

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 8:00 A.M. on January 19, 2007, in Room 514-S of the Capitol.

All members were present except:

- Representative Kevin Yoder - excused
- Representative Ty Masterson - excused

Committee staff present:

- Alan Conroy, Legislative Research Department
- J. G. Scott, Legislative Research Department
- Becky Krahl, Legislative Research Department
- Aaron Klaassen, Legislative Research Department
- Jim Wilson, Revisor of Statutes
- Nikki Feuerborn, Chief of Staff
- Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

- Mark Tallman, Assistant Executive Director/Advocacy, Kansas Association of School Boards (KASB)
- Cheryl Semmel, Executive Director, United School Administrators (USA)

Others attending:

See attached list.

- Attachment 1 Testimony on **SB 30** by Mark Tallman
- Attachment 2 Testimony on **SB 30** by Cheryl Semmel
- Attachment 3 Amendment to **SB 30**

Representative Bethell moved to introduce legislation to create an oversight commission for the State Fire Marshal office. The motion was seconded by Representative Pottorff. Motion carried.

Representative Bethell moved to introduce legislation pertaining to joint training for health care providers and fire marshals in the State Fire Marshal office at no cost to that office. The motion was seconded by Representative Lane. Motion carried.

Representative Bethell moved to introduce legislation to request that the State Fire Marshal produce a registry of organizations who provide services and materials to providers. The motion was seconded by Representative Ballard. Motion carried.

Representative Feuerborn moved to introduce legislation regarding retirement and pensions for the State's police and fireman systems. The motion was seconded by Representative Lane. Motion carried.

Representative Schwartz moved to introduce legislation regarding the powers, duties and functions of University of Kansas Medical Center and University of Kansas Hospital in forming partnerships. The motion was seconded by Representative Tafanelli. Motion carried.

Hearing on SB 30 - Keeping education promises trust fund, established, transferring moneys from the state general fund to the KEPT fund for fiscal year 2008.

J. G. Scott, Legislative Research Department, explained that **SB 30** would establish a trust fund to set up funding for school finance. The legislation would:

- Establish a special revenue fund called the Keeping Education Promises Trust Fund.
- Transfer \$122,700,000 from the State General Fund (SGF) to the trust fund on July 1, 2007.
- Transfer \$122,700,000 from the trust fund to SGF on July 1, 2008.
- Would require an act of the Legislature to modify or make changes to the trust fund.

Mr. Scott reported that any interest on the trust fund would be deposited into the SGF.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 8:00 A.M. on January 19, 2007 in Room 514-S of the Capitol.

Chair Schwartz recognized Mark Tallman, Assistant Executive Director, Kansas Association of School Boards, who presented testimony in support of **SB 30** (Attachment 1).

Chair Schwartz recognized Cheryl Semmel, Executive Director, United School Administrators, who presented testimony in support of **SB 30** (Attachment 2).

The hearing on SB 30 was closed.

Representative Kelsey moved to recommend SB 30 favorable for passage. The motion was seconded by Representative Bethell.

The Committee requested a briefing on **HB 2047** prior to acting on the motion.

Alan Conroy, Legislative Research Department, explained that **HB 2047** addresses the same issue as **SB 30** in establishing a trust fund; however, **HB 2047** would set aside two years of school funding, FY 2008 and FY 2009, for a total of \$271.7 million, with these funds being brought back into the SGF in the year to be expended. In addition, **HB 2047** would transfer \$76.6 from the State General Fund (SGF) in the current year to a new fund entitled the Regents Crumbling Classrooms Debt Payment Fund to pay for outstanding bonds. Currently these bonds are being paid from the Kansas Educational Building Fund. This action would allow these funds in the Kansas Educational Building Fund to be used for other purposes, presumably for deferred maintenance costs. Mr. Conroy explained that the existing Crumbling Classroom bonds cannot be refinanced or defeased. The action of **HB 2047** would allow for funds for the bond payments to be set aside from the SGF and paid out as they become due.

Representative Tafanelli moved for a substitute motion to amend SB 30 by inserting language from HB 2047 to include setting aside funding from the State General Fund (SGF) in the amount of \$271.7 million for school funding for FY 2008 and FY 2009; and set aside \$76.6 million for the Regents Crumbling Classroom Debt Payment Fund (Attachment 3). The motion was seconded by Representative Wolf. Motion carried.

The Committee discussed whether the action of **SB 30** and the proposed amendment would place an undue burden on the State General Fund (SGF) and the required 7.5 percent ending balance and discussed the importance of fulfilling the Legislature's commitment to provide additional funding for education.

Representative Tafanelli moved to recommend SB 30 as amended favorable for passage. The motion was seconded by Representative Bethel. Motion carried on a vote of 20-0.

The meeting was adjourned at 8:55 a.m. The next meeting of the Committee is at 9:00 a.m. on January 23, 2007.


Sharon Schwartz, Chair

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

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Testimony on **SB 30**
before the
House Appropriations Committee

by

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

January 19, 2007

Madam Chair, Members of the Committee:

The Kansas Association of School Boards appreciates the opportunity to comment on **SB 30**, which would set aside the additional funding needed for the third year of the school finance plan adopted last session and insure that those resources are available in Fiscal Year 2009.

Our members discussed school finance issues extensively in our 10 regional meetings this fall, and overwhelmingly approved the attached resolution. We support maintaining the Legislature's commitment to the three-year plan, and would certainly oppose any reduction in that plan. We therefore support the intention of **SB 30** to make an even stronger guarantee that the promises of the 2006 session will be delivered.

We want to respectfully remind the Legislature what is at stake. School finance is not just about money for teachers and other school employees, or even about programs and services for children. It is not just about complying with court orders or avoiding lawsuits. School board members – who have no personal financial stake in school funding – believe the three-year funding plan is not just a commitment to school districts but a down payment on the future of Kansas. Improving educational outcomes at all levels is the only way Kansas and the United States will be able to compete in the new economy and sustain the promise of American life.

Your own Post Audit study found a nearly one-to-one correlation between increased education funding and increased student performance. Higher student performance results in better educated, higher skilled citizens. More education and higher skills increase economic productivity, individual earnings and even health outcomes. Less education and low skills mean low wages, more crime and social welfare costs. Inadequate education is economic suicide.

Therefore, our members believe we must continue to work to improve the quality of education in every community in our state, and the three-year plan is a minimum, not a maximum, for a number of important reasons. First, we recognize funding for the three-year plan is based on estimates for

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enrollment, federal special education aid, local option budget use and other costs. If estimates for any of these areas fall short, we do not want to see other important components of the plan reduced. Second, we will continue to support expansion of early childhood programs, all-day kindergarten and other strategies so fewer children are "left behind." Third, we will continue to support reducing reliance on local property taxes to finance schools by funding a higher base budget per pupil from a more balanced tax base. Finally, we will support extension of the non-proficient weighting or other additional factors for at-risk funding without reducing current programs based on poverty.

In conclusion, we support the goal of **SB 30**, but will continue to support other goals to make sure our schools are among best in the nation and the world.

Thank you for your consideration.

Testimony on SB 30

House Appropriations Committee January 19, 2007 Submitted by: Cheryl Semmel, Executive Director

Thank you for the opportunity to present written comments on SB 30, which would establish the *Keeping Education Promises Trust Fund* and set aside full funding for the third year of the 2006 three-year school finance plan (SB 549).

The mission of United School Administrators of Kansas (USA|Kansas*), through collaboration of member associations, is to serve, support, and develop educational leaders and to establish USA|Kansas as a significant force to improve education.

Education administrators remain committed to ensuring that each and every child in Kansas receives a quality education that will help them reach their potential and become successful, productive adults.

As you know, Kansas students are making unprecedented academic achievement. In many areas, Kansas students are performing above the national average. We urge you to continue supporting initiatives that will maintain and enhance the quality of education for our students.

Passing a multi-year school finance plan was the first step in ensuring stability in funding and certainty in planning for districts and schools; education administrators thank you for that important step.

Administrators also appreciate your commitment to ensuring the full-funding levels committed in the three-year school finance plan. We support transferring the full-funding levels out of the general fund and securing them in a special fund, to better ensure their availability in the final year (FY 2009) of the three-year funding plan.

However, as you consider SB30, we strongly encourage you to include the flexibility necessary to consider other opportunities to invest in education programs and future initiatives that are not included in the three-year school finance plan.

We thank you for your continued support of education, for increased education funding and realizing the importance of investing in education.

*USA|Kansas represents more than 2,000 individual members and ten member associations:

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 of School Personnel Administrators (KASPA)
Kansas Assoc 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)

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SENATE BILL No. 30

By Senators D. Schmidt and Umbarger and Allen, Apple, Barnett, Barone, Brownlee, Bruce, Brungardt Donovan, Emler, Goodwin, Hensley, Huelskamp, Jordan, Journey, Lynn, McGinn, Morris, Ostmeyer, Palmer, Petersen, Pine, Pyle, Reitz, V. Schmidt, Schodorf, Taddiken, Teichman, Vratil, Wagle, Wilson and Wysong

DRAFT OF AMENDMENTS
For Consideration by Committee on
Appropriations
January 19, 2007

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13 AN ACT ~~concerning school finance; establishing the keeping education~~
14 ~~promises trust fund; transferring moneys from the state general fund~~
15 ~~to the fund and prohibiting expenditure of such moneys during the~~
16 ~~fiscal year ending June 30, 2008; making and concerning appropri-~~
17 ~~ations for the fiscal years ending June 30, 2008, and June 30, 2009;~~
18

making and concerning appropriations for the fiscal
years ending June 30, 2007, June 30, 2008, June 30,
2009, June 30, 2010, June 30, 2011, and June 30,
2012;

and the regents crumbling classrooms debt
fund

such funds and restricting certain expenditures or transfers
of certain moneys during certain fiscal years

19 *Be it enacted by the Legislature of the State of Kansas:*
20 Section 1. (a) There is hereby established in the state treasury the
21 keeping education promises trust fund which shall be administered by
22 the department of education. The keeping education promises trust fund
23 is established for the purpose of setting aside moneys to support that
24 portion of the aggregate amount of moneys appropriated for the depart-
25 ment of education for general state aid, supplemental general state aid
26 and special education services aid for the fiscal year ending June 30, 2009,
27 by section 30(a) of chapter 197 of the 2006 Session Laws of Kansas, that
28 constitutes an increase in the aggregate amount of general state aid, sup-
29 plemental general state aid and special education services aid for fiscal
30 year 2009 over the aggregate amount of moneys appropriated for general
31 state aid, supplemental general state aid and special education services
32 aid for the fiscal year ending June 30, 2008, by section 30(a) of chapter
33 197 of the 2006 Session Laws of Kansas. No moneys shall be transferred
34 or expended from the keeping education promises trust fund except pur-
35 suant to specific authorization by appropriation act of the legislature.

Attachment 1

36 (b) On July 1, 2007, the director of accounts and reports shall transfer
37 \$122,700,000 from the state general fund to the keeping education prom-
38 ises trust fund.

(d) 39 (c) On July 1, 2008, the director of accounts and reports shall transfer
40 \$122,700,000 from the keeping education promises trust fund to the state
41 general fund.

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Attachment 1

Section 1. (a) For the fiscal years ending June 30, 2007, June 30, 2008, June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, capital improvement projects, fees, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

(b) The agencies named in this act are hereby authorized to initiate and complete the capital improvement projects specified and authorized by this act or for which appropriations are made by this act, subject to the restrictions and limitations imposed by this act.

(c) This act shall not be subject to the provisions of subsection (a) of K.S.A. 75-6702 and amendments thereto.

(d) The appropriations made by this act shall not be subject to the provisions of K.S.A. 46-155 and amendments thereto.

Sec. 2.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Keeping education promises trust fund

For the fiscal year ending June 30, 2007 \$0

Provided, That no moneys shall be transferred or expended from the Keeping education promises trust fund during fiscal year 2007: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the 2007 regular session of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the Keeping education promises trust fund for fiscal year 2007 or to otherwise authorize or provide for any expenditures from the Keeping education promises trust fund for fiscal year 2007.

For the fiscal year ending June 30, 2008 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the Keeping education promises trust fund during fiscal year 2008: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the 2007 or 2008 regular session of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the Keeping education promises trust fund for fiscal year 2008 or to otherwise authorize or provide for any expenditures from the Keeping education promises trust fund for fiscal year

2008.

For the fiscal year ending June 30, 2009 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the Keeping education promises trust fund during fiscal year 2009: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the 2008 or 2009 regular session of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the Keeping education promises trust fund for fiscal year 2009 or to otherwise authorize or provide for any expenditures from the Keeping education promises trust fund for fiscal year 2009.

(b) On the effective date of this act, or as soon thereafter as moneys are available therefor, subject to and in accordance with the provisions of this subsection, during fiscal year 2007, the director of accounts and reports shall transfer one or more amounts that are equal to \$271,700,000 in the aggregate from the state general fund to the Keeping education promises trust fund.

“(c) On July 1, 2007, the director of accounts and reports shall transfer \$149,000,000 from the keeping education promises trust fund to the state general fund.”

1 ~~Sec. 2.~~

2 DEPARTMENT OF EDUCATION

3 (a) There is appropriated for the above agency from the following
4 special revenue fund or funds for the fiscal year ending June 30, 2008,
5 all moneys now or hereafter lawfully credited to and available in such
6 fund or funds, except that expenditures other than refunds authorized by
7 law shall not exceed the following:

Attachment 2

8 Keeping education promises trust fund..... \$0

9 *Provided*, That no moneys shall be transferred or expended from the
10 keeping education promises trust fund during fiscal year 2008: *Provided*
11 *further*, That, notwithstanding the provisions of K.S.A. 75-3711c and
12 amendments thereto, any appropriation act of the 2007 regular session
13 of the legislature or any other statute, the state finance council shall have
14 no authority to increase the expenditure limitation on the keeping edu-
15 cation promises trust fund for fiscal year 2008 or to otherwise authorize
16 or provide for any expenditures from the keeping education promises
17 trust fund for fiscal year 2008.

18 Sec. 3. This act shall take effect and be in force from and after its
19 publication in the Kansas register.

And by renumbering Section 3 as Section 4

3-4

Attachment 2

Sec. 3.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Regents crumbling classrooms debt payment fund

For the fiscal year ending June 30, 2007 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the regents crumbling classrooms debt payment fund during fiscal year 2007: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the regents crumbling classrooms debt payment fund for fiscal year 2007 or to otherwise authorize or provide for any expenditures from the regents crumbling classrooms debt payment fund for fiscal year 2007.

For the fiscal year ending June 30, 2008 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the regents crumbling classrooms debt payment fund during fiscal year 2008: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the regents crumbling classrooms debt payment fund for fiscal year 2008 or to otherwise authorize or provide for any expenditures from the regents crumbling classrooms debt payment fund for fiscal year 2008.

For the fiscal year ending June 30, 2009 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the regents crumbling classrooms debt payment fund during fiscal year 2009: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the regents crumbling classrooms debt payment fund for fiscal year 2009 or to otherwise authorize or provide for any expenditures from the regents crumbling classrooms debt payment fund for fiscal year 2009.

For the fiscal year ending June 30, 2010 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the regents crumbling classrooms debt payment fund during fiscal year 2010: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the regents crumbling classrooms debt payment fund for fiscal year 2010 or to otherwise authorize or provide for any expenditures from the regents crumbling classrooms debt payment fund for fiscal year 2010.

For the fiscal year ending June 30, 2011 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the regents crumbling classrooms debt payment fund during fiscal year 2011: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the regents crumbling classrooms debt payment fund for fiscal year 2011 or to otherwise authorize or provide for any

expenditures from the regents crumbling classrooms debt payment fund for fiscal year 2011.

For the fiscal year ending June 30, 2012 \$0

Provided, That, except as specifically authorized by act of the legislature, no moneys shall be transferred or expended from the regents crumbling classrooms debt payment fund during fiscal year 2012: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3711c and amendments thereto, any appropriation act of the legislature or any other statute, the state finance council shall have no authority to increase the expenditure limitation on the regents crumbling classrooms debt payment fund for fiscal year 2012 or to otherwise authorize or provide for any expenditures from the regents crumbling classrooms debt payment fund for fiscal year 2012.

(b) On the effective date of this act, or as soon thereafter as moneys are available therefor, and subject to and in accordance with the provisions of this subsection, during fiscal year 2007, the director of accounts and reports shall transfer \$76,612,979 from the state general fund to the regents crumbling classrooms debt payment fund.

(c) During the fiscal year ending June 30, 2007, the state board of regents shall certify to the director of accounts and reports the amount or amounts and the date or dates of payments to be made during the period commencing on the effective date of this act and June 30, 2007, for payment of principal and interest on bonds issued pursuant to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in accordance with applicable bond covenants. At the same time as such certification is transmitted to the director of accounts and reports, the state board of regents shall transmit a copy of such certification to the director of the budget and the director of the legislative research department. Upon receipt of such certification, the director of accounts and reports shall transfer the amount or amounts specified on the date or dates specified in such certification from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents: *Provided*, That the amount or amounts transferred from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents during fiscal year 2007 under this subsection (c) shall not exceed \$1,630,130.

(d) During the fiscal year ending June 30, 2008, the state board of regents shall certify to the director of accounts and reports the amount or amounts and the date or dates of payments to be made during fiscal year 2008 for payment of principal and interest on bonds issued pursuant to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in accordance with applicable bond covenants. At the same time as such certification is transmitted to the director of accounts and reports, the state board of regents shall transmit a copy of such certification to the director of

the budget and the director of the legislative research department. Upon receipt of such certification, the director of accounts and reports shall transfer the amount or amounts specified on the date or dates specified in such certification from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents: *Provided*, That the amount or amounts transferred from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents during fiscal year 2008 under this subsection (d) shall not exceed \$15,000,000.

(e) During the fiscal year ending June 30, 2009, the state board of regents shall certify to the director of accounts and reports the amount or amounts and the date or dates of payments to be made during fiscal year 2009 for payment of principal and interest on bonds issued pursuant to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in accordance with applicable bond covenants. At the same time as such certification is transmitted to the director of accounts and reports, the state board of regents shall transmit a copy of such certification to the director of the budget and the director of the legislative research department. Upon receipt of such certification, the director of accounts and reports shall transfer the amount or amounts specified on the date or dates specified in such certification from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents: *Provided*, That the amount or amounts transferred from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents during fiscal year 2009 under this subsection (e) shall not exceed \$15,000,000.

(f) During the fiscal year ending June 30, 2010, the state board of regents shall certify to the director of accounts and reports the amount or amounts and the date or dates of payments to be made during fiscal year 2010 for payment of principal and interest on bonds issued pursuant to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in accordance with applicable bond covenants. At the same time as such certification is transmitted to the director of accounts and reports, the state board of regents shall transmit a copy of such certification to the director of the budget and the director of the legislative research department. Upon receipt of such certification, the director of accounts and reports shall transfer the amount or amounts specified on the date or dates specified in such certification from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents: *Provided*, That the amount or amounts transferred from the regents crumbling classrooms debt

payment fund to the comprehensive rehabilitation and repair fund of the state board of regents during fiscal year 2010 under this subsection (f) shall not exceed \$15,000,000.

(g) During the fiscal year ending June 30, 2011, the state board of regents shall certify to the director of accounts and reports the amount or amounts and the date or dates of payments to be made during fiscal year 2011 for payment of principal and interest on bonds issued pursuant to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in accordance with applicable bond covenants. At the same time as such certification is transmitted to the director of accounts and reports, the state board of regents shall transmit a copy of such certification to the director of the budget and the director of the legislative research department. Upon receipt of such certification, the director of accounts and reports shall transfer the amount or amounts specified on the date or dates specified in such certification from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents: *Provided*, That the amount or amounts transferred from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents during fiscal year 2011 under this subsection (g) shall not exceed \$15,000,000.

(h) During the fiscal year ending June 30, 2012, the state board of regents shall certify to the director of accounts and reports the amount or amounts and the date or dates of payments to be made during fiscal year 2012 for payment of principal and interest on bonds issued pursuant to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in accordance with applicable bond covenants. At the same time as such certification is transmitted to the director of accounts and reports, the state board of regents shall transmit a copy of such certification to the director of the budget and the director of the legislative research department. Upon receipt of such certification, the director of accounts and reports shall transfer the amount or amounts specified on the date or dates specified in such certification from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents: *Provided*, That the amount or amounts transferred from the regents crumbling classrooms debt payment fund to the comprehensive rehabilitation and repair fund of the state board of regents during fiscal year 2012 under this subsection (h) shall not exceed \$15,000,000.

Amendment to Senate Bill No. 30

- Proposed amendment would place HB 2047 into SB 30.
 - School Finance
 - Set aside \$271.7 million in FY 2007 for the FY 2008 and FY 2009 school finance increase amounts as approved by the 2006 Legislature;
 - \$149.0 million in FY 2008 and \$122.7 million in FY 2009;
 - Funds are transferred to the Keeping Education Promises Trust Fund in the current year;
 - Funds are transfers back to the State General Fund in the year it will be expended;
 - Funds can only be expended by an act of the Legislature.
 - Regents Crumbling Classroom bonds
 - Transfers \$76.6 from the State General Fund in the current year to a new fund entitled the Regents Crumbling Classrooms Debt Payment Fund;
 - The transfer amount reflects the remaining principal (\$66.7 million) and interest (\$8.3 million) on the Crumbling Classroom bonds;
 - Then payments will be taken out of the new payment fund and put in the appropriate payment account for the bonds.
 - The existing Crumbling Classroom bonds are not able to be refinanced (most have already been done) or defeased (only \$8.0 million remains of the original bonds, of \$7.0 million will be satisfied on October 1, 2007).
 - The bill will lower the State General Fund ending balance by \$348.3 million in FY 2007.
 - The ending balance (based on the Governor's recommendation for FY 2007) would be \$430.8 million or 7.3 percent of expenditures.
 - If you account for the additional receipts above the estimate through