

Journal of the House

THIRTY-EIGHTH DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Friday, March 4, 2005, 10:30 a.m.

The House met pursuant to adjournment with Speaker Mays in the chair.
The roll was called with 123 members present.
Reps. Sawyer and Showalter were excused on verified illness.

Prayer by Chaplain Chamberlain:

Loving God: Creator, Redeemer, and Sustainer of all that lives and moves and has being, we honor and praise you this day as we come before you ready to do the work to which you have called us.

We were blessed this morning to gather and to pray for the leaders of our nation, our state, and our communities. We remembered that all authority and power comes from you and that all who exercise your authority and power are in need of our prayers. Hear us this day as we pray for our president and the leaders of our government, our legislature, and courts. We pray especially for our governor and for each one who fulfills the responsibilities of governance; we pray for our courts of justice and those who serve the courts; and we pray for the legislators of Kansas and especially the members of this house. Give all ears to hear your voice, eyes to see your vision, and hearts to do your will. May we be so empowered by your presence that our lives would magnify your love for all the world and for all your children. Amen.

The Pledge of Allegiance was led by Rep. F. Miller.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to committees as indicated:

Appropriations: **HB 2508**.

Federal and State Affairs: **HB 2509**.

MESSAGE FROM THE SENATE

Announcing passage of **SB 138, SB 139, SB 244, SB 245, SB 246**.

Announcing passage of **HB 2059**.

INTRODUCTION OF SENATE BILLS AND CONCURRENT RESOLUTIONS

The following Senate bills were thereupon introduced and read by title:

SB 138, SB 139, SB 244, SB 245, SB 246.

CONSENT CALENDAR

No objection was made to **SB 219** appearing on the Consent Calendar for the first day.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

HB 2474, An act concerning schools and school districts; concerning the state board of education and the state department of education; relating to the powers and duties thereof; relating to school finance; establishing the legislative education council; providing for certain costs analysis studies; making and concerning appropriations for the fiscal year ending June

30, 2006 for the department of education; amending K.S.A. 72-979, 72-6405, 72-6410, 72-6412, 72-6413, 72-6414, 72-6415, 72-6433, 72-6757 and 72-8801 and K.S.A. 2004 Supp. 46-1208a, 72-978, 72-6407, 72-6434, 79-201a and 79-5040 and repealing the existing sections; also repealing K.S.A. 72-6440, 72-6442, 72-6444 and 72-6433b and K.S.A. 2004 Supp. 46-1225, was considered on final action.

On roll call, the vote was: Yeas 78; Nays 44; Present but not voting: 0; Absent or not voting: 3.

Yeas: Aurand, Beamer, Bethell, Brown, Brunk, Burgess, Carlson, Colloton, Craft, Dahl, DeCastro, Decker, Edmonds, Faber, Flower, Freeborn, George, Goico, Gordon, Grange, Hayzlett, Hill, C. Holmes, M. Holmes, Horst, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kelley, Kelsey, Kiegerl, Kilpatrick, Kinzer, Knox, Krehbiel, Landwehr, Loyd, Mast, Mays, McCreary, McLeland, Merrick, F. Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Malley, O'Neal, Oharah, Olson, Otto, Owens, Peck, Pilcher-Cook, Pottorff, Powell, Roth, Schwab, Schwartz, S. Sharp, Shultz, Siegfried, Storm, Vickrey, Watkins, Weber, Wilk, Yoder, Yonally.

Nays: Ballard, Burroughs, Carlin, Cox, Crow, Davis, Dillmore, Faust-Goudeau, Feuerborn, Flaharty, Flora, Garcia, Gatewood, Grant, Hawk, Henderson, Henry, Holland, Kirk, Kuether, Lane, Larkin, Light, Loganbill, Long, Mah, McKinney, Menghini, M. Miller, Pauls, Peterson, Phelps, Powers, Ruff, Ruiz, B. Sharp, Sloan, Svaty, Swenson, Thull, Treasurer, Ward, Williams, Winn.

Present but not voting: None.

Absent or not voting: Carter, Sawyer, Showalter.

The bill passed, as amended.

EXPLANATIONS OF VOTE

MR. SPEAKER: **HB 2474** represents one of the largest property tax increases in the history of the state. **HB 2474** leads to an increase of nearly \$200 million dollars in new property taxes. Our senior citizens are facing being property taxed out of their homes. **HB 2474** provides no funding provisions, and in the second and third years only puts our state ending balance in serious jeopardy. Furthermore **HB 2474** further widens the funding disparity across the state. This bill increases the odds of the Court stepping in and taking over school finance. I vote no on **HB 2474**.—HAROLD LANE

MR. SPEAKER: I cannot vote for **HB 2474**. It does not fulfill my constitutional duty to adequately and equitably fund Kansas public education. It also unfairly burdens small business, struggling families and the elderly by increasing property taxes by \$243 million dollars. This is not sound policy.—JULIE MENGhini

MR. SPEAKER: The constituents of District 53 sent me a message loud and clear: fix the school funding problem, but don't increase property taxes. This bill fails on both counts. It addresses neither the adequacy nor equality issues of the Supreme Court decision. Further, it authorizes what may be the largest potential increase in property taxes in Kansas history. I will listen to the people. I will vote for Kansas kids. I will vote no on **HB 2474**.—ANN MAH

MR. SPEAKER: I'm passionate about education because of how it has benefitted my family and myself. I must oppose **HB 2474**. The many people who have put their trust in me makes this part of my job description. This bill, if enacted, creates less equity than exists today. In my opinion, it does not meet adequacy. I learned many lessons yesterday, including the importance of respect for other legislators and this institution. My prayer today is that after the Supreme Court rules on our work, the members of this body will show that same respect for the Justices.—MARK TREASTER

MR. SPEAKER: I am passionate about education and the opportunities it provides for the children of my family, my community and Kansas. I must vote no on **HB 2474**. I do not believe this bill, if enacted, will meet the constitutional requirements of the state or the expectations of the Supreme Court ruling. In my opinion, it does not adequately fund education and "make suitable provisions for finance." Because many of the amendments

proposed yesterday on the House floor did not pass, this bill creates more inequity in funding among the state's school districts. I believe we can do better.—TOM HAWK

MR. SPEAKER: I have a long history of supporting students, teachers and schools in my district. When I came to the legislature I promised to work hard to continue excellence in public education. We have the opportunity to improve balance and equity in the education formula as required by the Supreme Court decision. Amendments were offered to correct imbalances in the bill, but failed. I believe it creates inequity in the system and fails to provide "suitable provisions for finance." I know we can do better. I vote no on **HB 2474**.—SYDNEY CARLIN

MR. SPEAKER: I vote NO on **HB 2474**. I believe the Kansas Constitution speaks clearly that the legislature "shall make suitable provision for the finance of the educational interest of this state." The Supreme Court found the legislature failed to meet this constitutional responsibility. The Court addressed at-risk children, bi-lingual children, and children with physical and developmental challenges. **HB 2474** provides financial rewards to the wealthiest schools at the expense of these children.

HB 2474 is a huge property tax increase passed under the guise of education. This tax is the most regressive and hurts senior citizens, single parents and working families the most. I oppose this massive tax increase. It's just wrong.—JIM WARD

MR. SPEAKER: I vote no on **HB 2474**. This bill creates a partisan oversight council and more inequality in the state school funding formula. It continues to under fund Base State Aid, programs for at risk students and bilingual programs. Although the bill requires school funding to increase to meet inflation in the future, it does not even provide enough funds to meet the cost of inflation this year.—MARTI CROW

MR. SPEAKER: I vote no on the largest property tax increase in the history of Kansas. By passing responsibility to fund education from the state to local governments we have just increased property taxes by a grand total of \$243 million dollars. I vote no on **HB 2474**.—ANNIE KUETHER

MR. SPEAKER: I vote no on **HB 2474**. This is a proposal to raise local property taxes across Kansas. The bill would force local school districts to choose between short changing their students or taxing small businesses out of business and forcing senior citizens out of their homes. This is no answer.—JERRY WILLIAMS, DELIA GARCIA

MR. SPEAKER: I vote no on **HB 2474**. This bill does not fulfill my constitutional responsibility to provide a fair and equitable education to all Kansas students.—JUDITH LOGANBILL, BARBARA BALLARD, TOM THULL, TOM HOLLAND

MR. SPEAKER: I vote no on **HB 2474**. This bill creates special funding opportunities for a handful of wealthy districts while short changing students across the state in other districts.—BOB GRANT, MARGARET LONG, BRUCE LARKIN, JANICE PAULS

MR. SPEAKER: I vote NO on **HB 2474**. One of the most serious school finance problems pointed to by the Kansas Supreme Court is inadequate funding for at-risk students. **HB 2474** increases the number of students who qualify for At-Risk weighting, but does nothing to address the amount of money allocated per at-risk pupil. The bill does not adequately address the needs of those children most at-risk and will likely not meet our constitutional duty to Kansas children.—MELODY MCCRAY-MILLER, PAUL DAVIS, BRODERICK HENDERSON, VALDENIA WINN

PROTEST

Under Article 2, Section 10 of the Kansas Constitution, I hereby protest the House action on **HB 2474**.

During the debate we were told that data is inadequate to meet the Supreme Court demand that our school finance formula should be cost based. Therefore more time is needed to gather data.

I respond with two points. First, the study commission designed in the House Bill is partisan by design and includes no practitioners or experts from the field of education. The seven member size and partisan political makeup lends itself to furthering partisan agendas rather than fairly determining the true costs and needs of public education in Kansas.

Second, data is available on which to base a plan to fund education. The legislature's own study, Augenblick & Meyers, is available. Second, just recently the Kansas Department of Education provided a cost analysis which details the cost of general education, at-risk, and other data. This analysis covers 55 or 18% of the school districts. It covers over 35% of the state's students. By most research methods this sample size is far more than adequate.

For the record, here is the cost analysis by the Kansas Department of Education:

January 26, 2005

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Survey on Education Costs

As a result of the Supreme Court opinion on the Kansas school finance law, the State Department of Education was requested to survey a cross-section of school districts with the following questions.

1. What would be the PER PUPIL COST for your school district to educate a "normal/regular student?"
2. What is the **additional per pupil cost for an at-risk student?**
3. What is the **additional per pupil cost for a bilingual student?**

We provided definitions for an at-risk student (current law), a bilingual student (current law), and suitable education which was the same used in the Augenblick & Myers study approved by the Legislative Educational Planning Committee and the Legislative Coordinating Council. We also requested that the school districts exclude state special education, at-risk, bilingual, and transportation aid in computing the cost of educating a student with no exceptionalities. They assumed that No Child Left Behind remains in place and is a part of suitable.

Responses were received from all 55 school districts surveyed. Some districts did not have bilingual students. This information was reflected in their responses. Anytime you conduct a survey of this nature, you will have some outliers both on the high and low sides. That is to be expected. We have tried to account for that when we set up our line of best fit.

We have prepared tables which shows the low, median, and high amounts for different enrollment categories and charts showing the cost of enrollments which will be helpful in analyzing this information.

SCHOOL FINANCE SURVEY

As a result of the recent Supreme Court opinion on the Kansas school finance formula, we have been requested to collect specific data concerning the costs of education for the 2005-06 school year.

USD No. _____
 USD Name _____
 Person Completing Request _____
 Telephone Number _____

1. What would be the PER PUPIL COST for your school district to educate a "normal/regular student?"

Please use the attached definitions of suitable education (including graduation requirements) in making your estimates and exclude students identified as special education, at-risk, and bilingual. Do not include any transportation costs in your calculation. Also, please assume that No Child Left Behind remains in place.

\$_____ Est. cost of educating a normal/regular student

2. What is the **additional per pupil cost for an at-risk student**? Please use the attached at-risk definition in making your estimates.
 \$_____ Est. additional cost of educating an at-risk student
3. What is the **additional per pupil cost for a bilingual student**? Please use the attached bilingual definition in making your estimates.
 \$_____ Est. additional cost of educating a bilingual student

AT-RISK DEFINITION

Kansas statutes define at-risk as the number of students eligible for free lunches. Even though the students eligible for free lunch determines the amount of money eligible for at-risk students, all students who meet the definition of at-risk would be eligible to receive benefits.

An at-risk student is defined as a student who meets one or more of the following:

A student who is not meeting the requirements necessary for promotion to the next grade level or graduation from high school.

A student whose education attainment is below other students of their age or grade level.

A student who is a potential dropout.

A student who is failing two or more courses of study.

A student who has been retained.

A student who is not reading on grade level.

This definition does not include a student who has been identified for special education services under Individuals with Disabilities Education Act (IDEA).

BILINGUAL EDUCATION DEFINITION

A student whose primary language is other than English and, based on an English proficiency assessment, scored below "proficient" in any of the domains of speaking, listening, reading, and writing.

Listed below is the definition of SUITABLE EDUCATION to be used for this project.

72-1101. Required subjects in elementary schools. Every accredited elementary school shall teach reading, writing, arithmetic, geography, spelling, English grammar and composition, history of the United States and of the State of Kansas, civil government and the duties of citizenship, health and hygiene, together with such other subjects as the State Board may determine. The State board shall be responsible for the selection of subject matter within the several fields of instruction and for its organization into courses of study and instruction for the guidance of teachers, principals and superintendents.

72-1103. Required courses of instruction; graduation requirements. All accredited schools, public, private or parochial, shall provide and give a complete course of instruction to all pupils, in civil government, and United States history, and in patriotism and the duties of a citizen, suitable to the elementary grades; in addition thereto, all accredited high schools, public, private or parochial, shall give a course of instruction concerning the government and institutions of the United States, and particularly of the Constitution of the United States; and no student who has not taken and satisfactorily passed such course shall be certified as having completed the course requirements necessary for graduation from high school.

72-1117. Kansas history and government, required courses; duties of State Board.

(a) The State Board of Education shall provide for a course of instruction in Kansas history and government, which shall be required for all students graduating from an accredited high school in this state. (b) The State Board of Education shall prescribe the school year, not later than the 1990-91 school year, in which the requirement of subsection (a) shall become applicable and may provide for such waivers from the requirement as the Board deems appropriate.

<u>Qualified Admissions</u> <u>Precollege Curriculum</u>	<u>State Scholarship Program</u> <u>Precollege Curriculum</u>
4 units of English	4 units of English/Language Arts
3 units of Math	3 units of Natural Science
3 units of Natural Science	(1 each of Biology, Chemistry, and Physics)
3 units of Social Studies	4 units of Math
1 unit of Computer Technology	3 units of Social Studies
2 units of Foreign Language (preferred)	1 unit of Computer Technology
1 unit of Fine or Performing Arts (preferred)	2 units of Foreign Language

HIGH SCHOOL GRADUATION REQUIREMENTS

Four units of English language arts
 Three units of history and government
 Three units of science
 Three units of mathematics
 One unit of physical education
 One unit of fine arts
 Six units of elective courses

ADDITIONAL PROGRAMS AND SERVICES THAT ARE PART OF SUITABLE EDUCATION DEFINITION

Student and staff safety
 Early childhood programs
 Extended learning time
 Alternative schools
 Technical education*
 Technology training
 Library media services
 Foreign language
 Fine arts
 Nursing and counseling services
 Activities programs
 Student transportation
 Qualified teacher in each classroom

* We assume technical education includes business, vocational agriculture, family consumer science, etc.

2005-06 Estimated Additional Cost For Education An At Risk Child By Enrollment Category

Enrollment Category	Additional At Risk Cost Per Pupil			
	Low	Median	High	#USDs
100-199.9	204	1,966	3,500	7
200-299.9	387	980	3,026	6
300-399.9	495	1,031	3,112	5
400-499.9	915	1,530	3,142	4
500-699.9	60	838	1,710	5
700-899.9	966	1,059	1,790	6
900-1,099.9	164	1,366	4,095	4
1,100-1,499.9	1,177	1,780	8,969	3
1,500-4,999.9	1,070	1,985	2,719	7
5,000-9,999.9	433	1,528	2,119	3
10,000 - above	794	1,890	4,340	

2005-06 Estimated Additional Cost
For Educating A Bilingual Child
By Enrolling Category

Enrollment Category	Additional Bilingual Cost Per Pupil			
	Low	Median	High	#USDs
100-199.9	0	0	0	0
200-299.9	776	1,070	1,363	2
300-399.9	1,058	2,029	3,000	2
400-499.9	920	920	920	1
500-699.9	233	233	233	1
700-899.9	1,562	4,125	5,176	3
900-1,099.9	89	1,862	3,634	2
1,100-1,499.9	4,402	4,402	4,402	1
1,500-4,999.9	1,428	2,203	5,400	4
5,000-9,999.9	277	2,119	3,894	3
10,000 - above	674	3,146	5,980	

2005-06 Estimated Cost
For Educating A Child With No Exceptionalities
By Enrollment Category

Enrollment Category	Regular Student Cost Per Pupil			
	Low	Median	High	# USDs
100-199.9	9,162	11,570	13,219	7
200-299.9	7,732	9,175	10,824	6
300-399.9	8,164	9,063	12,633	6
400-499.9	7,859	8,496	10,233	4
500-699.9	6,774	7,185	8,575	5
700-899.9	4,520	6,894	9,475	6
900-1,099.9	6,699	6,894	7,336	4
1,100-1,499.9	6,167	6,366	6,939	3
1,500-4,999.9	5,213	6,615	6,775	7
5,000-9,999.9	5,826	6,226	7,064	3
10,000 - above	5,258	6,057	6,990	

—DENNIS MCKINNEY

PROTEST

Under Article 2, section 10 of the Kansas Constitution, I protest the action on **HB 2474**.

Ancillary Weighting

HB 2474 fails to eliminate ancillary services weighting. The political decision to continue to provide funding by ancillary services weighting for extraordinary enrollment growth has no rational basis. Ancillary weighting was originally explained as authority to levy local taxes to pay costs associated with commencing operation of new school facilities. The present statute still ties this weighting to districts opening new facilities. The new facility weighting is being eliminated in **HB2474**, an admission that there is no rational basis for additional funding for new facilities, much less another overlay of additional weighting ancillary to new facility weighting. The lack of a rational basis is exemplified by the fact that this weighting is providing an additional \$497 per student in Blue Valley schools, \$558 per student in Olathe schools, and \$225 per student in De Soto schools. This is in addition to the budget per pupil which these districts receive for new pupils.

Ancillary weighting provides three suburban districts with \$22,709,000 in additional funding over what is allowed for other districts in the state. The rational basis for the weighting and the amount of funding is approved by the Board of Tax Appeals (BOTA), which is a body designed to regulate taxes, not educational costs. Ancillary weighting is provided to districts which are experiencing rapid growth. Growth in students is already addressed by

the foundation formula which provides additional budget per pupil for each additional student.

Ancillary weighting is not allowed for any district which does not levy a full Local Option Budget (LOB). The LOB is for extras, not the ordinary costs of providing each child an equal opportunity for education. Therefore, it is not rational to require levying LOB authority in order to access the general costs of providing educational services.

Ancillary weighting was created as a political compromise in order to provide additional funding to Johnson County schools and is designed in order to limit its use by other school districts. **HB 2474** fails to remove this most inequitable piece of the school finance formula for the same reason, politics, in order to secure votes from the Johnson County delegation.

Extraordinary Declining Enrollment Funding

HB 2474 creates a new taxing authority and revenue source for districts with “extraordinary declining enrollment.” This new source for extra funding for a few school districts does not have a rational basis. The proposal does not address any real costs associated with extraordinary declining enrollment that are not already addressed in present law. Kansas school finance law already addresses declining enrollment, including situations when the decline continues over three years. The present law allows districts to maintain funding for the lost students for the time necessary for the district to make adjustments in staffing and other matters to address the smaller student body.

It was clear from testimony and discussion in committee and on the floor that this provision is intended to benefit the Shawnee Mission school district and that it has been included in the bill for the sole purpose of securing votes from that delegation for HB2474. This school funding source is not available to smaller, rural districts that are experiencing the greatest effects from declining student enrollment, even if their declining enrollment is extraordinary. It is clearly more difficult for a small district to adjust to loss of students and funding than for a very large suburban district like Shawnee Mission, the second largest school district in the state.

Testimony before the House Select Committee on School Finance was that Shawnee Mission is averaging a loss of 400 students per year. This is a loss of 1.4% per year in students. The present provision for declining enrollment clearly provides time for Shawnee Mission to make adjustments in its budget and operations to this decline. Like the ancillary weighting for three different Johnson County school districts with growing student populations, the proposed new ancillary weighting delegates to the BOTA the authority to define what evidence is required to support a claim for extra funding for declining enrollment and the authority to decide what amount of funding the district may add with local property taxes.

This funding is not allowed for any district which does not levy a full Local Option Budget. This may also be intended to limit its use by districts outside Johnson County. This limitation does not have a rational basis. The LOB is for extras, not the ordinary costs of providing each child an equal opportunity for education. Therefore, it is not rational to require levying LOB authority in order to access funding for the general costs of educational services.

There is no set limit on this ancillary weighting. There is no limit on what it can be used to fund and no requirement that it be used to fund the actual effects of declining enrollment. The provision appears to be unlimited in time as well as in scope and can be provided into perpetuity.

Inadequate State Base Aid Per Pupil

HB 2474 increases state base aid per pupil by \$80 and amendments to increase state base aid by \$150 failed and an amendment to eliminate an additional \$30 in base state aid was approved by the House. \$80 on the base provides an actual increase in state funding per pupil that is about half the annual inflation rate and, therefore, provides no actual increase in state foundation funding per pupil. The removal of correlation weighting and reallocating the funds to base state aid per pupil is not an actual increase in state aid. It is simply taking existing state funding from one pocket and placing it in another. The transfer of these funds is an effort to provide the appearance of raising the base more than the actual amount.

Inadequate At Risk Funding

At risk weighting, as proposed, would add those students who are eligible for reduced price lunches to the definition of at risk students for the purpose of counting the number of weighted students. This change has a rational basis because a strong correlation between the number of low income students and the number of failing students has been clearly shown. However, it is irrational to just identify more students in school districts who are likely to need at risk services. This limits the change in at risk funding to merely counting more economically disadvantaged students. The Supreme Court upheld the district court finding that state school funding is inadequate and inequitable because the state is not providing suitable funding to address the special needs of economically disadvantaged and minority students. There has been strong evidence provided to the House Select Committee on School Finance and by the Augenblick & Meyers study that the present weighting at 0.1 for at risk funding is too low to provide the at risk programs needed by Kansas students. A recent survey by the State Board of Education requested by the Senate Education Committee in January also showed that at risk funding is very inadequate. Kansas has a very low weighting in comparison to other states.

The state of Kansas is presently spending \$50 million on all at risk students in the state while three wealthy suburban districts are spending \$20 million, provided by ancillary weighting, to deal with regular students who are new to the district. This is a clear example of the inequity in the present formula and its disparate impact on low income as compared with higher income students. At risk weighting, based upon cost studies conducted by this state and the weighting used in other states, should be at least 0.25.

The House in **HB 2474** has selected the mere addition of reduced lunch students rather than raising the weighting factor because increasing the weighting factor to 0.25 costs \$78 million and adding reduced lunch kids only costs \$18 million. This amounts to selecting the least costly rather than the rational method of funding the educational interests of the state, at the expense of the most vulnerable students. The Supreme Court found that present funding is not suitable because it does not adequately address the special educational needs of low income and at risk students. The at risk funding in **HB 2474** clearly does not adequately respond to that finding need.

The proposal for funding grants for school districts to apply for funds for K-3 programs is not designed to address at risk students. It was stated in committee that the intent is to provide funding for school districts which do not qualify for at risk funds based upon numbers of low income and minority students. There is no identified funding for these grants. This is just window dressing.

Local Option Budget Increases

HB 2474 will increase LOB authority for all districts by 5% without any state funding for the additional 5% authority. The inequity of this provision is exemplified by the fact that in Galena, this LOB authority will require a levy of 18.90 mills in an area with low incomes and high poverty, while in Shawnee Mission, one of the wealthiest areas in the state, it only requires a levy of 2.37 mills. This provision has the potential to raise property taxes across the state of Kansas by hundreds of millions of dollars.

In addition, an additional 5% authority without state match is provided for school districts with the highest residential property valuations in the state. This "COLA" LOB is provided for additional local funding ostensibly for teacher pay for 17 school districts with average residential values 125% of the statewide average. This provision is designed to provide additional funding for school districts in Johnson County and all 6 Johnson County school districts are among the 17 districts benefitted. In fact, Blue Valley, DeSoto, Olathe, and Shawnee Mission all qualify for 5% LOB because their average appraisal of residences is between \$193,794 and \$314,936. These districts can levy 1% of additional LOB at a mill levy of approximately 0.5 mills. Another district on the list of 17, Lansing, must levy 1.22 mills for each 1% of LOB. This inequitable provision isn't even equitable among the 17 districts identified as recipients.

These two LOB provisions create more inequity in the state funding formula. These two new LOBs continue the habitual transfer of responsibility for school funding to local rather than state resources despite the disparity in wealth among school districts. Both proposals

are exactly the opposite of what is required to address the Supreme Court's opinion that the legislature is not providing equitable and adequate funding for all school children in Kansas. The Supreme Court affirmed the lower court's finding that funding for public schools is inadequate and inequitable. School districts with high property valuation per pupil may access this 10% increase in spending per pupil at a much lower cost for their taxpayers than school districts with lower valuations per pupil. The failure to equalize the first 5% for all school districts denies less wealthy school districts the opportunity to access this additional funding. The second 5% in LOB authority is clearly targeted at the most wealthy school districts in the state and clearly intended for teacher salaries and benefits.

These provisions support the claim by those of us who insist that there is need for more state funding for schools than this bill provides. To allow school districts who are able to obtain LOB authority to increase their spending on general education by 5% or 10% if the districts have high priced housing or high property valuations per pupil is patently inequitable. The Supreme Court found that the fact that school districts are now being forced to use the LOB for their general education costs is significant proof that state funding is inadequate. To provide additional LOB authority for the very basic school costs associated with teaching staff goes directly against the Court's findings.

Capital Outlay

HB 2474 allows 4 additional mills of unequalized capitol outlay authority for every school district which represents the potential for \$100 million in local property tax increases according to statistics from the state department of education. This is budget authority for maintenance and upkeep of buildings and capital expenses which will be more readily available to property wealthy school districts and inequitably more expensive for the taxpayers in districts with low assessed valuation.

Inadequate Bilingual Funding

HB 2474 provides an increase in **bilingual weighting** by \$11 million and then adjusts the weighting factor to provide that amount of additional state funding. The \$11 million is about what school districts are spending this school year over what the state is providing in funding for bilingual programs. Although there is a rational basis for adding \$11 million, there is evidence before the Legislature that additional funding is needed. The joint interim committee on school finance last summer heard testimony from several school districts with large percentages of students who need bilingual services. Before the Select Committee on School Finance, Emporia provided testimony that the state funding for bilingual programs for their students is presently \$864,398 less than they are actually spending and an additional \$3,930,398 is needed to fund the staff, caseloads, programs, training and time needed to provide bilingual services.

Impact Aid

The proposal is to allow school districts that receive federal impact aid to retain 30% rather than 25% of that aid without reduction in state aid. This provision was added without prior discussion in the House Select Committee on School Finance and without any public hearings. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt Federal property, or that have experienced increased expenditures due to the enrollment of federally connected children, including children living on Indian lands. To be eligible for assistance a local school district must educate at least 400 such children in average daily attendance, or the federally connected children must make up at least 3% of the school district's total average daily attendance. A higher amount of impact aid is provided for "A" students, whose parents work and live on federal land, and for "B" students, whose parents work on federal land and live off federal land. No rationale was provided for the change in funding except that Junction City wants it changed. An additional provision was provided to allow districts to keep 100% of impact aid for students who are counted in a second count created just for Fort Leavenworth and Fort Riley this year. Kansas has never before selected out a certain group of federally connected children for different funding than other children.

Local Sales Taxes for Schools

HB 2474 does not include a provision, which the House rejected, that would deduct from state funding the amount that school districts receive by levying a local sales tax for school funding. If school funding is to be adequate and equitable, and if the legislature has the constitutional duty to provide suitable funding, the fact that local school districts are resorting to convincing the local county or city officials to levy sales tax for ordinary school expenses is strong proof that the state is not adequately funding schools. As long as school districts are allowed to use a loophole in state law and accept “gifts” of sales tax funding from their local municipalities, the political will to provide suitable provision for school funding will be difficult to attain.

Legislative Oversight Committee

HB 2474 creates a “legislative education council” which is a partisan toady of the legislative leadership disguised as an oversight committee. All members are either appointees of legislators or legislators or both. The council is designed to be partisan and controlled by the leadership in the Legislature. This council has no appointments by the State Board of Education and no appointments by the Governor. The Attorney General, a statewide official and a Republican, is an ad hoc member. The defined membership of the committee does not require any representation from the public who are local school board members, parents, teachers, administrators, educators or interested parties or stakeholders in the state education system.

It is clear that this partisan council is not designed to provide true oversight to the legislature. **HB 2474** assigns the task of monitoring and evaluating state funding of schools to a council that is clearly intended to remain under the control of the legislative leadership. The fox will be guarding the chicken house and Kansas school children will suffer the consequences of this sham.

The oversight committee cited by the Court created in 1992 was bipartisan and had a membership that was both legislators and members of the public. An oversight committee tasked with recommending to the governor and the legislature what needs to be addressed in order to maintain and protect the constitutionality of the state school finance system should have members knowledgeable about public education and should be as nonpartisan as possible.

Documentation Attached:

Kansas Department of Revenue Individual Income Figures by School District
Returns processed in Calendar Year 2004

District Name	District Number	Returns	KAGI	Average KAGI	Taxable Income	Tax Liability After Credits
Blue Valley	229	42549	\$4,352,599,444.00	\$102,296.00	\$3,611,445,903.00	\$148,246,400.00
Spring Hill	230	3810	\$268,626,788.00	\$70,506.00	\$197,914,291.00	\$9,799,212.00
Maize	266	6963	\$464,353,261.00	\$66,689.00	\$363,058,647.00	\$17,808,216.00
Shawnee Mission	512	137274	\$8,832,394,460.00	\$64,341.00	\$7,031,375,535.00	\$276,832,458.00
De Soto	232	7430	\$471,543,956.00	\$63,465.00	\$355,225,620.00	\$14,384,768.00
Andover	385	5110	\$323,921,702.00	\$63,390.00	\$251,260,870.00	\$12,790,671.00
Auburn-Washburn	437	10411	\$627,275,368.00	\$60,251.00	\$487,376,113.00	\$24,786,162.00
Olathe	233	54309	\$3,226,120,587.00	\$59,403.00	\$2,452,495,360.00	\$104,526,145.00
Louisburg	416	3770	\$209,324,071.00	\$55,524.00	\$175,487,702.00	\$7,926,961.00
Piper	203	1184	\$64,673,252.00	\$54,623.00	\$46,552,051.00	\$2,010,069.00
Mound Ridge	423	1471	\$80,140,290.00	\$54,480.00	\$64,228,296.00	\$3,156,056.00
Goddard	265	4976	\$265,953,578.00	\$53,447.00	\$195,876,767.00	\$9,407,164.00
Rose Hill	394	2978	\$151,871,193.00	\$50,998.00	\$112,938,354.00	\$5,384,484.00
Derby	260	11985	\$581,516,353.00	\$48,520.00	\$432,325,459.00	\$20,466,049.00
Shawnee Heights	450	5794	\$274,106,361.00	\$47,309.00	\$201,461,031.00	\$9,491,733.00
Valley Center	262	4571	\$215,693,778.00	\$47,187.00	\$159,989,175.00	\$7,626,720.00
Circle	375	2635	\$123,857,884.00	\$47,005.00	\$92,763,379.00	\$4,315,243.00
Cheney	268	1604	\$74,992,967.00	\$46,754.00	\$56,422,360.00	\$2,658,294.00
Renwick	267	2805	\$131,015,578.00	\$46,708.00	\$97,329,785.00	\$4,600,410.00
Basehor-Linwood	458	3688	\$171,510,579.00	\$46,505.00	\$125,500,175.00	\$5,156,918.00
Clearwater	264	2613	\$121,412,829.00	\$46,465.00	\$89,232,174.00	\$4,209,473.00
Gardner-Edgerton	231	2997	\$369,314,616.00	\$46,257.00	\$265,101,165.00	\$11,243,360.00
Tongonoxie	464	3823	\$173,350,803.00	\$45,344.00	\$126,095,008.00	\$5,205,087.00
Buhler	313	3072	\$138,721,609.00	\$45,157.00	\$99,988,279.00	\$4,671,971.00
Seaman	345	9405	\$417,656,882.00	\$44,408.00	\$306,068,348.00	\$14,248,659.00

District Name	District Number	Returns	KAGI	Average KAGI	Taxable Income	Tax Liability After Credits
Wichita	259	187942	\$8,202,469,529.00	\$43,644.00	\$6,199,586,534.00	\$294,261,846.00
Baldwin	348	3224	\$140,131,933.00	\$43,465.00	\$100,569,048.00	\$4,469,148.00
Mulvane	263	4538	\$197,007,632.00	\$43,413.00	\$146,908,381.00	\$6,785,284.00
Silver Lake	372	1537	\$65,922,331.00	\$42,890.00	\$48,067,727.00	\$2,189,232.00
Lawrence	497	41622	\$1,758,536,117.00	\$42,250.00	\$1,325,628,995.00	\$60,960,716.00
Lansing	469	4084	\$172,043,097.00	\$42,126.00	\$123,403,948.00	\$5,224,543.00
Perry	343	2339	\$98,058,860.00	\$41,923.00	\$70,775,053.00	\$3,173,556.00
Paola	368	5995	\$249,182,051.00	\$41,565.00	\$180,995,964.00	\$7,615,835.00
Wellsville	289	1947	\$80,412,919.00	\$41,301.00	\$58,731,745.00	\$2,453,161.00
Augusta	402	6178	\$254,494,707.00	\$41,194.00	\$187,762,853.00	\$8,721,697.00

School Districts with the Highest Appraised Value of Homes

District Name	District Number	2004-05 Average Teacher Salary Including Fringe Benefits
Blue Valley	229	52,348.00
De Soto	232	42,639.00
Olathe	233	46,940.00
Shawnee Mission	512	54,014.00
Andover	385	45,589.00
Piper	203	40,199.00
Louisburg	416	\$42,492.00*
Auburn-Washburn	437	41,899.00
Spring Hill	230	44,996.00
Basehor-Linwood	458	42,927.00
Lawrence	497	\$43,321.00*
Lansing	469	43,528.00
Maize	266	48,900.00
Gardner-Edgerton	231	45,445.00
Goddard	265	47,698.00
Shawnee Heights	450	45,606.00
Manhattan	383	43,300.00

OTHER DISTRICTS

District Name	District Number	2004-05 Average Teacher Salary Including Fringe Benefits
Hamilton	390	31,561.00
Southern Cloud	334	30,663.00
Jewell	279	34,119.00
Brewster	314	34,291.00
Wheatland	292	35,777.00
LeRoy-Gridley	245	40,297.00
Hillcrest Rural	455	37,249.00
Lincoln	298	35,160.00
Altoona-Midway	387	36,255.00
Udall	463	40,517.00
Burlingame	454	36,893.00
Clafin	354	38,604.00
LaCrosse	395	37,185.00
Madison-Virgil	386	37,679.00
Clay Center	379	38,667.00

* 2003-04 actual (2004-04 not negotiated)

Information on School Districts Receiving Ancillary Weighting

	2003-04 Average Teacher Salary	Assessed Valuation Per Pupil	Capital Outlay Levy	2003-04 Sales Tax Revenue
#229—Blue Valley	\$50,872	\$99,148	8.99	\$2,999,430
#232—De Soto	\$41,368	\$59,558	10.98	\$678,020
#233—Olathe	\$45,832	\$62,136	7.00	\$3,765,264
State Average	\$43,511	\$53,957	3.29	N/A

— MARTI CROW, NANCY A. KIRK, L. CANDY RUFF, BONNIE SHARP, HAROLD LANE, GERALDINE FLAHARTY, JULIE MENGHINI, ANN MAH, VALDENIA C. WINN, JERRY HENRY, SYDNEY CARLIN, BOB GRANT, EBER PHELPS, MARGARET E. LONG, TOM THULL, JOSH SVATY, OLETHA FAUST-GOUDEAU, DELIA GARCIA, LOUIS E. RUIZ, MARK TREASTER, BRUCE LARKIN, BILL FEUERBORN, ANNIE KUETHER, JIM WARD, NILE DILLMORE, JUDITH LOGANBILL, BRODERICK HENDERSON

On motion of Rep. Aurand, the House resolved into Committee of the Whole, with Rep. McLeland in the chair.

COMMITTEE OF THE WHOLE

On motion of Rep. McLeland, Committee of the Whole report, as follows, was adopted: Recommended that **HB 2102** be passed.
Committee report to **HB 2222** be adopted; and the bill be passed as amended.

REPORTS OF STANDING COMMITTEES

Committee on **Appropriations** recommends **SB 266** be passed.
Committee on **Governmental Organization and Elections** recommends **HB 2469** be passed and, because the committee is of the opinion that the bill is of a noncontroversial nature, be placed on the consent calendar.

REPORT OF STANDING COMMITTEE

Your Committee on **Calendar and Printing** recommends on requests for resolutions and certificates that

- Request No. 120**, by Representative Pottorff, congratulating the Junior League of Wichita on its 80th anniversary;
- Request No. 121**, by Representative S Sharp, congratulating Judy Tuckness on receiving the Silver Beaver Award from the Heart of America BSA Council;
- Request No. 122**, by Representative Holland, congratulating Gardner Campbell for many years of service with American Legion Post 60;
- Request No. 123**, by Representative Holland, congratulating Rolan Davis for many years of service with American Legion Post 60;
- Request No. 124**, by Representative Holland, congratulating Ed Gardner for many years of service with American Legion Post 60;
- Request No. 125**, by Representative Holland, congratulating George Graves for many years of service with American Legion Post 60;
- Request No. 126**, by Representative Holland, congratulating Don Hoglund for many years of service with American Legion Post 60;
- Request No. 127**, by Representative Holland, congratulating Bob Miller for many years of service with American Legion Post 60;
- Request No. 128**, by Representative Hutchins, congratulating Taryn Temple on receiving the 2005 Kansas Horizon Award as an exemplary first-year educator;
- Request No. 129**, by Representative Hutchins, congratulating Luke Lang on receiving the 2005 Kansas Horizon Award as an exemplary first-year educator;
- Request No. 130**, by Representative Peck, congratulating Doris Billups on her 85th birthday;

Request No. 131, by Representative Peck, congratulating Frank Marang on his 80th birthday;

Request No. 132, by Representative Hutchins, congratulating Jesse Strawn on winning the 4A State Wrestling Championship;

Request No. 133, by Representative Huff, congratulating Andrew James Vance on attaining the rank of Eagle Scout;

Request No. 134, by Representative Holland, congratulating Shawn Turner on being an academic all-star;

Request No. 135, by Representative Holland, congratulating Kristin Lynch on being an academic all-star;

Request No. 136, by Representative Holland, congratulating Nolan Kellerman on completion of an undefeated wrestling season with a victory in the state final;

Request No. 137, by Representative S. Sharp, congratulating Jeffrey P. Parsons on attaining the rank of Eagle Scout;

Request No. 138, by Representative S. Sharp, congratulating Nehemiah Taris Lofgren Rosell on attaining the rank of Eagle Scout;

Request No. 139, by Representative S. Sharp, congratulating Jacob W. Miller on attaining the rank of Eagle Scout;

Request No. 140, by Representative S. Sharp, congratulating A. Tristan Trupka on attaining the rank of Eagle Scout;

Request No. 141, by Representative S. Sharp, congratulating Andrew C. Springer on attaining the rank of Eagle Scout;

Request No. 142, by Representative S. Sharp, congratulating Don A. Jackson on attaining the rank of Eagle Scout;

Request No. 143, by Representative S. Sharp, congratulating Paul R. Buckmaster on attaining the rank of Eagle Scout;

Request No. 144, by Representative S. Sharp, congratulating Joe Carey on attaining the rank of Eagle Scout;

be approved and the Chief Clerk of the House be directed to order the printing of said certificates and order drafting of said resolutions.

On motion of Rep. Aurand, the committee report was adopted.

Upon unanimous consent, the House referred back to the regular order of business, Introduction of Bills and Concurrent Resolutions.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was thereupon introduced and read by title:

HB 2510, An act regulating certain amusement machines; providing duties and responsibilities of the director of alcoholic beverage control; relating to licensure; fees; penalties for criminal acts, by Committee on Taxation.

CHANGE OF REFERENCE

Speaker pro tem Merrick announced the withdrawal of **HB 2106** from Committee on Appropriations and referral to Committee on Transportation.

On motion of Rep. Aurand, the House adjourned until 11:00 a.m., Monday, March 7, 2005.

JANET E. JONES, *Chief Clerk*.

CHARLENE SWANSON, *Journal Clerk*.

