

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 1:39 p.m. on March 22, 2004 in Room 123-S of the Capitol.

All members were present:

Committee staff present:

Carolyn Rampey, Legislative Research
Kathie Sparks, Legislative Research
Theresa Kiernan, Office of the Revisor of Statutes
Judy Steinlicht, Committee Secretary

Conferees appearing before the committee:

Theresa Kiernan, Revisor of Statutes
Mark Tallman, Kansas Association of School Boards
Mark Desetti, Kansas National Education Association
Martin Platt, President, Kansas Association of Beverage Retailers, Wichita

Others attending:

See Attached List

Senate Republican Leadership School Finance Proposal

Theresa Kiernan, Revisor of Statutes, explained components of each section of the new school finance proposal. ([Attachment 1](#)) Theresa also explained the insurance provisions in the bill for employees. ([Attachment 2](#))

Senator Vratil noted that in the insurance provision, number 1 of attachment 2, should read "provided less than \$100 per month per employee who are participating under the current plan." Also, in Section 6, the increases for bilingual weighting should be from ".2 to .22" for the school year 2004-2005, instead of ".2 to .21".

Chairman Umbarger stated that when putting the proposal together, the group was looking for a way to find some revenue without raising any general taxes and the group felt these were proposals that were worthy of consideration.

Mark Tallman, KASB, provided KASB's position and a comparison of the Governor's plan, the Senate Republican Leadership plan and the House Republican Leadership plan. KASB believes this bill today does not go as far as they want, but it does make some measure of progress and they appreciate that this bill would provide additional operating revenue for all Kansas school districts. KASB recognizes that any effort to provide new dollars for schools will take additional revenue on the part of the state and KASB will be in support. KASB believes this bill addresses many of the concerns, but not all. ([Attachment 3](#))

Mark Desetti, KNEA, believes that this plan is inadequate and that it will not satisfy Judge Bullock because the funding is not adequate. KNEA believes this proposal will get schools through next year without harmful cuts, but it leaves schools without any long-term funding hope. They believe the \$100 FTE should be made permanent. Without immediate action, Kansas schools will lose their standing in this nation and without excellent schools, the workforce will be jeopardized. KNEA urges the Legislature to act now and act in such a way as to provide schools with some measure of stability. ([Attachment 4](#))

Martin Platt, President of Platt Retail Liquor, Wichita, Kansas testified against the funding portion of this school finance proposal because of the increases in liquor taxes. This proposal more than doubles the gallonage taxes on the products that they sell. He has heard over and over that taxes have not increased since 1977, however, enforcement taxes paid have doubled and a third tax was created called the 10% drink tax. This proposal creates an instant floor tax to be paid on inventory which he anticipates will be one to two thousand dollars which means he will have to come up with more cash which will not be made up until his inventory is sold.

CONTINUATION SHEET

MINUTES OF THE SENATE EDUCATION COMMITTEE at 1:39 p.m. on March 22, 2004 in Room 123-S of the Capitol.

This proposal requires taxes to be paid prior to getting their license renewed. This is not true for car dealers, doctors, lawyers, etc. KABR feels that the state should apply enforcement policies evenly. It is unfair that this proposal does not attempt to reject all state issued licenses for nonpayment of taxes. Retail liquor stores have been through detailed audits which served to bring the stores into excellent compliance and should not be punished for delinquencies by other types of licensees. KABR requests that all state issued licenses be held to the same standard for the collection of taxes. The state of Kansas should protect Kansas owned business by recognizing the pressures of the industry and be careful to avoid damaging public policy such as this proposal. (Attachment 5)

Dr. Kent Hurn, United School Administrators, provided written testimony in favor of Senate Leadership School Finance Plan. (Attachment 6)

Discussion followed. Senator Umbarger announced that the committee would meet again tomorrow and those that did not get to testify would get a chance tomorrow.

The meeting was adjourned at 2:40 p.m. The next meeting is scheduled for March 23, 2004.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE - 3-22-04

| NAME | REPRESENTING |
|-------------------------|-----------------------------------|
| Denise Aft | U.S.D. 500 |
| KENT HUKA | USA |
| TERRY FORTYTH | KNEA |
| Mark Dosetti | KWET |
| Dusti Harelison | Little Government Relations |
| Adam Oley | Gov. Office |
| Sylvia Robinson | " |
| Val DeFourn | SQE |
| Elaine Frisbie | Div. of Budget |
| Cindy Platt | KABR - Platt Liquor |
| GORDON LETTER | KABR - Edwards Retail Lq |
| Amy Campbell | KABR |
| Martin Platt | KABR |
| Tom PALACE | PMA OF KANSAS |
| Dodie Weekshear Johnson | Patrick Husley & Co. |
| Meal Whitaker | Ks Beer Wholesalers Assn |
| Robert P | Ks Beer Wholesalers & KCAA |
| Philip Bradley | KLBA |
| Jane Steve | Keagy & Associates |
| Ron Herr | Ks Restaurant & Hospitality Assoc |
| Jim Edwards | KASB |
| Stuart Little | Shamee Mission 512 |
| Rami Ann Lower | KAHP |

New Section 1. Statement of the purpose of the bill.

New Sec. 2. School district audit team established withing the division of the budget.

New Sec. 3. Creates special revenues weighting for school year 2004-2005.

Sec. 4. Short title of the school finance law.

Sec. 5. K.S.A. 72-6407. Definitions. Adds definition of special revenues weighting (p.7)

Sec. 6. K.S.A. 72-6413. Increases bilingual weighting from .2 to .21 for school year 2004-2005.

Sec. 7. K.S.A. 72-6414. Increases at-risk weighting from .10 to .11 for school year 2004-2005.

New Sec. __. Insurance provisions/State grant. (See attached)

Sec. 8. K.S.A. 40-2246 (from HB2449) If the amount of the tax credit granted under this section exceeds the tax liability, that amount may be carried forward and applied in future tax years; currently the amount is refunded.

Sec. 9. K.S.A. 41-311. (from SB 411) Requires licensees under the liquor control act to be current in the payment of gallonage tax, income tax, sales tax drink tax and enforcement tax prior to issuance or renewal of a license under the LCA. Makes provision for taxes under appeal or if the person is making payments in accordance with an agreement with KDOR. (p. 11 & 12)

Sec. 10. K.S.A. 41-501. Increases the gallonage tax. (p. 16) (\$20-22 million)

New Sec. 11 "Floor tax" to catch the increase in the gallonage tax.

Sec. 12. K.S.A. 41-2623. (from SB 414) Requires licencess under the club and drinking establishment act to be current in the payment of taxes (same as Sec. 9) (p. 20)

Sec. 13. K.S.A. 58-3935. (from SB 399) Provides that property distributable in the course of a demutualization, rehabilitation or related reorganization of an insurance company is deemed abandoned two years after the date of the demutualization, rehabilitation, or related reorganization unless the owner acts to claim the property. Under current law, the time period is five years. (p. 24) (\$10,000,000)

Sec. 14. K.S.A. 58-3950. (from SB 399) Requires that the initial reporting date of property described in section 13 of a demutualized, rehabilitated or related reorganization of an insurance company as of December 1, 2003, shall be November 1, 2004.

Sec. 17. through 21. (from HB 2449) Amends various income tax provisions to shorten the time within which a person may claim a credit or refund for the overpayment of taxes. The time-period would be changed from three years to one year from the date the original return was filed or the tax was paid.

Sec. 22. K.S.A. 79-3603. (from SB 372) Provides that the base for computing the tax on the isolated or occasional sales of motor vehicles or trailers shall be the stated selling price or as determined under 79-5105, whichever is greater. For wrecked or damaged vehicles, the actual selling price shall be the base. (p. 46)

Sec. 23. K.S.A. 79-3609 (from HB 2449) Amends sales tax provision to shorten the time within which a person may claim a credit or refund for the overpayment of taxes. The time-period would be changed from three years to one year from the date the original return was filed or the tax was paid.

New Sec. 24. (from HB 2681) Would require persons seeking refunds on sales taxes paid on utility purchases (gas, water and electricity) that pass through only one meter to conduct a usage study and provide it to the utility provider. The provider also would have to be presented with the exemption certificate or claim. Currently, no verification or documentation is required.

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*Senate Education
3-22-04
Attachment 1*

New Sec. . (a) As used in this section:

(1) "School district" means a school district which, as of January 1, 2004, provided less than \$100 each month in employer contributions for health insurance for employees of the district.

(2) "State board" means the state board of education.

(b) In order to assist the board of education of a school district to provide health insurance benefits to the employees of the district and to pay a portion of the costs thereof, the board may apply for grants of money pursuant to this section. Applications for such grants shall be submitted to the state board. The application shall include:

(1) A written plan identifying the benefits the plan provides.

(2) The cost of providing such plan.

(3) The sources of revenue the district has available to pay for its share of the costs of such plan.

(4) Any other information required by the state board.

(c) Any moneys received by a school district pursuant to this section shall be used solely for the purpose of paying the school district's share of the cost of providing health insurance for employees of the district. Dependents or family members of employees may be covered under a health insurance plan entered into pursuant to this section, but the cost of such coverage shall be paid by the employee.

(d) A school district which accepts money pursuant to this section shall acquire health insurance from an insurer which is authorized to transact the business of accident and health

insurance in the state of Kansas. The school district shall enter directly into a contract with the insurer. The school district shall comply with the participation requirements of the insurer.

(e) Any health insurance plan provided by a school district shall include a provision which establishes a minimum deductible of \$1,000 per year.

(f) The state board may adopt any rules and regulations necessary to implement the provisions of this section.

(g) On or before December 31, 2006, the state board shall prepare and submit to the legislature a report on the impact of any high-deductible plans and use of health savings accounts which may have been established under health insurance plans of school districts accepting moneys pursuant to this section.

(h) (1) Subject to appropriations therefore, a school district which contributes, or agrees to contribute, 30% of 90% of the cost of individual (employee-only) health insurance shall receive a matching state contribution of 70% of 90% of the cost of such insurance. The provisions of this paragraph shall expire on July 31, 2005.

(2) Subject to appropriations therefore, a school district which contributes, or agrees to contribute, 40% of 90% of the cost of individual (employee-only) health insurance shall receive a matching state contribution of 60% of 90% of the cost of such insurance. The provisions of this paragraph shall expire on July 31, 2006.

(3) Subject to appropriations therefore, a school district which contributes, or agrees to contribute, 50% of 90% of the cost of individual (employee-only) health insurance shall receive a matching state contribution of 50% of 90% of the cost of such insurance. The provisions of this paragraph shall expire on July 31, 2007.

(4) Subject to appropriations therefore, a school district which contributes, or agrees to

contribute, 60% of 90% of the cost of individual (employee-only) health insurance shall receive a matching state contribution of 40% of 90% of the cost of such insurance. The provisions of this paragraph shall expire on July 31, 2008.

(5) Subject to appropriations therefore, a school district which contributes, or agrees to contribute, 70% of 90% of the cost of individual (employee-only) health insurance shall receive a matching state contribution of 30% of 90% of the cost of such insurance. The provisions of this paragraph shall expire on July 31, 2009.

(i) The provisions of this section shall expire on July 31, 2009.

Mark Tallma

KASB
3-22-04

School Finance Alternatives
Comparing the Governor and Senate and House Republican Leadership Plans
With Kansas Association of School Boards Priorities
March 20, 2004

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| A. Help all students meet or exceed high standards. | | |
| <i>(1) Full funding for the parent education program, the at-risk preschool program and all day kindergarten to help ensure that students begin school ready to learn.</i> | | |
| <p>Governor's Plan</p> <ul style="list-style-type: none"> • Parent education funding increased by \$500,000 per year for three years, for total increase of \$1.5 million. • At-risk preschool program fully funded. • All day kindergarten funding phased-in, beginning with attendance centers that have 60 percent of pupils eligible for free or reduced lunch in FY 2005. Threshold reduced 12 percent per year until all schools are covered in FY 2011. First year cost: \$17 million. | <p>Senate Republican Plan</p> <p>Not addressed.</p> | <p>House Republican Plan</p> <p>Not addressed.</p> |
| <i>(2) Increasing the at-risk weighting factor and other strategies to give more time and support to students who are not meeting grade-level outcomes.</i> | | |
| <p>Governor's Plan</p> <ul style="list-style-type: none"> • At-risk weighting increased from 10 to 15 percent in FY 2005; 20 percent in FY 2006; and 25 percent in FY 2007. First year cost: \$25.4 million. • Bilingual weighting increased from 20 percent to 22 percent in FY 2005, 24 percent in FY 2006 and 25 percent in FY 2007. First year cost: \$2.3 million | <p>Senate Republican Plan</p> <ul style="list-style-type: none"> • At-risk weighting increased from 0.10 to 0.11 costing \$5.1 million. • Bilingual weighting increased from 0.2 to 0.22, costing \$1 million. • Both provisions are for FY 05 only. | <p>House Republican Plan</p> <ul style="list-style-type: none"> • At-risk weighting increased from .10 to .15, costing \$25.4 million. • 2. Bilingual weighting increased from .20 to .24, costing \$2 million. |
| <i>(3) Full funding for the cost of special education services for children with exceptional needs through the school finance formula.</i> | | |
| <p>Governor's Plan</p> <p>No additional funding provided for special education. The governor's budget would fund only 82.2 percent.</p> | <p>Senate Republican Plan</p> <p>Adds \$8.5 million for special education, which would fund 85 percent of the excess cost formula.</p> | <p>House Republican Plan</p> <p>Local boards could remove the current \$20,000 homestead exemption, and use the money for special education funding. This could raise a maximum of \$39.6 million if all districts exercised this authority. <u>This authority is subject to protest petition.</u> Revenues districts would receive would range from less than \$50 to over \$150 per pupil.</p> |

Senate Education
3-22-04
Attachment 3

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| B. Recruit, prepare, support and retain a competent, caring and qualified teacher for every classroom and leaders for every school. | | |
| <i>(4) Increasing base support of school districts to allow salaries that are competitive with schools in other states and with other public and private sector positions.</i> | | |
| Governor's Plan The base budget per pupil is increased by \$100 in FY 2005, \$75 in FY 2006 and \$75 in FY 2007. | Senate Republican Plan Each district would receive \$100 per FTE enrollment, as a special weighting, not as an addition to the base. | House Republican Plan Not addressed. |
| <i>(5) Assisting districts in providing health insurance.</i> | | |
| Governor's Plan Requires that by FY 2007, all districts would have to offer employees health benefits "comparable" to the state plan, and pay the same percentage of single coverage as the state. | Senate Republican Plan The plan would create a 5-year pilot program to assist districts that are not offering health insurance, or are paying less than \$100 per employee per month. The state would pay 70 percent of such district's single membership premium. This aid would be phased down over five years until the aid is terminated. It would cost \$1.5 million next year. | House Republican Plan Not addressed. |
| <i>(6) Funding quality professional development programs for teachers and school leaders.</i> | | |
| Governor's Plan \$1 million per year is provided to fund the teacher-mentoring program, which was created several years ago but not funded this year. | Senate Republican Plan Same as governor's plan. | House Republican Plan Same as governor's plan. |
| C. Design an educational delivery system to ensure learning for all. | | |
| <i>(7) Increasing the base budget per pupil significantly (\$4,650 in 2001 dollars).</i> | | |
| Governor's Plan The base budget is increased by \$100 in FY 2005, \$75 in FY 2006 and \$75 in FY 2007. First year cost: \$58 million. | Senate Republican Plan Each district would receive \$100 per FTE enrollment in the form of a weighting. This would provide \$44.5 million statewide. The estimated increase in local option budgets would require an additional \$3.25 million in LOB state aid. | House Republican Plan Not addressed. |
| <i>(8) Annually adjusting the base to reflect changes in educational costs.</i> | | |
| Governor's Plan The change in the base is spread over three years. Increases would be approximately equal to current rate of inflation. | Senate Republican Plan Presented as a one-year plan. | House Republican Plan Presented as a one-year plan. |

(9) Revising weighting factors to target funding at the highest need students and reflect actual differences in school district costs.

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| <p>Governor's Plan Changes in weighting as noted above; changes correlation-weighting threshold from 1,725 to 1,700. Cost: \$12 million.</p> | <p>Senate Republican Plan Somewhat similar to correlation weighting, because adding funding by FTE rather than through the base somewhat narrows the budget per pupil difference between large and small districts. <u>This would be a one-year addition only.</u></p> | <p>House Republican Plan School boards in districts that meet a "high cost of living" criteria based on housing costs (currently 16) could adopt a local mill levy. The revenue raised could be used for special education, bilingual education or parents as teachers. This could raise a maximum statewide of \$23 million for these districts. <u>This authority is subject to protest petition.</u></p> |
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These recommendations should be adopted in a way that does not reduce per pupil funding for any district and will provide increased funding for all districts.

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| <p>Governor's Plan Provides all districts with additional base aid and at-risk weightings; bilingual aid if eligible; does not reduce funding for any district.</p> | <p>Senate Republican Plan Same as governor.</p> | <p>House Republican Plan Provides all districts with additional at-risk weighting and bilingual aid if eligible; all other increased funding depends on voter non-protest or approval.</p> |
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Other Provisions

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| <p>Governor's Plan Creates school district audit team in the Division of Budget to provide consultation at the request of local school districts, funded at \$250,000.</p> | <p>Senate Republican Plan Same as governor's plan.</p> | <p>House Republican Plan Creates a "Center for Innovative School Leadership" at Emporia State University. The purpose of the center would be to assist school districts in identifying and implementing the best practices for developing efficient and effective administrative and management functions.</p> |
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Revenue Enhancements

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| <p>Governor's Plan Increase state sales tax from 5.3 percent to 5.5 percent in FY 2005, to 5.6 percent in FY 2006 and 5.7 percent in FY 2007. Increase each individual taxpayer's state income tax liability by 5 percent beginning in FY 2005. Increase from 20 mills to 21 mills in FY 2006 and FY 2007; and to 22 mills in FY 2008 and 2009. Total revenue raised: \$158.6 million in FY 2005, \$229.9 million in FY 2006, \$275.4 million in FY 2007, and \$314 million in FY 2008.</p> | <p>Senate Republican Plan To fund the \$65.1 million cost of this plan, it would raise between \$65.9 million and \$67.9 million in additional state revenues. The largest portion would be an increase in liquor, beer and wine taxes to raise approximately \$21 million. The rest of the package is a series of tax policy changes that would raise revenue without changing tax rates.</p> | <p>House Republican Plan The at-risk and bilingual weighting changes would require \$28.4 million in state support. The proponents did not identify where the funding would come from but stated that it would not come from increased state taxes. The other provision would require increased local property taxes.</p> |
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Mark Desetti, Testimony
Senate Education Committee
Senate Republican Leadership School Finance Plan
March 22, 2004

Mr. Chairman, Members of the Committee, I thank you for the opportunity to appear before you today and address the Senate Republican Leadership School Finance Plan.

As you know, Kansas NEA appeared before this committee earlier this session as a proponent of SB 403 and SB 550. We appeared here to support SB 465. I suggested in previous testimony that if this legislature does not do something to address the immediate needs of schools you will have abdicated your responsibility to the children of this state.

Perhaps you'll excuse some of my skepticism because I have been all over this building listening to all kinds of debates and proclamations on school finance. What I hear comes in basically four flavors:

1. schools are inefficient and just need to spend what they've got more wisely,
2. in light of our statewide performance, do not need more money – we're doing just fine on what we've got,
3. the Supreme Court will reverse Bullock so we don't need to do anything, or
4. the Supreme Court will uphold Bullock but I've got to wait until then to act.

Just as I said about SB 403 and SB 550, this plan is woefully inadequate. It will not satisfy Judge Bullock because funding will still be inadequate. I said that Senate Bill 550 was triage. Senate Bill 550 may have been triage but it was triage that left schools with something for the 2006-07 school year. This proposal is life support – but the plug gets pulled at the end of the 2005-06 school year. It will enable many schools to get through next year without more harmful cuts. But it leaves schools without any long-term funding hope.

The worst news about this plan is that in truth, it is not a band-aid. A band-aid covers the wound while it heals. Under this band-aid, there is no healing. At the end of the 2005-06 school year all we will have is a miniscule increase in at-risk weighting and a small increase in bilingual weighting. The "special revenue weighting" goes away leaving schools at this time next year looking at a potential cut of \$100 per FTE.

Where will we be at this time next year? I imagine we will be facing an unresolved school finance fix and the prospect of the sunset of the benefits of this plan. Perhaps it will give the members of this legislature who really do care about the Kansas public school system a bit of breathing space during which they can craft and pass a long-term solution to the crisis. But if you are interested in giving schools and school boards some peace, you will make the \$100 per FTE permanent.

If it is permanent and you manage to craft and pass a comprehensive school finance plan next year, nothing is harmed. If it is temporary and the legislature acts as it has for the past several years, the impact of its sunset will be devastating.

I know that we are being told that the legislature will get serious about school finance next year and provide a long term fix that will make us all happy. Please forgive me for my skepticism. We have been told about legislatures getting serious for some time now and after all the serious discussion what we have had is three years of flat funding, lost teaching positions, increased class sizes, reduced course offerings, reduced co-curricular and extra curricular opportunities, lost school nurses, and increased student fees.

And in the House Education Committee this morning, some of us testified on a bill that is an attempt to limit the definition of a "suitable" education, perhaps with the intent of keeping the cost of providing a public education low. The serious discussion there appears to be how to make sure that inadequate funding meets some definition of suitable.

Without your immediate action, Kansas schools will lose their standing in this nation. Without our excellent schools, you will jeopardize our workforce. Without that trained workforce, Kansas employers and prospective employers will look elsewhere for expansion. Is that the future we wish for Kansas?

We urge this committee to act now and to act in such a way as to provide schools with some measure of stability.



The Kansas Association of Beverage Retailers

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Martin Platt, President

Amy A. Campbell, Executive Director

Senate Education Plan Proposal

March 22, 2004

Martin Platt, President

Platt Retail Liquor, Wichita, KS

Mr. Chairman and Members of the Committee, I am speaking to you for the Kansas Association of Beverage Retailers. The Kansas Association of Beverage Retailers (KABR) represents the liquor store owners of Kansas.

The vast majority of liquor stores are small businesses, employing fewer than 8 people. Liquor stores are licensed and regulated by the Division of Alcoholic Beverage Control, Department of Revenue. Licensed liquor stores are Kansas owned businesses. All of our income and the wages we pay stay in the state of Kansas. Liquor stores are not corporations and they are not chains.

We hope that you will consider this as you review this proposal - which more than doubles the gallonage taxes on the products we sell. I have heard it said over and over that these taxes have not been increased since 1977. Since 1977, the Kansas legislature has doubled the enforcement taxes paid on beer, wine and spirits from 4% to 8%. In addition, the Kansas legislature created a third tax to be paid on beer, wine and spirits - the 10% drink tax. Both of these taxes are paid on top of the gallonage taxes. Every glass of wine sold with dinner includes the costs of all three taxes.

This proposal creates an instant floor tax to be paid on inventory by liquor store owners. If passed, I would have to come up with a hefty check to cover the increases. I have no way to make up that difference before the check is due in June. Liquor stores are required to pay cash for their inventory when it is delivered - unlike other businesses. This means I'll need to come up with more cash, possibly to the tune of more than one or two thousand dollars - which will not be made up until the inventory is sold later.

This weekend, KABR held its board meeting in Topeka. There were several retailers who were very upset to learn about this proposal - especially since their stores are within 5 miles of the Missouri border. They tell us that they can not compete with Missouri liquor prices now. A few of them have Sunday sales in their city, but they have not experienced the kind of increased sales that would make up for an even larger price disadvantage. The majority of liquor stores in Kansas do not and will not have sales on Sunday, yet with this proposal, they are being asked to take another competitive hit.

This proposal would require licensees to pay taxes before getting their license renewed. You should know that current law requires me to have fully paid the enforcement taxes for my store before ABC will renew my license. That is not true for car dealers, doctors, lawyers, beauticians or pharmacists.

KABR fully supports the collection of these revenues. The members of KABR support efforts which strengthen the relationship between the licensee and the State. As retailers support the State by collecting and remitting various categories of taxes, the State should support retailers by promoting positive communication and education and applying enforcement policies evenly.

*Senate Education
3-22-04
Attachment 5*

If drafted similarly to Senate Bill 414, the proposal is an improvement over the one proposed in 2002. However, it does not specify the taxes to be collected are directly related to the business for which the license has been issued. It would not be proper to place a license renewal in jeopardy for unrelated debts. We have been assured that this is the intent of SB 414, but was not part of the language.

It is unfair that this proposal does not attempt to reject all State issued licenses for nonpayment of taxes. If this is an attempt to target liquor stores for collections, then we are interested in the numbers which show that collections from liquor stores have become a problem.

Retail liquor stores have been through detailed audits which served to bring the stores into excellent compliance. In fact, several stores were rightfully shut down. Liquor stores have been through more extensive examination than any other retail operation as far as tax records are concerned. We should not be punished for delinquencies by other types of licensees.

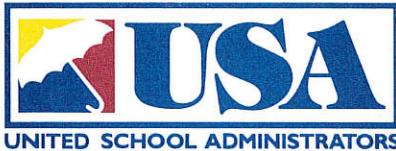
KABR respectfully requests that all state issued licenses be held to the same standard for the collection of taxes. The bill does not include licensees which sell cereal malt beverages. There does not seem to be a distinct reason for this omission.

As a retail liquor store owner, I must compete while under strict regulation by the State. I accept that responsibility and take it seriously. But the State of Kansas should also protect me and my Kansas owned business by recognizing the pressures of the industry and be careful to avoid damaging public policy such as this proposal.



L. Menze
Executive Director
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M. Katharine Weickert
Director of
Administrator Services
kweickert@usa-ks.org



**Kansas Association of
Elementary
School Principals
(KAESP)**

**Kansas Association of
Middle School
Administrators
(KAMSA)**

**Kansas Association of
School Administrators
(KASA)**

**Kansas Association of
School Business
Officials
(KASBO)**

**Kansas Association for
Supervision and
Curriculum Development
(KASCD)**

**Kansas Association of
Special Education
Administrators
(KASEA)**

**Kansas Association of
Secondary School
Principals
(KASSP)**

**Kansas Council of
Career and Technical
Education Administrators
(KCCTEA)**

**Kansas School
Public Relations
Association
(KanSPRA)**

**Senate Republican Leadership School Finance Plan
United School Administrators of Kansas
Testimony by Dr. Kent Hurn
March 23, 2004**

Thank you Mr. Chair for allowing us time to review the Leadership Plan for our schools in 2004-05.

We appreciate your attempt to resolve school finance issues this session while waiting for the Kansas Supreme Court to consider Judge Bullock's decision. The proposal does not present a solution beyond the court decision but does allow some temporary relief for the students of Kansas.

USA appreciates the infusion of additional money into at-risk and bilingual weightings, much needed funding for special education and bringing back the teacher mentoring program funding. At-risk funding assists many needs of student populations state-wide. Bilingual funding allows for students of all ages and backgrounds the opportunity to learn the language with subsequent meaning for this segment of our student population.

The \$100/student based on the FTE enrollment will be met with a wide range of acceptance. USA's position is one of appreciation at the attempt to put meaningful amounts of new dollars into the education of school students through out the state. The recent past history has been temporarily addressed but may meet critical judicial review.

USA supports the increased funding proposal for special education. The proposed increase is approximately 3% above the Governor's plan. This funding will assist every school district in Kansas regardless of where the student resides.

The return of the teacher mentoring program will allow first year teachers the opportunity to learn from experienced teachers. This added assistance may help retain the teachers that have been recruited and has demonstrated encouraging productive learning for students.

The attempt to address the health insurance issue with school districts is should be pursued. The five year pilot will allow the school boards to assess their participation into the state health system.

School districts will welcome an audit team to assist in district-wide performance and efficiency reviews. Parents, taxpayers and policymakers will learn more about how the district is performing.

Thank you again Mr. Chair for your time and for allowing us to review this proposal.

*Senate Education
3-22-04
Attachment 6*