



Senate Education Committee
February 18, 2013
SB 131

Senator Steve Abrams and Members of the Senate Education Committee:

Although SB 131 would give school districts more latitude in dealing with the financial challenges they face, the bill taken in its entirety has drawbacks that more than negate the benefits it was drafted to achieve.

1. The Capital Outlay Fund was created to isolate a school district's capital expenditures from its operational cost. SB 131 would blend capital and operational expenditures with the fund, thus clouding internal and external oversight in these two very important areas. The intended result of SB 131 could be achieved by allowing districts to take any unused mill levy authority in their Capital Outlay Fund and utilize it as an additional levy in the L.O.B. fund on top of the 30% or 31% lid now in place.
2. Using the funds in the Capital Outlay Fund to replace a shortfall in State aid simply shifts the tax burden from the various State revenue sources to the local property owners and their property taxes.
3. Since a mill levied in one school district can raise substantially more or less than in another school district this bill will have a disequalizing effect between districts.

Thank you for hearing my concerns and I ask for your thoughtful consideration in voting against SB 131.

Respectfully Submitted,

Michael W. Jones
General Director of Fiscal Services
and Board Treasurer
Topeka Public Schools

Senate Education Committee
Date 2-18-13
Attachment 10