

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairman Clay Aurand at 9:00 A.M. on February 8, 2007 in Room 313-S of the Capitol.

All members were present except:

Representative Benjamin Hodge- absent
Representative Ted Powers- excused

Committee staff present:

Sharon Wenger, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Ashley Holm, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Janet Henning, Committee Assistant

Conferees appearing before the committee:

Representative Pat Colloton
Tim Rooney, Manager of Budget and Finance, Shawnee Mission, USD 512
Bob VanCrum, Blue Valley Government Affairs Specialist
Bill Brady, Schools for Fair Funding
Mark Tallman, Kansas Association of School Boards
Mark Desetti, KNEA
Sue Morgan, President, Lawrence Board of Education
Terry Forsyth, Director Political Action, KNEA
Bill Reardon, USD 500, Kansas City, Kansas

HB 2276 - School districts; levy authorized for districts which spend under the average per pupil.

Representative Colloton addressed the Committee as a proponent of **HB 2276**. (Attachment #1)

Tim Rooney spoke as a proponent of **HB 2276** and advised the bill would allow local communities to help offset the imperfections of the current formula and to provide additional opportunities for students. (Attachment #2)

Bob VanCrum advised the Committee that **HB 2276** would allow relief to school districts whose general fund per pupil budgets have been capped by State law and are for that reason forced to remain in the bottom 15 - 25% of all school districts. (Attachment #3)

Bill Brady spoke as an opponent to **HB 2276** and advised that passage of this proposal would place additional pressure on the property taxpayer for K-12 education. (Attachment #4)

Mark Tallman told Committee members that KASB was opposed to **HB 2276** because it would conflict with many of the basic policy positions on school finance adopted by their members. (Attachment #5)

Mark Desetti spoke as a neutral to **HB 2276**. (Attachment #6)

Following a discussion of questions and answers, the Chairman closed the hearing on **HB 2276**.

SB 69 - School finance; cost of living and declining enrollment weightings; LOB requirements.

Sue Morgan testified as a proponent of **SB 69**. (Attachment #7)

Terry Forsyth spoke to the Committee as a proponent of **SB 69**. (Attachment #8)

Bill Reardon addressed the Committee in opposition of **SB 69**. (Attachment #9)

The hearing on **SB 69** was then closed by the Chairman.

The meeting adjourned at 10:15 AM. The next meeting is scheduled for Friday, February 9, 2007.

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

STATE CAPITOL
300 S.W. TENTH STREET
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2513 W. 118TH STREET
LEAWOOD, KANSAS 66211
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PAT COLLOTON
28TH DISTRICT

February 7, 2007

Re: HB 2276

Dear Chairman Aurand and Committee Members:

I appreciate the opportunity to testify in support of HB 2276. I am addressing you as a former school mom on behalf of the 75,000 public school children who attend school in Johnson County. We are here asking for fairness. We want fair funding for our children. After we spend all the money we are allowed under the current school finance formula, we still have class sizes that are well beyond the recommended levels. It is universally agreed that the fundamentals for a good education are a qualified teacher and a manageable class size. We don't have sufficient funding under the current formula to meet this basic need, and that's not fair to our children.

As a state legislature we have just addressed some of the failures in our state school funding formula. We are in the process of spending \$780 million dollars to address some of the specific needs for the children in Kansas. For our children in Johnson County, however, the money has done little more than replace cuts in state funding from the previous years. We are glad that your children are receiving that needed money. We recognize that it is needed. But now we are asking for fairness. We want a formula that allows us to spend the basic amount of money needed for a good teacher and a reasonable class size.

In Johnson County we highly value education. We understand that there is a strong correlation between a good education and economic development. Even our chambers of commerce put our educational system as a top priority of need. Our county government has given up its economic development money (its ¼ cent sales tax) to our schools for that past four years to make up for all the cuts. Still, we still have class sizes that are too large.

We all know that the formula has many sections that don't provide for actual costs, and some that bear little relation to academic needs, but instead reflect political power in the legislature. The two legislative post audits conducted over the past few years are a roadmap to these inequities in the formula. Give us the chance to overcome these inequities. We will use our own local money. It won't cost the state a penny, and it

House Education Committee
Date: 2-8-07
Attachment # 1

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

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28TH DISTRICT

won't reduce any of the hard won money the state is spending for other children under the recent changes to the formula.

HB 2276 allows school districts to spend beyond the current restrictions in the formula if their average spending per pupil is below the average for their enrollment category. It allows them to raise local money to bring their spending per pupil up to the average spending per pupil for their enrollment category. They cannot spend beyond the average spending per pupil. Both Tim Rooney and Bob Vancrum can provide you with specific dollar averages. This is fair. It is needed by our children. As a former school mom, I'm asking you to please be fair to us and grant us this ability to support the educational needs for our children.

Respectfully submitted,

Pat Colloton

Pat Colloton



Manager of Budget and Finance

Shawnee Mission School Dist. ...

Howard D. McEachen Administrative Center

7235 Antioch • Shawnee Mission, Kansas 66204-1798

Phone (913) 993-6478 • Fax (913) 993-6231 • www.smsd.org

February 8, 2007

Dear Chairman and Members of the Education Committee,

Thank you for the opportunity to testify on behalf of HB 2276. I am the Manager of Budget and Finance for the Shawnee Mission School District 512. The district is the second largest in Kansas with 28,531 students, 2180 teachers in 51 schools. Shawnee Mission is located in Johnson County. The county provides 26.8% of the total income, sales and property tax collections and educates 17.8% of the state's students.

K.S.A. 72-6444 requires the state board to annually compute the average budget authority for four enrollment groups (0-99, 100-299, 300-1799, 1800 and over). If a district's budget authority is below the average of the districts in their enrollment group, the district may increase its LOB percentage to match the average and not be subject to a protest petition. Currently the law does not allow a district to use this provision to increase the LOB percentage beyond the prescribed level.

This bill would allow a district to increase funding beyond the prescribed LOB level in order to reach the average. If a district decides to exercise this provision, local patrons would pay the entire cost.

It seems appropriate to have a statewide funding plan that assists districts with low assessed valuation or those that have a high population of students that are more costly to educate. It is not clear why state law would prohibit districts from spending local dollars in excess of the state supported amount. This deprives local communities from offering programs for its students. This is especially difficult, in our case, when the community is providing additional dollars to assist students statewide and is relegated to the 268th position out of 300 districts in terms of available funding per student. This bill would allow districts to raise local funds to reach the average amount of funding for their enrollment group.

The other reason this is so important is that the system of weightings used in our current formula is not a precise measurement of the amount each school district needs. There are several reasons for this. First, some students in a weighted category are more costly than other students. Second, each weighting is assessed separately even though there is some duplication and interplay between factors. For example, a student might qualify for bilingual weighting and, because the child is eligible for free lunch, might receive at-risk weighting as well. A larger district may wish to use at-risk dollars to reduce class size, but a smaller district is likely to have a small class size already and still receive additional at-risk weighting. Lastly, and problem most important, the weightings are established through political compromise. This is most clearly evident by comparing the distribution of funds using the independent Legislative Post Audit study with the actual school finance bill passed by the legislature. It is clear by such comparison that Shawnee Mission and other districts are considerably under-funded relative to the study while other districts are funded well in excess of the LPA report.

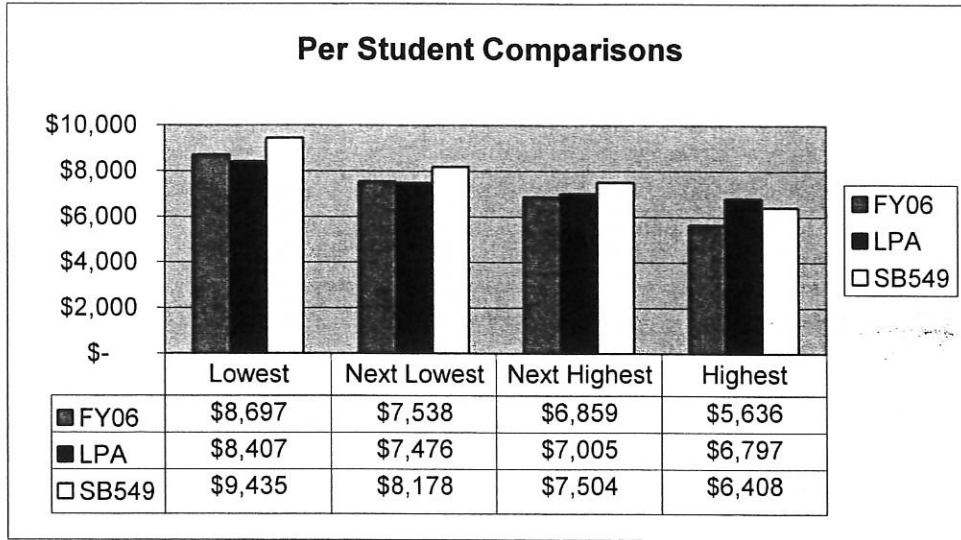
In closing, this bill would allow local communities to help offset the imperfections of the current formula and to provide additional opportunities for students. It does not take away any funding from another district. It only allows a district to creep from the bottom of their enrollment group to the middle. We

Education Committee
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Attachment #2

SB549 as a
Pctg of
LPA

By Size of District	Districts	Students	FY06 Budget ¹	LPA Recommendation ²	SB549 ³	SB549 as a Pctg of LPA
Lowest	75	15,451	134,384,873	129,897,161	145,782,622	112.2%
Next Lowest	75	31,188	235,095,482	233,153,322	255,053,368	109.4%
Next Highest	75	59,094	405,322,619	413,947,083	443,435,713	107.1%
Highest	75	342,238	1,929,000,420	2,326,079,949	2,192,925,317	94.3%
Total	300	447,970	2,703,803,394	3,103,077,515	3,037,197,019	



SB549 as a

Testimony on HB 2276 to
House Education Committee
by Robert J. Vancrum
Blue Valley Government Affairs Specialist

February 8, 2007

Chairman Aurand and Members of the Committee:

I am here in strong support of HB 2276. This bill would allow relief to school districts whose general fund per pupil budgets have been capped by State law and are for that reason forced to remain in the bottom 15-25% of all school districts.

We were not opposed to the three year school finance plan of last year that was designed to, and did, meet the needs of low income Kansas kids who are at risk or have special education needs. However, we have a continuing problem with the budgetary lids that may have made sense as a temporary measure in the 1992 law but certainly make no sense today.

We have had a provision for several years that allows school districts who are below the average LOB to increase their LOB to allow them to reach the average. This bill simply allows a district that is at the cap on the LOB but is below the average per pupil budget for its size category to raise a budget equity levy to allow it to reach the State average.

HB 2276 requires no state dollars, doesn't and shouldn't effect any school districts other than those who are currently capped.

**TESTIMONY IN OPPOSITION TO HB 2276
SCHOOLS FOR FAIR FUNDING
BILL BRADY
FEBRUARY 6, 2007**

MEMBERS OF THE HOUSE EDUCATION COMMITTEE:

SCHOOLS FOR FAIR FUNDING, a coalition of 16 school districts interested in a school finance formula that is equitable and adequate is opposed HB 2276. Passage of this proposal would allow districts not at the average per pupil spending in its enrollment category to levy an additional property tax amount to reach the average. We believe HB 2276 could increase property taxes by \$70 million statewide in 172 school districts.

Our opposition to HB 2276 is centered on our belief that our finance formula should be based on the actual costs to educate Kansas children. It has been proven that costs vary greatly among school districts based on the composition of its student population. We know that districts that have very small numbers have additional costs based on economies of scale. We also know that districts with large numbers of at risk students and students who do not adequately speak the English language have higher costs. The Legislature has funded two separate studies in the last eight years that have outlined to us how to best allocate our resources. SB 549, last year's historic three year school finance plan, was the Legislature's attempt to respond to the Supreme Court's challenge that our formula needs be based on actual costs.

Just as no two districts are alike in terms of actual costs, districts are very different in their ability to levy property taxes. HB 2276 would place additional pressure on the property taxpayer for K-12 education. We continue to believe the road map for future decisions on funding for K-12 education can best be found in the Post Audit Study. In our opinion changes in direction not based on actual costs start us back down a path where folks loose confidence in the fairness of the funding formula. Much work needs to be done to fully implement the direction of the Study.

House Education Committee
Date: 2-8-07
Attachment # 4

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
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Testimony on **2276**
before the
House Education Committee

by

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

February 8, 2007

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to comment on **HB 2276**. KASB is opposed to this bill because it would conflict with many of the basic policy positions on school finance adopted by our members. To explain those positions, I have attached a copy of those policies.

For the new members of the committee, I would like to briefly explain how KASB develops our positions. Next, I will review how those policies compare with the **HB 2276**. Finally, I will be happy to respond to any questions.

Thank you for your consideration.

House Education Committee

Date: 2-8-07

Attachment # 5

Legislative Policies

*As Amended by the KASB Delegate Assembly
December 2, 2006*

PREAMBLE

Kansas public education is governed by locally elected, non-partisan boards of education, citizens from varied backgrounds serving their district without pay and accountable to their district's voters for their actions. The constitution of the Kansas Association of School Boards provides the cooperative framework for school boards to work together in areas of mutual concern and for the best interests of Kansas school children.

The members of KASB believe that the system of local and state control of public education by boards such as ours is superior to other forms of central or national control, or to control vested in professionals. We believe that our system is a cornerstone of American democracy. Essential to that democracy and to the public nature of public education is the separation of church and state set forth in the Constitution of the United States, and we oppose any attempt to erode that separation through the public schools.

We believe that universal public education is a fundamental right that does and should provide for each person the opportunity to reach his/her potential. We are therefore committed to policies that promote continuous academic growth for each individual student. In Kansas, we will support these beliefs without exception for, as Kansas school boards, we know that the rights and responsibilities of citizenship in a democracy may become available to none unless they are used by all.

FEDERAL ISSUES

A. Federal Aid to Education

1. KASB believes the federal government should fully fund federally mandated education programs. Full funding of special education requirements should be the first priority for new federal spending.

2. KASB believes all general assistance federal funds should be channeled to local districts through the Kansas State Board of Education. Targeted incentive and grant program money should be distributed directly to local districts. Any advisory committee that determines distribution formulas for federal funds should have school board representation.

3. Accountability for federal programs should be based on student academic performance. The federal government should not regulate curriculum, employment, discipline or other management decisions of local school boards.

B. Federal Collective Bargaining Law

KASB opposes any federal legislation concerning public employee collective bargaining.

C. Federal Tuition Tax Credits and Voucher Systems

KASB opposes legislation that would use tuition tax credits or voucher systems to aid private elementary or secondary schools.

KANSAS ISSUES

I. FINANCING SCHOOLS

A. State School Finance

Educational opportunity should be a function of the taxable wealth of the state, not the taxing ability of a local district. The state school finance system should provide comparable students in comparable districts with comparable educational expenditures at comparable tax efforts. Differences in educational expenditures should be based on the educational needs of each district's students.

1. Budget Authority

a. Distribution. School district budget authority should be determined on a per-pupil basis rather than classroom units or teacher units unless a guaranteed minimum budget is necessary to maintain a high quality education program.

b. Base Budget. The state should determine a base or minimum budget per pupil, which should be adequate to provide a suitable level of funding for all students and districts to achieve expected outcomes, and adjusted annually to reflect changes in costs.

c. Pupil Weighting. Because of the widely varying needs of pupils and districts, KASB endorses the concept of weighting when it can be shown that variations result in higher costs. Types of weighting that should be considered would include, but not be limited to:

- Special types of students (special education, vocational education) whose education causes higher costs.
- Grade level of students (preschool, elementary and secondary).
- Density, scarcity or isolation of pupil population.
- Size of district (total pupil population).

In addition, the legislature may consider creating categories of students with like characteristics whenever differences in cost may be justified based on objective criteria.

j. Local Option Authority. Boards of education should be authorized to enrich their educational programs beyond the base budget, provided that all districts can exercise the same degree of discretion by making the same amount of effort, and that the range in budgets is not excessive. The exercise of local option authority should not be subject to referendum.

e. Budget Limitation. Any limitation on the use of budget authority should include:

- (1) Limits on a per pupil basis to provide flexibility for districts facing increasing or decreasing enrollment.
- (2) A differential between high and low spending districts.
- (3) Recognition of the effects of inflation.
- (4) A procedure to appeal to the State Board of Education for special circumstances.

f. Contingency Reserves. Districts should have the ability to carry a reasonable contingency reserve from one fiscal year to the next.

g. Budget Reduction. If any district loses budget authority under the school finance system, the reduction should be phased in through some mechanism.

h. Other State Aid Programs. Categorical aid programs outside the school district general fund must be fully funded, especially for district programs that are mandated. Funding should be provided for demonstrated exceptional costs that are not fully addressed by weighting or categorical formulas.

i. Capital Expenditures. Capital expenditures should be determined locally, with state assistance provided on an equalized basis. KASB opposes state recapture of local capital outlay balances.

2. Funding and Revenue Sources

a. Revenue Sources. The state should strive to achieve a mix from the major revenue sources, sales, income and property taxes, to ensure funding for quality education.

b. Local Effort. The state should establish a minimum level of contribution from local sources. If the minimum local contribution exceeds the authorized budget, the district should rebate the excess to the state for distribution as general aid.

c. District Wealth. Only tax resources that generate revenue for districts should be used to measure the ability of the district to pay its share of education funding.

d. Local Sources. Local tax sources should include the ad valorem property tax and the intangibles tax.

e. State Effort. At least 50 percent of the combined general fund for school districts should be provided by the state from non-local sources. When considering the sources of state revenue, the legislature should also consider the flexibility of those sources.

f. Tax Limitation. Arbitrary limits on state or local taxes should not be imposed.

3. Other Recommendations

a. Local Control. The school finance plan should provide local autonomy in making expenditure decisions within the budget.

b. Financial Incentives. Financial incentives should be used to encourage districts to attain objectives and develop programs that are of sufficient importance to be a matter of state policy.

c. Financial Penalties. Reductions in budget authority or state aid should not be used to enforce prescribed state standards.

d. Earmarking Funds. The use of school district general funds should not be earmarked for a particular purpose.

e. State General Fund Transfers. State general fund dollars should not be transferred to other state funds which have traditionally been funded by user fees, or subject to arbitrary reserve requirements.

f. Reductions or Delays in State Funding. School boards should not be subject to penalties for violations of the cash-basis law when state funding is reduced or delayed. School boards should be given expanded flexibility to deal with reductions or delays in state budget authority.

B. Local School Finance

1. Investment of School Funds

a. Investments. District officials should be allowed to invest district funds in time deposits, certificates of deposit or other authorized investment instruments in any bank or savings and loan institution authorized to operate in Kansas, or any direct obligation of the United States government, such as treasury bills or notes. The board may negotiate rates of return for investments.

b. Security. School boards should not invest in speculative investments of any type. Any investment should be adequately secured and the security provisions should be substantially the same for banks and savings and loan institutions.

2. Miscellaneous Revenue

School boards should be authorized to deposit miscellaneous revenue—money from donations and bequests, the sale of oil leases, sale of school property and other similar transactions—in the general fund, capital outlay fund, bond fund or a special fund.

3. School District Tax Exemptions

As political subdivisions, districts should pay no local, state or federal tax. A tax refund should be provided when contracted services such as student transportation would indirectly impose such taxes. KASB supports efforts to streamline the process of providing school district tax exemptions.

4. Out-of-District Tuition

KASB opposes requiring districts to pay tuition for students to attend regular public schools outside of the district. This does not apply to AVTS or special education tuition.

5. Capital Outlay Funds

KASB supports legislation that would allow districts to transfer capital outlay money to cooperatives or interlocals to which they belong for capital outlay purposes.

6. Property Tax Abatement

KASB supports legislation to limit the authority of the state, cities and counties to grant property tax abatements to existing property valuation. KASB also believes school district input should be required before tax abatements are granted to newly created valuation and that state approval should be required before the state-imposed minimum levy is abated.



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

**Mark Desetti, Testimony
House Education Committee
February 8, 2007**

HB 2276

Mr. Chairman, members of the committee, thank you for the opportunity to appear before you today to share our thoughts on **HB 2276**.

We find ourselves today talking about yet another opportunity for local school boards to raise property taxes. We now have the LOB up to 31%, the declining enrollment weighting, and the cost of living weighting. We must not forget too that there is the local sales tax for schools. Here's a proposal for another local property tax levy for those districts spending less than the state average per pupil. Some of you will read in this "Johnson County."

It seems that it won't be long until you've succeeded in moving the funding of schools back to the local level completely.

The most interesting thing about a below average spender tax is that there will always be school districts spending below average – that's the nature of an average. Once these school districts have raised enough money to meet the average per pupil expenditure, the average will move up and they will once again be below average allowing them another opportunity to raise local property taxes.

We continue to seek quick fixes to problems that will only serve to exacerbate the inequities within the current finance formula and drive the state closer to the next school finance lawsuit. We are concerned by these efforts to find solutions for a few districts instead of focusing on addressing both adequacy and equity within the formula.

HB 2276 and other bills that serve to only raise local property taxes without applying equity hasten our movement toward a new lawsuit based on both equity and adequacy.

House Education Committee
Date: 2-8-07
Attachment # 6

Testimony on **SB 69** before the
House Education Committee

by

Sue Morgan, Board of Education President, USD 497
5701 Villa Drive, Lawrence, KS 66047, 785 749-3220; smorgan@usd497.org
February 8, 2007

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to address you today on behalf of USD 497, Lawrence Public Schools, in support of SB 69, which amends school finance statutes, specifically KS 72-6449 concerning cost of living and KS 72-6451 concerning declining enrollment. It is the current cost of living provisions in 6449 which are problematic for our district and I will therefore focus my remarks on those provisions. However, we are supportive of the changes proposed to address similar issues faced by districts such as Hays and Hanston utilizing the declining enrollment provisions of KS 72-6451.

As you are aware, 72-6449, cost of living weighting, which was passed in 2005, made provision for districts whose average housing cost was more than 25% above the state average to levy a property tax. This levy was for the purpose of financing the costs that would be attributable directly to the assignment of the cost of living weighting to enrollment of the district. One of the qualifying criteria for being able to levy such a tax was that the district had adopted a local option budget in an amount equal to the state prescribed percentage in the current school year. The Supreme Court stayed this cost of living weighting so it was not utilized until the Supreme Court lifted the stay allowing qualifying districts to utilize the provision for the first time in 2006-2007 school year.

SB 549 as passed by the legislature in 2006 amended the definition of "state prescribed percentage" for local option budgets to mean 30% for school year 2006-2007 and 31% for school year 2007-2008 and each school year thereafter. SB 549 further provided that any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such a resolution has been submitted to and approved by a majority of the qualified electors of the school district.

These two statutory provisions, taken in tandem, create what we believe were unintended consequences for local districts utilizing the cost of living levy by requiring those districts to:

1. Increase local property taxes just to keep what they already have, and
2. Subject existing revenues to a vote after the fact.

Let me use our district as an example. The State Board of Education determined that USD 497 could levy a tax to fund the cost of living weighting for 2006-2007 as long as we raised our LOB to 30%, the state prescribed percentage for 2006-07. Our Board of Education did in fact raise our LOB to 30% for 2006-2007 and we levied an additional tax under the cost of living weighting provisions. We followed the statutory requirements by publishing a resolution regarding the extra cost of living levy and allowing a 30-day period during which a protest petition could be filed. We used the cost of living revenue to increase our teacher salaries. While our Board of Education may not want to add further to the local property tax burden by raising either the LOB or the cost of living levy for 2007-08, under present statute, we will lose our existing cost of living levy if we do not raise our LOB for 2007-2008 to 31%. Further, since the increase in the LOB from 30 to 31% would be subject to a vote of the qualified electors of the district, keeping the current cost of living levy becomes subject to the same vote, thereby making existing ongoing operational funding subject to a vote after the fact. For our district \$1,275,000 of funding already committed to ongoing teacher salaries is at stake.

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Attachment # 7

Funding streams for ongoing operational expenses need continuity in order for districts to be able to effectively and efficiently manage their schools, programs, staff and services. Their continuation should not be dependent upon imposing additional taxes in the future. Neither should such funding be made subject to a vote after it has been legally acquired and allocated to ongoing costs, such as salaries.

Many legislators involved in passing SB 549 last year have indicated that it was not their intent to make existing revenue dependent upon future tax increases or after the fact elections; rather, these have been characterized as unintended consequences of last year's actions. We certainly understand how this could happen given the complexity of the issues and the statutes with which you deal. We appreciate that an appropriate response, a very specific technical correction, has been proposed in the form of SB 69 which simply removes the unintentional consequence and the damaging effects it could have on local districts in the coming year. We urge your positive consideration of this bill as presented and we ask you to refrain from amending this bill in an expansive way which could reopen lengthy debate about provisions of the finance formula and delay action on this bill. Dealing with the bill as is and as a technical correction for an unintended effect would help to expedite action on the bill. This is significant. Unless this correction to existing legislation is made promptly, local districts impacted by these provisions will be forced to submit LOB tax increase proposals for placement on spring election ballots. Not only does this put existing locally generated district revenues in jeopardy, but it also will cause public funds to be expended for informational campaigns and election costs needlessly. The risk of losing funding that is already committed to on-going expenses and the creation of additional expenses could both be avoided by expedited legislative action in this matter. Other bills have been introduced to address miscellaneous changes to the school finance formula and we hope SB 69 can be dealt with as a very specific corrective action independent of other pending bills.

I thank you for the work you do to support quality public education in Kansas and for your consideration today.



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

**Terry Forsyth, Testimony
House Education Committee
February 8, 2007**

Senate Bill 69

Mister Chair, members of the Committee, thank you for the opportunity to appear before you today to share our thoughts on Senate Bill 69.

The meat of this bill is simply to change the required LOB effort from the "state prescribed percentage" to "at least 25%."

As you are all aware, KNEA opposed the implementation of the COLA weighting. But I am not here today to ask you to repeal it. You passed it and three school districts are using it.

We do remain, however, very concerned about the impact of this weighting – particularly in the form it takes now.

We continue to believe that, if you continue to provide the COLA weighting, it be done on a regional basis rather than by simply the cost of housing.

Under the current system, it is conceivable that high housing cost districts with the COLA providing a boost in teacher salaries will draw quality teachers away from neighboring low housing districts.

While we continue to believe that such cost of living adjustments should not be made while all Kansas teacher salaries remain significantly below the national average, a regional cost of living adjustment is a much more logical and rational system under which to determine where weightings might be appropriate.

Of course, every decision you make about local property tax levies should be tempered by consideration of the ability of people in that local area to absorb another property tax levy. Low property tax valuation results in a very high – often unaffordable – mill levy to reach the same dollars that might be raised with one or two mills in a high valuation community.

Please consider carefully all the ramifications of changes in this weighting.

House Education Committee
Date: 2-8-07
Attachment # 8



Kansas City, Kansas Public Schools

Unified School District No. 500

HOUSE EDUCATION COMMITTEE SENATE BILL 69 February 8, 2007

The Kansas City District is aware that without the passage of SB 69 some USDs would be required to raise their LOB from the current max of 30% to next year's max of 31% in order to access local tax dollars from the two new provisions in this year's law regarding cost of living and declining enrollment and that this increase to 31% would require a vote of the public. This election requirement was in the law last year. Consequently, the districts that chose to utilize one or both of these new sources of local dollars did so with full knowledge that to retain this funding source for the second year would require an election. This is one of major reasons, I suspect, why so few of the USDs that qualified for this additional local funding chose to do so. We believe the legislature acted in a prudent and fiscally responsible manner two years ago when they required an election before the 2007-08 school year in order to increase the LOB to 31% and to tie the utilization of COLA and declining enrollment weightings to a requirement that districts must be at the highest allowable LOB. If a school district is allowed to access local taxpayer dollars above their LOB authority, local taxpayers should have a vote. Removing the vote requirement just before it is to become effective is unfair to Kansas taxpayers and to the many USDs who made decisions based on the assumption that the legislature was sincere when they placed the voting provisions in the law two years ago.

Our second concern regarding SB 69 is our district's opposition to the method of qualification, under the law passed last year, for additional local taxing authority for certain high cost districts. The Post Audit Study determined that cost of living is a valid component in determining salary costs, but recommended that these additional costs were applicable to regions of the state, not just selected districts that have high housing costs. We believe that this issue should be addressed before consideration of broadening the current law. The Kansas City District, for example, currently employs more teachers who live in Johnson County than live in Kansas City. Under the current law, they receive no benefit despite the fact that they live in a high wealth district. Conversely, a number of KCK residents teach in Johnson County and have access to the additional funding provided in last year's bill. These inconsistencies cry out for a serious examination of the Post Audit Study recommendations on cost of living factors.

Thank you for allowing me the opportunity to share with you some of the concerns of the Kansas City Public School District regarding SB 69.

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