George appeared as a proponent of **HB 2178**. (Attachment 7).

Mark Tallman testified as an opponent to **HB 2178**. (Attachment 8).

Written testimony in support of **HB 2178** was submitted by Ashley Sherard of the Lenexa Chamber of Commerce. (Attachment 9).

Diane Gjerstad, representing the Wichita schools, offered written testimony in opposition of **HB 2178**. (Attachment 10).

The meeting was adjourned at 10:35. The next meeting is scheduled for Wednesday, February 12, 2003.

# IN SUPPORT OF HB 2179

Everett Johnson  
State Rep. Dist 77

HB 2179: The repeal of K.S.A. 25-1904

K.S.A. 25-1904: Disqualification for office. No state, school district or community junior college officer or employee shall be a member of the state board of education.

At the time this statute was approved, the 19 community colleges in Kansas and state support of Washburn University were under the jurisdiction of the state BOE. The 19 community colleges and Washburn have since been placed under the jurisdiction of the state board of regents. Approval of HB 2179 will remove all restrictions on serving on the state BOE except for those given by the constitution in Article 6 Paragraph 3a: "The electors of each member district shall elect one person residing in the district as a member of the board."

Keeping in mind that the state BOE is an educational policy making board with no salary setting function for local school districts, there should be no problem with any person meeting the constitutional requirements for candidacy and serving if elected.

## **One historical application of K.S.A. 25-1904:**

The defendant in the case was elected in the Spring of 1989 to serve the remaining part of Richard Peckham's term as district 10 representative to the state BOE. On June 8, 1988 the defendant was notified that the Attorney General of Kansas had filed an action to remove him from office. The action was based on K.S.A. 25-1904 and the fact that the defendant was employed as a professor at a regents school and thus a state employee.

A Wichita attorney, Clark Owens, called the defendant and offered to defend him since he thought the restriction was unconstitutional. The defendant agreed. The case was first heard by the third district court of Shawnee County. The judge upheld the statute but indicated that if the defendant appealed to a higher court he should be allowed to continue to serve on the state BOE. The case was then heard by the in the Court of Appeals of the State of Kansas. The statute was upheld again but permission to continue serving on the board was granted if he appealed.

The case was argued by Owens before the Kansas Supreme Court during the summer of 1990. At this time the defendant had decided not to run again since he still had no final decision. The defendant continued to serve until January of 1991. Since the defendant was no longer on the state BOE, the Kansas Supreme Court ruled 6 to 1 that it was a moot case. The dissenting justice felt the appeal was not moot and that the statute was unconstitutional. His arguments pointed out that the statute forms a class of persons for whom equal protection is denied. He also asked, "Who better to serve on the state BOE than educators?" Should doctors serve on medical examination boards? Barbers on barber boards?, etc. .End of case.

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STATE OF KANSAS  
HOUSE OF REPRESENTATIVES

THOMAS C. (TIM) OWENS  
7804 W. 100th Street  
Overland Park, Kansas 66212  
(913) 381-8711



STATE REPRESENTATIVE  
19TH DISTRICT

**TESTIMONY REGARDING HB 2105**

Madam Chairperson and members of the House Education Committee, thank you for the opportunity to testify on behalf of HB 2105.

I doubt that there is any member of the House that doubts that there is a need in the State of Kansas for a review and modification of the school finance formula. There are some districts in the State that are happy with where things are because they individually benefit from the current formula. But those districts are in the minority and representatives with whom I have spoken agree that from a State perspective there are some inequities that need to be addressed. A few years ago, we as a state reacted to Judge Bullock's informal admonitions that if we did nothing to correct the imbalance in the school finance formula, he would entertain a judicial determination that our system was unconstitutional. So we reacted, and now we once again find ourselves in a posture of having to correct inequities in the system.

I have communicated with a number of people in the legislature and in the education field informally around the state and tried to determine what the issues are, that we need to address. I have concluded that we must reach a compromise that takes into account the concerns of both the urban, larger districts, and the rural, smaller districts.

**THE ISSUES**

So, what are the issues? The rural smaller districts have indicated that their primary concerns are two in nature: First, they fear that if the Local Option Budget cap were lifted, the wealthier urban larger districts would begin to widen the gap in education between the children in those districts and the children in the poorer, rural smaller districts. Second, they fear that if there is no cap on the local option budget, that when the time comes to increase the base per pupil rate, the larger wealthier districts will not vote to support it because they won't need that increase, whereas the smaller districts who have been unable to max out the local option will be in need of an increase in the base per pupil amount. I will not presume to determine whether these assumptions are right or wrong, but we all know that perceptions become reality to those who have those opinions so I have taken them to be genuine concerns that need to be addressed.

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On the other hand, the wealthier larger urban districts are frustrated in that they have the means and the desire to provide the best education possible for their children and yet are constrained by the state mandates from being able to provide the level of education that they have the ability to provide, thus depriving their children of the best that they can offer. The assumption is that the people of the district, given the opportunity to do so, would vote for the increase in education costs.

So, how do we solve the seeming impasse of these two views and try to satisfy everyone as much as we possibly can, and still meet the legal requirements of providing a suitable education for every child in Kansas?

### **WHAT HB 2105 DOES**

I have proposed in HB 2105 that we make minimal changes to the existing formula in so far as the basic levels are concerned. I do think that there needs to be consideration given to the base level in terms of the wide differential between the top and the bottom of the base per pupil allowances but the bill does not specifically address that. At any rate, the bill would leave the base per pupil level and the 25% Local Option Budget levels in effect. The significant change that the bill proposes is a third layer of Local Option, which would allow the patrons of a local school district to vote on an unlimited local option for education once the existing local option level of the 25% is reached. If the district does that however, it would require that the district pay a 25% fee into a special state fund that would be administered presumably by the state department of education. This fund would be subject to a grant format whereby any district eligible could apply for a grant for a specific funding to a grant review committee set up by the department. The reason for the grant is to provide for the districts that cannot get to the third layer, an ability to pay for needed programs that they otherwise could not afford but that the larger districts are able to provide due to the unlimited local option third tier.

Now, who would be eligible to adopt the third layer? Only those districts that reach the max of the second layer (the 25% local option layer) would be eligible to vote for the third layer access. Only those districts that max out but are unable to reach the third layer, after a sincere effort to do so, would be eligible to obtain a grant from the special grant fund. Those districts that are contributors to the grant fund would not be eligible to be recipients from it.

### **THE FISCAL IMPACT**

Recognizing the chairs admonitions that we not consider any bills in education that carry with them an increase in the fiscal impact, I believe that the proposal in HB 2105 will have no additional impact over what we currently have. First of all, there would be no state match for the third layer local option budget. It would be totally locally funded. The only possible impact would be if more school districts decided that in order to avail themselves of the special fund, they would go ahead and get to the second layer local option 25% cap. If that were to prove to be an incentive to too many districts it would increase the amount of state match over what is currently paid and



therefore be an increase in the state budget although no more so than if the districts achieved that level under the current plan. So technically there would be no fiscal increase with HB 2105. There might be a small amount of administrative cost to setting up the administration of the special fund but little else would appear to be necessary.

In my opinion, madam chairperson and committee, this bill would address the concerns of both the smaller rural districts as well as the frustrations of the larger urban districts with the least amount of impact on the state and the least amount of change to the districts in their administration.

Thank you again for the opportunity to present this bill to you. I will be happy to stand for questions.

Session of 2003

**HOUSE BILL No. 2105**

By Representative Owens

1-29

AN ACT concerning school districts; relating to an additional enhance-  
ment budget.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. (a) The board of education of any district may adopt an additional enhancement budget in each school year if the district is at the district's maximum prescribed percentage of the local option budget pursuant to K.S.A. 72-6433, and amendments thereto.

(b) (1) Subject to the provisions of paragraph (2), the adoption of an additional enhancement budget under authority of this subsection shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

(2) In lieu of utilizing the authority granted by paragraph (1) for adoption of an additional enhancement budget, the board of a district may pass a resolution authorizing adoption of such a budget and publish such resolution once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. \_\_\_\_\_,  
\_\_\_\_\_ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt an additional enhancement budget in each school year for a period of time not to exceed \_\_\_\_\_ years in an amount not to exceed \_\_\_\_\_% of the amount of state financial aid determined for the current school year. The additional enhancement budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether adoption of the additional enhancement budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board

1 therein or credited thereto according to law.

2 (2) Amounts in the additional enhancement fund may be expended  
3 for any purpose for which expenditures from the general fund are au-  
4 thorized or may be transferred to the general fund of the district or to  
5 any program weighted fund or categorical fund of the district.

6 (d) The proceeds from the tax levied by a district under the authority  
7 of this section shall be deposited in the additional enhancement fund of  
8 the district. An amount equal to ~~33%~~ of all moneys credited to the ad-  
9 ditional enhancement fund of the district shall be remitted to the state  
10 treasurer. Upon receipt of any such remittance, the state treasurer shall  
11 deposit the same in the state treasury to the credit of the state additional  
12 enhancement budget fund, which is hereby created. All expenditures  
13 from the state additional enhancement budget fund shall be made in  
14 accordance with appropriation acts upon warrants of the director of ac-  
15 counts and reports issued pursuant to vouchers approved by the state  
16 board of education or by a person or persons designated by the board.

25%

17 Sec. 2. (a) In each school year, the board of every district that has  
18 adopted an additional enhancement budget may levy an ad valorem tax  
19 on the taxable tangible property of the district for the purpose of financing  
20 the district's additional enhancement budget.

21 (b) The proceeds from the tax levied by a district under authority of  
22 this section shall be deposited in the additional enhancement fund of the  
23 district.

24 (c) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-  
25 1964b, and amendments thereto.

26 (d) The provisions of this section shall take effect and be in force  
27 from and after July 1, 2003.

28 Sec. 3. (a) The board of education of a school district may apply for  
29 a grant from the state additional enhancement budget fund for any ed-  
30 ucational purpose the district deems necessary. To be eligible to receive  
31 a grant from such fund, the board of education shall be at the district's  
32 maximum prescribed percentage of the local option budget pursuant to  
33 K.S.A. 72-6+33, and amendments thereto.

34 (b) The board of education of a school district shall submit to the  
35 state board of education an application for a grant and a description of  
36 the use of funds. The application and description shall be prepared in  
37 such form and manner as the state board shall require and shall be sub-  
38 mitted at a time to be determined and specified by the state board.

39 (c) The state board of education shall adopt rules and regulations for  
40 the administration of the additional enhancement grant program and  
41 shall:

42 (1) Establish standards and criteria for evaluating and approving ap-  
43 plications of school districts for grants;



TOPEKA

**DAN WILLIAMS**

REPRESENTATIVE, 14TH DISTRICT

OLATHE

Testimony – House Bill 2178  
House Education Committee  
February 11, 2003

DURING SESSION:

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Madame Chair and members of the Education Committee, thank you for the opportunity to speak on what I believe to be one of the most important issues of the 2003 Legislative Session. I will not tell you that House Bill 2178 will save our public schools from the dire financial straits our state faces. However, this bill is a much needed and thoroughly proper temporary solution for many of our districts.

HB 2178 allows local school districts to increase their local option budgets (LOB) above the current cap of 25% by 2% per year for a total of five years. Thus, a district could adopt a 27% cap for 2003-2004, a 29% cap for 2004-2005, a 31% cap for 2005-2006, a 33% cap for 2006-2007, and a 35% cap for 2007-2008.

There are a variety of purposes for a step increase over multiple years. First, by allowing reasonable increases per year, we protect Kansas taxpayers from those who might seek to dramatically and unnecessarily increase local taxes. Second, extending this increase over five years gives our state economy a chance to rebound to the point where we can make significant improvements in educational funding at the state level. Third, an increase over five years gives us time to fully evaluate our current funding system and formula.

When I first entered the Legislature in 2001, I asked Dale Dennis to provide for me a list of school districts that were at the LOB cap of 25%. At that time, only 19 of 304 districts were at 25%. Last month when I asked for the same information in 2003, I was surprised to see 61 districts at the cap maximum.

The following statistics should show the need for increasing the LOB cap statewide. It is no longer a Johnson County issue or an elite school district issue. Today, it is a Kansas issue. 106 out 125 House members represent at least part of a school district that is at the cap maximum. In the Senate, that number is 38 out of 40. In fact, according to the information I have received, every single member of this committee represents at least part of a school district at the cap maximum.

Today, 258,000 Kansas students (based on FTE reporting) attend school in a district at the cap maximum. This represents 58% of all Kansas students. And this does not even

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consider the school districts that are above 20% on the LOB. Districts in this range include, among others, Independence, Hutchinson, Augusta, and Junction City. Barring dramatic changes in state funding, it would not be surprising to see many of these districts hit the cap within the next two to three years.

If every school district in the state increased their LOB by 2%, it would result in an average increase of funding per pupil of \$112. For reference, the largest increase in the base state aid per pupil (BSAPP) since the current finance formula was implemented in 1992 is \$50 per pupil.

In past years there have been a couple of significant arguments against increasing the LOB cap. The first argument is that allowing some school districts to increase local funding, a distinctive inequity will occur between those districts and others throughout the state. While this argument may have had some validity when only 19 districts were at the cap maximum, it has less and less validity now that 61 districts are at the maximum, and many more are nearby.

The second argument is that by allowing too great a gap between higher funded districts and lower funded districts might jeopardize federal funds received by some districts. The key word here is "might." It was uncertain two years ago if the federal funding would be in jeopardy and it is even more unlikely now that the majority of Kansas students are in school districts at the cap maximum.

This bill will allow every single district, 303 in all, to increase their LOB cap by 2%. The key here is that each district, and its patrons, have a choice. It should not be our position as a Legislature to limit achievement. If we are unable to significantly improve state funding, which I believe we are, the least we can do is allow districts alternative options.

House Bill 2178 gives local school districts the opportunity to make important spending decisions with reasonable alternatives at their disposal. It also gives the patrons of any district an opportunity to dispute a board's decision, and even force a community vote on any LOB increase.

It is my belief that not all school districts need to significantly increase funding, either state or local. But I am not about to suggest that I, or we, could possibly know better than 303 local school boards and their patrons what each district should do.

Please do what is right for our schools, our teachers, and most importantly, our children. Please support the only chance we are likely to have this year to significantly help our public schools. Please support House Bill 2178.

Thank you.

Dan Williams



District #	District Name	Sept. 2002	General Fund	LOB \$	LOB %	2% LOB	2% LOB
		FTE				Increase	Increase
						in \$	Per FTE
101	Erie-St. Paul	1,087.5	7,010,558	1,631,604	23.27	140,211	129
102	Cimarron-Ensign	670.4	4,333,071	300,000	6.92	86,661	129
103	Cheylin	171.5	1,587,120	150,000	9.45	31,742	185
104	White Rock	129.5	1,360,722	340,181	25	27,214	210
200	Greeley County	299.0	2,236,750	220,796	9.87	44,735	150
202	Turner	3,645.5	18,396,588	4,599,147	25	367,932	101
203	Piper	1,271.5	7,150,987	1,787,747	25	143,020	112
204	Bonner Springs	2,142.0	11,035,930	2,758,983	25	220,719	103
205	Leon	733.3	5,046,497	800,000	15.85	100,930	138
206	Remington-Whitewater	545.5	3,766,687	621,503	16.5	75,334	138
207	Ft. Leavenworth	1,862.7	9,132,164	1,826,433	20	182,643	98
208	WaKeeney	390.0	3,190,189	255,000	7.99	63,804	164
209	Moscow	256.5	1,855,141	463,785	25	37,103	145
210	Hugoton	978.9	5,874,289	1,143,951	19.47	117,486	120
211	Norton	731.0	4,655,941	686,266	14.72	93,119	127
212	Northern Valley	168.5	1,531,104	190,000	12.41	30,622	182
213	West Solomon	65.5	657,021	164,255	25	13,140	201
214	Ulysses	1,682.4	8,662,641	2,165,660	25	173,253	103
215	Lakin	701.5	4,634,157	1,158,539	25	92,683	132
216	Deerfield	329.3	2,443,698	610,925	25	48,874	148
217	Rolla	237.0	1,897,153	474,288	25	37,943	160
218	Elkhart	635.5	3,967,411	991,853	25	79,348	125
219	Minneola	264.8	1,970,285	326,000	16.55	39,406	149
220	Ashland	245.1	1,954,725	338,167	17.3	39,095	160
221	North Central	119.0	1,248,690	225,000	18.02	24,974	210
222	Washington	335.0	2,519,553	500,000	19.84	50,391	150
223	Barnes	365.8	2,779,405	640,000	23.03	55,588	152
224	Clifton-Clyde	339.5	2,445,254	275,000	11.25	48,905	144
225	Fowler	174.1	1,503,874	375,969	25	30,077	173
226	Meade	484.4	3,257,486	641,500	19.69	65,150	134
227	Jetmore	311.5	2,393,906	200,000	8.35	47,878	154
228	Hanston	132.0	1,186,450	296,613	25	23,729	180
229	Blue Valley	17,753.9	98,693,968	24,673,492	25	1,973,879	111
230	Spring Hill	1,494.0	8,379,449	2,094,862	25	167,589	112
231	Gardner-Edgerton	3,055.7	16,057,531	4,014,383	25	321,151	105
232	DeSoto	3,891.3	20,690,521	5,172,630	25	413,810	106
233	Olathe	20,996.7	108,049,807	27,012,452	25	2,160,996	103
234	Ft. Scott	1,982.7	9,838,755	1,641,950	16.69	196,775	99
235	Uniontown	462.0	3,396,359	206,100	6.07	67,927	147
237	Smith Center	492.1	3,680,718	430,000	11.68	73,614	150
238	West Smith County	200.5	1,744,276	77,031	4.42	34,886	174
239	North Ottawa County	617.1	4,482,058	448,205	10	89,641	145
240	Twin Valley	623.5	4,412,427	866,159	19.63	88,249	142
241	Wallace	247.7	1,969,896	66,895	3.4	39,398	159
242	Weskan	125.5	1,281,366	107,000	8.35	25,627	204



District #	District Name	Sept. 2002	General Fund	LOB \$	LOB %	2% LOB	2% LOB
		FTE				Increase	Increase
						in \$	Per FTE
243	Lebo-Waverly	581.5	3,883,387	545,000	14.03	77,668	134
244	Burlington	844.5	5,659,561	1,414,890	25	113,191	134
245	LeRoy-Gridley	303.5	2,193,571	158,000	7.2	43,871	145
246	Northeast	547.0	3,686,553	390,000	10.58	73,731	135
247	Cherokee	820.0	5,232,828	550,000	10.51	104,657	128
248	Girard	1,071.0	6,325,529	825,000	13.04	126,511	118
249	Frontenac	727.5	4,482,058	112,000	2.5	89,641	123
250	Pittsburg	2,434.1	12,029,825	2,448,069	20.35	240,597	99
251	North Lyon County	691.0	4,645,049	399,920	8.61	92,901	134
252	Southern Lyon County	584.5	4,231,931	180,012	4.25	84,639	145
253	Emporia	4,755.2	24,012,581	4,711,262	19.62	480,252	101
254	Barber County	627.0	4,333,071	250,000	5.77	86,661	138
255	South Barber County	291.5	2,363,175	150,000	6.35	47,264	162
256	Marmaton Valley	382.5	2,974,294	114,800	3.86	59,486	156
257	Iola	1,476.7	8,453,748	1,850,000	21.88	169,075	114
258	Humboldt	543.5	3,763,964	445,000	11.82	75,279	139
259	Wichita	45,700.3	238,244,217	59,561,054	25	4,764,884	104
260	Derby	6,474.3	32,039,596	8,009,899	25	640,792	99
261	Haysville	4,289.7	21,182,606	5,295,652	25	423,652	99
262	Valley Center	2,295.3	11,281,389	2,510,109	22.25	225,628	98
263	Mulvane	1,901.5	8,907,711	1,826,354	20.5	178,154	94
264	Clearwater	1,235.6	6,777,936	1,332,500	19.66	135,559	110
265	Goddard	3,760.0	19,786,485	4,946,621	25	395,730	105
266	Maize	5,389.4	27,586,324	6,896,581	25	551,726	102
267	Renwick	1,939.5	10,000,801	2,500,200	25	200,016	103
268	Cheney	749.1	4,800,649	990,000	20.62	96,013	128
269	Palco	152.0	1,480,145	370,036	25	29,603	195
270	Plainville	384.4	2,694,992	480,000	17.81	53,900	140
271	Stockton	374.1	2,828,030	122,591	4.33	56,561	151
272	Waconda	463.7	3,444,206	500,000	14.52	68,884	149
273	Beloit	757.0	4,704,566	1,176,142	25	94,091	124
274	Oakley	418.3	3,388,579	436,449	12.88	67,772	162
275	Triplains	86.0	903,647	200,000	22.13	18,073	210
278	Mankata	243.5	1,883,538	247,000	13.11	37,671	155
279	Jewell	182.5	1,499,206	258,000	17.21	29,984	164
281	Hill City	433.4	3,737,348	245,000	6.56	74,747	172
282	West Elk	453.2	3,446,540	225,000	6.53	68,931	152
283	Elk Valley	210.0	1,948,890	23,000	1.18	38,978	186
284	Chase County	459.3	3,415,031	544,061	15.93	68,301	149
285	Cedar Vale	194.0	1,670,755	27,880	1.67	33,415	172
286	Chautauqua	455.1	3,372,241	230,000	6.82	67,445	148
287	West Franklin	915.5	6,115,080	1,061,811	17.36	122,302	134
288	Central Heights	640.5	4,333,849	88,300	2.04	86,677	135
289	Wellsville	764.5	5,001,373	1,055,000	21.09	100,027	131
290	Ottawa	2,398.9	11,391,865	2,734,048	24	227,837	95

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						2% LOB	2% LOB
		Sept. 2002				Increase	Increase
District #	District Name	FTE	General Fund	LOB \$	LOB %	in \$	Per FTE
291	Grinnell	127.5	1,305,484	39,200	3	26,110	205
292	Grainfield	178.5	1,651,694	106,000	6.42	33,034	185
293	Quinter	371.5	2,765,790	691,448	25	55,316	149
294	Oberlin	452.0	3,512,281	460,460	13.11	70,246	155
295	Prairie Heights	73.0	886,920	179,000	20.18	17,738	243
297	St. Francis	392.8	2,949,009	340,000	11.53	58,980	150
298	Lincoln	390.6	2,890,270	386,000	13.36	57,805	148
299	Sylvan Grove	163.0	1,391,453	42,000	3.02	27,829	171
300	Comanche County	293.5	2,364,342	591,000	25	47,287	161
301	Nes Tres La Go	37.0	495,197	123,799	25	9,904	268
302	Smoky Hill	125.0	1,172,057	212,070	18.09	23,441	188
303	Ness City	271.3	2,100,211	172,000	8.19	42,004	155
304	Bazine	89.0	900,924	190,300	21.12	18,018	202
305	Salina	7,319.5	38,812,086	9,729,980	25.07	776,242	106
306	Southeast of Saline	653.5	4,348,242	302,625	6.96	86,965	133
307	Ell-Saline	442.6	3,091,383	416,718	13.48	61,828	140
308	Hutchinson	4,680.0	22,030,545	5,028,838	22.52	440,611	94
309	Nickerson	1,172.6	7,124,146	982,764	13.79	142,483	122
310	Fairfield	378.5	2,977,795	446,669	15	59,556	157
311	Pretty Prairie	321.5	2,343,725	380,000	16.21	46,875	146
312	Haven	1,086.4	1,086	6,637,118	20.48	22	0
313	Buhler	2,151.8	11,420,262	2,587,017	22.65	228,405	106
314	Brewster	152.6	1,432,298	166,000	11.59	28,646	188
315	Colby	1,041.7	6,281,183	1,020,000	16.24	125,624	121
316	Golden Plains	183.0	1,610,849	81,000	5.03	32,217	176
317	Herndon	84.0	918,040	120,000	13.07	18,361	219
318	Atwood	330.5	2,456,146	614,037	25	49,123	149
320	Wamego	1,338.0	7,560,604	1,070,000	14.15	151,212	113
321	Kaw Valley	1,075.1	6,853,791	1,713,448	25	137,076	128
322	Onaga	372.5	2,659,593	230,000	8.65	53,192	143
323	Westmoreland	743.7	5,092,399	445,000	8.74	101,848	137
324	Eastern Heights	163.0	1,562,613	148,000	9.47	31,252	192
325	Phillipsburg	642.5	4,259,550	970,000	22.77	85,191	133
326	Logan	198.0	1,755,557	100,322	5.71	35,111	177
327	Ellsworth	640.8	4,369,248	800,000	18.31	87,385	136
328	Lorraine	489.0	3,465,990	650,000	18.75	69,320	142
329	Mill Creek Valley	511.7	3,783,803	548,000	14.48	75,676	148
330	Wabaunsee East	493.1	3,788,860	382,675	10.1	75,777	154
331	Kingman	1,180.0	7,098,083	1,042,000	14.68	141,962	120
332	Cunningham	275.0	2,305,992	310,000	13.44	46,120	168
333	Concordia	1,165.0	7,233,844	1,396,855	19.31	144,677	124
334	Southern Cloud	196.9	1,679,702	322,571	19.2	33,594	171
335	North Jackson	423.0	3,040,424	325,000	10.69	60,808	144
336	Holton	1,139.0	6,513,805	1,095,000	16.81	130,276	114
337	Mayetta	905.0	5,667,341	1,100,000	19.41	113,347	125

						2% LOB	2% LOB
		Sept. 2002				Increase	Increase
District #	District Name	FTE	General Fund	LOB \$	LOB %	in \$	Per FTE
338	Valley Halls	432.0	3,020,585	337,500	11.17	60,412	140
339	Jefferson County	517.5	3,493,609	466,000	13.34	69,872	135
340	Jefferson West	958.0	5,793,377	1,130,878	19.52	115,868	121
341	Oskaloosa	666.8	4,685,505	741,715	15.83	93,710	141
342	McLouth	544.2	3,805,976	480,000	12.61	76,120	140
343	Perry	1,001.0	6,304,523	1,411,724	22.39	126,090	126
344	Pleasanton	398.0	2,766,957	300,000	10.84	55,339	139
345	Seaman	3,339.2	16,659,314	3,780,000	22.69	333,186	100
346	Jayhawk	613.1	4,121,455	702,708	17.05	82,429	134
347	Kinsely-Offerle	290.5	2,179,567	348,731	16	43,591	150
348	Baldwin City	1,305.9	7,418,619	1,854,655	25	148,372	114
349	Stafford	328.3	2,427,749	452,910	18.66	48,555	148
350	St. John-Hudson	460.5	3,125,615	395,000	12.64	62,512	136
351	Macksville	277.0	2,220,801	200,000	9.01	44,416	160
352	Goodland	1,013.5	6,420,834	1,040,000	16.2	128,417	127
353	Wellington	1,702.5	9,052,419	1,865,855	20.61	181,048	106
354	Clafin	319.6	2,381,847	275,978	11.59	47,637	149
355	Ellinwood	532.1	3,701,724	244,000	6.59	74,034	139
356	Conway Springs	545.7	3,746,848	525,000	14.01	74,937	137
357	Belle Plaine	800.5	5,419,159	1,065,000	19.65	108,383	135
358	Oxford	390.5	2,767,735	382,500	13.82	55,355	142
359	Argonia	238.0	1,847,361	50,000	2.71	36,947	155
360	Caldwell	301.5	2,209,909	332,875	15.06	44,198	147
361	Anthony-Harper	973.5	6,495,911	1,265,500	19.48	129,918	133
362	Prairie View	984.5	6,196,770	1,474,280	23.79	123,935	126
363	Holcomb	877.5	6,053,618	1,513,405	25	121,072	138
364	Marysville	842.9	5,557,643	775,000	13.94	111,153	132
365	Garnett	1,098.8	6,804,388	1,000,000	14.7	136,088	124
366	Woodson	567.0	3,940,570	391,000	9.92	78,811	139
367	Osawatomie	1,188.0	6,946,762	1,145,000	16.48	138,935	117
368	Paola	2,026.3	10,479,271	2,135,675	20.38	209,585	103
369	Burrton	264.7	1,998,682	425,000	21.26	39,974	151
371	Montezuma	227.5	1,934,497	483,624	25	38,690	170
372	Silver Lake	711.5	4,533,017	906,000	19.99	90,660	127
373	Newton	3,418.0	16,632,862	3,400,000	20.44	332,657	97
374	Sublette	462.6	3,293,663	447,938	13.6	65,873	142
375	Circle	1,480.0	8,370,891	2,092,723	25	167,418	113
376	Sterling	493.4	3,486,996	635,000	18.21	69,740	141
377	Atchison County	748.0	5,226,215	478,000	9.15	104,524	140
378	Riley County	620.5	4,177,471	626,621	15	83,549	135
379	Clay Center	1,502.5	8,019,624	1,100,000	13.72	160,392	107
380	Vermillion	557.5	3,942,904	540,000	13.7	78,858	141
381	Spearville	341.5	2,155,449	166,750	7.74	43,109	126
382	Pratt	1,139.2	7,072,409	1,507,000	21.31	141,448	124
383	Manhattan	5,136.8	26,423,214	6,605,804	25	528,464	103



						2% LOB	2% LOB
		Sept. 2002				Increase	Increase
District #	District Name	FTE	General Fund	LOB \$	LOB %	in \$	Per FTE
384	Blue Valley	255.5	2,148,836	250,000	11.63	42,977	168
385	Andover	3,201.5	15,666,586	3,916,647	25	313,332	98
386	Madison-Virgil	281.1	2,162,062	225,000	10.41	43,241	154
387	Altoona-Midway	276.5	2,420,747	142,400	5.88	48,415	175
388	Ellis	369.6	2,658,037	399,000	15.01	53,161	144
389	Eureka	708.8	5,041,440	666,983	13.23	100,829	142
390	Hamilton	106.5	994,673	34,925	3.51	19,893	187
392	Osborne	434.5	3,284,716	350,000	10.66	65,694	151
393	Solomon	427.5	2,988,687	240,000	8.03	59,774	140
394	Rose Hill	1,750.0	8,587,564	2,146,891	25	171,751	98
395	LaCrosse	336.2	2,498,547	370,000	14.81	49,971	149
396	Douglass	865.8	5,452,224	525,000	9.63	109,044	126
397	Centre	271.5	2,318,829	346,150	14.93	46,377	171
398	Peabody-Burns	421.9	3,245,038	205,000	6.32	64,901	154
399	Paradise	139.5	1,378,616	275,723	20	27,572	198
400	Smoky Valley	939.3	6,082,015	945,000	15.54	121,640	130
401	Chase	143.7	1,499,595	260,356	17.36	29,992	209
402	Augusta	2,141.9	10,248,594	2,222,000	21.68	204,972	96
403	Otis-Bison	253.5	2,145,335	220,000	10.25	42,907	169
404	Riverton	820.5	5,302,459	650,000	12.26	106,049	129
405	Lyons	853.9	5,610,547	950,000	16.93	112,211	131
406	Wathena	387.0	2,870,042	215,000	7.49	57,401	148
407	Russell	1,024.0	6,242,672	960,000	15.38	124,853	122
408	Marion	683.7	4,807,262	700,000	14.56	96,145	141
409	Atchison	1,622.1	8,584,452	1,600,000	18.64	171,689	106
410	Durham-Hills	677.0	4,724,016	1,010,850	21.4	94,480	140
411	Goessel	289.6	2,225,858	402,000	18.06	44,517	154
412	Hoxie	355.0	2,777,071	250,000	9	55,541	156
413	Chanute	1,838.6	9,615,691	2,403,923	25	192,314	105
415	Hiawatha	994.5	6,450,398	764,266	11.85	129,008	130
416	Louisburg	1,313.5	7,986,948	1,996,737	25	159,739	122
417	Morris County	931.5	6,219,721	720,000	11.58	124,394	134
418	McPherson	2,452.9	12,337,135	2,923,256	23.69	246,743	101
419	Canton-Galva	422.3	2,973,127	400,000	13.45	59,463	141
420	Osage City	743.5	4,832,936	0	0	96,659	130
421	Lyndon	452.5	3,374,575	90,000	2.67	67,492	149
422	Greensburg	314.9	2,185,013	407,000	18.63	43,700	139
423	Moundridge	424.5	4,358,745	690,000	15.83	87,175	205
424	Mullinville	124.5	820,790	205,197	25	16,416	132
425	Highland	271.0	1,971,452	185,000	9.38	39,429	145
426	Pike Valley	271.0	2,130,942	172,000	8.07	42,619	157
427	Belleville	512.5	3,711,449	482,488	13	74,229	145
428	Great Bend	3,008.7	15,004,508	3,263,480	21.75	300,090	100
429	Troy	369.5	2,716,387	280,000	10.31	54,328	147
430	Brown County	649.5	4,750,857	714,054	15.03	95,017	146

		Sept. 2002				2% LOB	2% LOB
						Increase	Increase
District #	District Name	FTE	General Fund	LOB \$	LOB %	in \$	Per FTE
431	Hoisington	642.0	4,342,018	685,170	15.78	86,840	135
432	Victoria	286.0	2,167,897	384,445	17.73	43,358	152
433	Midway	204.5	1,755,168	0	0	35,103	172
434	Santa Fe	1,259.5	7,676,526	1,700,000	22.15	153,531	122
435	Abilene	1,417.7	7,500,698	1,314,559	17.53	150,014	106
436	Caney	912.0	5,624,162	700,000	12.45	112,483	123
437	Auburn Washburn	4,885.3	24,489,884	6,066,674	24.77	489,798	100
438	Skyline	406.1	2,862,651	250,000	8.73	57,253	141
439	Sedgwick	505.5	3,161,403	175,000	5.54	63,228	125
440	Halstead	702.3	4,688,617	599,000	12.78	93,772	134
441	Sabetha	940.0	5,611,325	1,265,000	22.54	112,227	119
442	Nemaha Valley	478.9	3,375,742	320,000	9.48	67,515	141
443	Dodge City	5,491.0	30,851,590	7,712,898	25	617,032	112
444	Little River	274.4	2,202,129	297,500	13.51	44,043	161
445	Coffeyville	1,922.6	10,505,723	2,626,431	25	210,114	109
446	Independence	1,984.1	10,136,951	2,294,992	22.64	202,739	102
447	Cherryvale	567.0	3,915,674	590,484	15.08	78,313	138
448	Inman	462.8	3,138,063	350,000	11.15	62,761	136
449	Easton	710.0	4,711,179	850,785	18.06	94,224	133
450	Shawnee Heights	3,201.3	16,407,631	4,101,908	25	328,153	103
451	B & B	246.0	1,964,061	150,000	7.64	39,281	160
452	Stanton County	526.0	3,788,082	388,278	10.25	75,762	144
453	Leavenworth	4,142.9	20,511,192	5,127,798	25	410,224	99
454	Burlingame	336.6	2,408,299	189,875	7.88	48,166	143
455	Hillcrest	131.5	1,282,922	125,000	9.74	25,658	195
456	Marais Des Cygnes	268.0	2,172,565	250,000	11.51	43,451	162
457	Garden City	7,166.1	37,303,933	7,086,400	19	746,079	104
458	Basehor-Linwood	2,002.2	9,808,635	2,452,159	25	196,173	98
459	Bucklin	280.5	2,279,151	210,000	9.21	45,583	163
460	Hesston	794.8	4,982,701	797,232	16	99,654	125
461	Neodosha	805.9	5,176,812	998,000	19.28	103,536	128
462	Central	325.8	2,490,767	202,047	8.11	49,815	153
463	Udall	324.5	2,385,737	183,000	7.67	47,715	147
464	Tonganoxie	1,488.0	8,199,731	1,654,000	20.17	163,995	110
465	Winfield	2,580.4	13,068,844	3,267,211	25	261,377	101
466	Scott County	942.0	5,879,735	1,215,302	20.67	117,595	125
467	Leoti	468.4	3,300,665	470,754	14.26	66,013	141
468	Healy	112.5	1,109,817	217,464	19.59	22,196	197
469	Lansing	2,011.3	8,941,554	2,235,389	25	178,831	89
470	Arkansas City	2,890.5	15,125,876	2,897,440	19.16	302,518	105
471	Dexter	190.0	1,602,291	29,760	1.86	32,046	169
473	Chapman	1,018.2	6,574,878	978,805	14.89	131,498	129
474	Haviland	171.1	1,532,271	247,500	16.15	30,645	179
475	Junction City	6,111.4	30,669,927	6,430,000	20.97	613,399	100
476	Copeland	128.5	1,153,385	288,346	25	23,068	180

						2% LOB	2% LOB
		Sept. 2002				Increase	Increase
District #	District Name	FTE	General Fund	LOB \$	LOB %	in \$	Per FTE
477	Ingalls	247.0	2,070,258	0	0	41,405	168
479	Crest	247.5	2,186,958	109,400	5	43,739	177
480	Liberal	4,219.1	20,178,597	2,910,000	14.42	403,572	96
481	Rural Vista	435.2	2,978,184	306,654	10.3	59,564	137
482	Dighton	260.1	1,934,108	310,000	16.03	38,682	149
483	Kismet-Plains	749.5	5,097,456	0	0	101,949	136
484	Fredonia	787.6	5,311,406	858,861	16.17	106,228	135
486	Elwood	322.5	2,362,786	38,795	1.64	47,256	147
487	Herington	496.0	3,328,284	499,242	15	66,566	134
488	Axtell	329.4	2,371,344	341,554	14.4	47,427	144
489	Hays	3,146.4	16,540,669	4,202,390	25.41	330,813	105
490	El Dorado	2,143.8	10,149,788	2,537,447	25	202,996	95
491	Eudora	1,158.0	6,637,118	1,659,280	25	132,742	115
492	Flinthills	315.0	2,391,961	227,236	9.5	47,839	152
493	Columbus	1,282.5	7,528,317	1,450,000	19.26	150,566	117
494	Syracuse	471.0	3,524,340	609,018	17.28	70,487	150
495	Ft. Larned	914.6	6,464,013	1,616,003	25	129,280	141
496	Pawnee Heights	170.0	1,456,805	160,000	10.98	29,136	171
497	Lawrence	9,753.7	49,971,329	12,492,329	25	999,427	102
498	Valley Heights	423.3	3,208,472	475,000	14.8	64,169	152
499	Galena	757.5	4,748,912	847,500	17.85	94,978	125
500	Kansas City	19,720.2	101,767,068	25,805,634	25.36	2,035,341	103
501	Topeka	13,274.6	69,284,790	17,321,198	25	1,385,696	104
502	Lewis	160.5	1,504,652	134,000	8.91	30,093	187
503	Parsons	1,547.4	8,207,511	2,051,878	25	164,150	106
504	Oswego	535.0	3,342,677	575,000	17.2	66,854	125
505	Chetopa	277.0	2,135,610	384,837	18.02	42,712	154
506	Labette County	1,655.0	9,087,040	2,271,760	25	181,741	110
507	Satanta	420.0	3,043,536	388,051	12.75	60,871	145
508	Baxter Springs	855.0	5,205,209	760,000	14.6	104,104	122
509	South Haven	224.0	1,957,059	34,000	1.74	39,141	175
511	Attica	137.0	1,115,652	160,000	14.34	22,313	163
512	Shawnee Mission	28,777.5	140,732,420	35,183,105	25	2,814,648	98
Source: Kansas Department of Education							



HOUSE OF REPRESENTATIVES

<u>Member</u>	<u>LOB @ 25%</u>	<u>Member</u>	<u>LOB @ 25%</u>	<u>Members</u>	<u>LOB @ 25%</u>
Aurand	Yes	Johnson, Dan	Yes	Sharp, Bonnie	Yes
Ballard	Yes	Johnson, Everett	Yes	Sharp, Stephanie	Yes
Ballou	Yes	Kassebaum	No	Showalter	Yes
Barbieri-Lightner	Yes	Kauffman	Yes	Shriver	Yes
Beggs	Yes	Kirk	Yes	Shultz	No
Bethell	No	Klein	Yes	Siegfreid	Yes
Betts	Yes	Krehbiel	No	Sloan	Yes
Boyer	Yes	Kuether	Yes	Storm	Yes
Brunk	Yes	Landwehr	Yes	Svaty	Yes
Burgess	Yes	Larkin	No	Swenson	Yes
Burroughs	Yes	Light	Yes	Tafanelli	Yes
Campbell	Yes	Loganbill	Yes	Thimesch	Yes
Carlin	Yes	Long, Margaret	Yes	Thull	No
Carter	Yes	Long, Peggy	Yes	Toelkes	Yes
Compton	No	Loyd	No	Vickrey	Yes
Cox	Yes	Mason	Yes	Ward	Yes
Craft	Yes	Mays	Yes	Wilk	Yes
Crow	Yes	McCreary	No	Williams, Dan	Yes
Dahl	Yes	McKinney	Yes	Williams, Jerry	Yes
Davis	Yes	McLeland	Yes	Wilson	No
DeCastro	Yes	Merrick	Yes	Winn	Yes
Decker	Yes	Miller, Frank	Yes	Yoder	Yes
Dillmore	Yes	Miller, James	Yes	Yonally	Yes
Dreher	Yes	Minor	Yes		
Edmonds	Yes	Morrison, Jim	Yes		
Faber	Yes	Morrison, Judy	Yes		
Feuerborn	No	Myers	Yes		
Flaharty	Yes	Neighbor	Yes		
Flora	Yes	Neufeld	Yes		
Freeborn	Yes	Newton	Yes		
Gatewood	No	Nichols	Yes		
Gilbert	Yes	Novascone	Yes		
Goering	Yes	O'Malley	Yes		
Goico	Yes	O'Neal	No		
Gordon	Yes	Osborne	Yes		
Grant	No	Ostmeyer	Yes		
Hayzlett	Yes	Owens	Yes		
Henderson	Yes	Patterson	Yes		
Henry	No	Pauls	No		
Hill	No	Peterson	Yes		
Holland	Yes	Phelps	Yes		
Holmes	Yes	Pottorff	Yes		
Horst	Yes	Powell	Yes		
Howell	No	Powers	Yes		
Huebert	Yes	Reardon	Yes		
Huff	Yes	Rehorn	Yes		
Humerickhouse	Yes	Reitz	Yes		
Huntington	Yes	Ruff	Yes		
Hutchins	Yes	Sawyer	Yes		
Huy	Yes	Schwab	Yes		
Jack	Yes	Schwartz	No		

KANSAS SENATE

LOB @

<u>Member</u>	<u>25%</u>
Adkins	Yes
Allen	Yes
Barnett	Yes
Barone	No
Brownlee	Yes
Brungardt	Yes
Buhler	Yes
Bunten	Yes
Clark	Yes
Corbin	Yes
Donovan	Yes
Downey	Yes
Emler	No
Feleciano	Yes
Gilstrap	Yes
Gooch	Yes
Goodwin	Yes
Haley	Yes
Harrington	Yes
Hensley	Yes
Huelskamp	Yes
Jackson	Yes
Jordan	Yes
Kerr	Yes
Lee	Yes
Lyon	Yes
Morris	Yes
O'Connor	Yes
Oleen	Yes
Pugh	Yes
Salmans	Yes
Schmidt	Yes
Schodorf	Yes
Steiniger	Yes
Taddiken	Yes
Teichman	Yes
Tyson	Yes
Umbarger	Yes
Vratil	Yes
Wagle	Yes

## **Testimony in Support of House Bill 2178**

**February 11, 2003**

**Fred Kaufman, Superintendent  
Unified School District No. 489, Hays**

I am speaking on behalf of U.S.D. 489. Thank you for allowing me to present my ideas.

I am here because of a sharp concern about our financial situation.

We know that because of the \$27 per pupil reduction and because of our declining enrollment, our combined general fund and supplemental general will be \$466,000 less next year than the budget published for the current year.

We also know that because of increased numbers and decreased funding we will have to increase our special education transfer about \$400,000.

We anticipate that the U.S.D. 489 cost of staff health insurance will go up about \$200,000 and property insurance another \$45,000.

We have been at the top of our local option budget since 1993 and have nowhere to go.

*If* indeed it is impossible for the state to increase funding through the formula we request that you allow us to take care of ourselves by increasing the local option budget. Please support H.B. 2178.

Thank you for your consideration.

House Education Committee

Date: 2/11/03

Attachment# 6

Olathe School District  
House Bill 2178 -Local Option Budget  
February 11, 2003

Chairman Decker and Committee Members:

My name is Gary George and I am an assistant superintendent in the Olathe School District. I am here today to talk about the local option budget.

Schools in Kansas are having a tough time addressing the many needs of our students and our staff. The recent No Child Left Behind legislation has compounded an already difficult situation. We believe that additional revenue is needed to meet ongoing costs such as health insurance small salary increases for staff and other fixed expenses.

Our strong preference is for the Legislature to begin the steps that would address raising the base amount per pupil on a statewide basis. This would help address the twin issues of equity and adequacy. The existing formula can work if it is funded. Without additional funding we will have to begin dismantling programs and services which have taken years of hard work to create and which are good for children. With this in mind, if there is no other way to increase funding options for local schools this session, we could support House Bill 2178. We propose then that the access to new facility weighting and extraordinary growth funding be grandfathered at the 25 percent level.

Thank you for your time and consideration of our testimony.

House Education Committee  
Date: 2/11/03  
Attachment # 7



Testimony on  
**HB 2105 – Additional Enhancement Budgets**  
**HB 2178 – Increasing the state prescribed percentage for local option budgets**  
Before the  
**House Committee on Education**

By  
Mark Tallman, Assistant Executive Director/Advocacy

Also Representing: **Kansas National Education Association**

February 11, 2003

Chairman Decker, Members of the Committee:

Thank you for the opportunity to comment on HB 2105 and HB 2178. Both bills would expand the authority of local school boards to increase their operating budgets through the use of local revenues. Both KASB and KNEA, as well as the members of the School Finance Coalition, strongly believe that school districts will need significantly more funding to sustain the high quality educational system that Kansans have built, especially in the face of rising expectations at the federal, state and local levels.

However, we believe *all* districts share these needs. In Kansas, we have set high expectations for all students. President Bush and Congress have made a national commitment to leave *no* child behind. We believe that it is the responsibility of the state, not local school districts, to provide the funding to meet these goals. The Legislature's own study of educational costs shows that Kansas is falling far short of the funding necessary to meet its own expectations.

Bills like HB 2105 and 2178, however well intentioned, will tend to widen the disparity in educational opportunity, because some districts can use local funding sources at much less local effort than others. However, if state funding does not keep up with educational costs, it will drive most districts to use whatever local funding authority they have. This is exactly what has happened with the Local Option Budget. We are rapidly approaching a point at which almost every school district will be using all of their LOB authority, which means virtually every district will have raised local property taxes, combined with state aid, to fund education. If we know that is the outcome, why not raise a balanced mix of state taxes for the same purpose?

In the mid-1990's, KASB suggested the base budget per pupil should be set at \$4,500 per pupil, which at the time would have been about a 25 percent increase. That was called completely unreasonable. But if every district will soon reach a 25 percent LOB, we will have ended up with the same result. The difference is that wealthy districts will have achieved that result with a lower tax effort than poor districts.

Let's be clear: these bills will result in tax increases. We believe the people of Kansas have repeatedly demonstrated their willingness to raise taxes to support public education. We believe that tax increases will be necessary to fund the educational needs of the state. But we believe the Legislature should raise general revenues to support the learning needs of all students in all districts. Thank you for your consideration.



## **School Funding and Student Achievement: Overcoming differences in local needs and resources**

With limited state funding, school districts have had to increase local funding for schools. But local resources to support education vary greatly. So do local needs. Only the state can ensure suitable funding for all schools.

**How do we know this is a problem?** The State Legislature determines school district general fund budgets by setting the base budget per pupil and weighting factors. General fund budgets increased by an average of 2.6 percent per year between Fiscal Years 1993 and 2000 – slightly less than the rate of inflation and far less than the growth of salaries, mandatory costs and new programs. As a result, school districts increased the use of local option budgets from less than \$100 million in FY 1993 to \$320 million in FY 2000. State law limits the LOB to 25 percent of a district's general fund, and more districts are reaching that cap every year. Some advocate giving school districts more authority to fund themselves through local tax sources.

However, local resources to pay for schools differ dramatically. The traditional local revenue source for school districts is the property tax. Real and personal property per capita by county ranges from a high of \$3,336 to a low of \$437. Other revenue sources also differ significantly. Sales tax per pupil by county ranges from a high of \$855 to a low of \$137. State income tax liability ranges from a high of \$782 to a low of \$158. Using local revenue to fund schools means that the poorest areas of the state would require far higher taxes to provide comparable teacher salaries and educational programs.

**What is currently being done to address this problem?** The difference in local resources available to fund schools was a major reason the Legislature passed the current school finance system in 1992. It was intended to provide suitable funding for every child in every district through a uniform base budget and weighting factors, and require all Kansas taxpayers to support this system equally through a statewide mill levy. Exceptions were Local Option Budgets and bond payments for local building projects, both of which have a state aid component to assist poorer districts.

**What more needs to be done to address the problem?** Since 1992, the Legislature reduced the statewide mill levy from 35 to 20 mills. The cost of replacing those funds limited the increase in the base, which in turn, caused an increase in the LOB and local property taxes. To fund the costs of closing the achievement gap, raising teacher standards, increasing educational requirements and complying with the No Child Left Behind Act (NCLBA), either state support or local taxes will have to be raised. Relying on local taxes alone will leave poor districts – and poor children – behind.

The Legislature's study on the cost of a suitable education made it clear that the concept of the current school finance system will work if properly funded. It found that the base budget per pupil should be increased significantly, and that weighting factors should be revised to target funding at the highest need students – the students schools must address under NCLBA. It proposed raising part of the necessary funding by a five-mill increase in the statewide mill levy, which would also reduce reliance on the LOB. Without an increased state commitment to funding, the achievement gap will widen, not close.





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TO: Representative Kathe Decker, Chair  
Members, House Education Committee

FROM: Ashley Sherard, Vice President  
Lenexa Chamber of Commerce

DATE: February 11, 2003

RE: **Support for HB 2178—Increase in Local Option Budget Authority**

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The Lenexa Chamber of Commerce would like to express its support for the concepts embodied in House Bill (HB) 2178, which increases the maximum percentage allowable for school district local option budget authority in 2% increments over the next five years from 25% to 35% of state general aid.

The quality educational opportunities available in Johnson County are a primary reason businesses choose to locate here—both as an incubator of highly-skilled workers as well as a quality of life issue for their families and the families of their employees. Accordingly, we strongly believe Kansas must continue its reputation as a place where children can attend excellent schools.

Unfortunately, in recent years state funding of K-12 public education has created financial challenges that may now seriously threaten the quality of instructional programs, and school districts' ability to respond to these challenges continues to be hampered by limited local authority. **Measures such as HB 2178 that provide needed flexibility and expand school districts' local authority to raise budgetary resources and administer their schools would significantly improve school districts' ability to manage and respond to serious financial issues, enhance long-term planning, and better meet the needs and expectations of their district patrons.**

Recognizing the importance of quality public education to the state's economic prosperity, the Lenexa Chamber of Commerce strongly urges the committee to recommend HB 2178 favorable for passage. Thank you for your time and attention to this issue.

House Education Committee  
Date: 2/11/03  
Attachment # 9



**House Education Committee  
Local Option Budget enhancement bills  
Representative Decker, chair**

*Submitted by: Diane Gjerstad  
Wichita Public Schools*

February 11, 2003

Madam Chair and members of the committee:

The Wichita Public Schools would like to be on record **opposing** H. B. 2105 and H. B. 2178. Both bills would allow for additional local taxing authority for school districts.

- H. B. 2105 would establish a new taxing authority and budget beyond the local option budget. A portion of the locally raised funds, 33%, would be routed to a state pool from which "non-enhanced" districts would compete for grants (one-time monies). The remaining school districts would compete for one-third of the left-overs. The enhancement budget would benefit a few districts; would raise property taxes; and would increase spending of the few while the many cope with current resources while facing the increased mandates and costs of NCLB.
- H. B. 2178 expands the local option budget incrementally, resulting in increased local property taxes and increased state spending to fund the state aid portion of LOBs. This bill further causes difficulties for district's now qualifying for new facilities weighting which is tied to the maximum LOB. Under this proposal as the LOB maximum would increase, the tie to qualify for new facilities weighting also increases. In other words, districts building new schools would be forced to further increase property taxes in order to draw new facilities weighting to cover the cost of opening new buildings.

Madam Chair, during a time when school districts are asked to do more, when the federal requirements of No Child Left Behind are clearly increasing costs, we would encourage the committee to refrain from passing bills which help the few, while the many go wanting.

Thank you for considering these comments.

House Education Committee  
Date: 2/11/03  
Attachment# 10