

FEDERAL AND STATE AFFAIRS COMMITTEE

February 26, 1969

The meeting was called to order by the Chairman and Mr. Tobias was introduced to discuss H.B. 1319. He explained that this bill is for the benefit of quasi-municipal corporations in cases where funds are accumulated during certain times of the year and could be invested on a short term basis; that this will cover any sub-division which is authorized to levy taxes. He stated that he had an amendment to also include hospital districts. He explained that this bill had been introduced at the request of organizations having funds which they would like to invest.

Rep. King discussed H.B. 1309, stating that he was willing to yield to Mr. Tobias, because the bills were practically identical, although his dealt specifically with townships, but that Mr. Tobias had covered townships in his bill and he would be happy to consider the bills combined.

Rep. Turner discussed H.B. 1322, distributing a paper which was prepared by the KASB staff which shows what money is being lost to the various districts under the present law. Mr. Marion McGhehey testified that because of the disparity in interest rates that he believed this bill is in the public interest; that school boards should be allowed to invest their funds which are temporarily idle. He stated that banks have a great latitude in what they can do and eventually such investments would result in a savings in taxes. Mr. McGhehey admitted upon questioning that the schools would have no complaint about receiving money when it was needed, but Mr. Turner pointed out that it is very costly to collect taxes and if it were collected on a monthly basis and handed to the school districts that way, it would increase the cost of handling 12 times, and therefore, it is simply feasible that the districts have some money setting around sometimes. He stated that one governmental unit in Wichita that he had worked with, had asked for bids from banks on some \$60,000 which was available, and this resulted in bettering their investment as much as 1½% over the going rate.

The meeting was adjourned.

<u>School District</u>	<u>General funds invested Dec. 1968 - Feb. 1969</u>	<u>Current Average Interest rate</u>	<u>Current Average interest rate for Treasury bills</u>	<u>Difference between columns 3 and 4 representing loss to the school district for 90 days period</u>
St. Marys	0	0	0%	0
Topeka	4,500,000	3.86	6.25%	107,550
Manhattan	600,000	3.70	6.25%	15,300
Fort Scott	136,000	5.75	6.25%	800
Leavenworth	500,000	3.86	6.25%	11,950
Salina	900,000	3.86	6.25%	21,510
Hutchinson	1,340,000	3.91	6.25%	31,356
Winfield	180,000	3.86	6.25%	4,302
Hiawatha	0	0	0%	0
Wichita	11,000,000	3.91	6.25%	200,000
Haysville	450,000	4.00	6.25%	10,250
Marysville	105,000	3.91	6.25%	2,340
Overland Park	400,000	3.91	6.25%	9,360
Oberlin	0	0	0%	0
Coffeyville	450,000	3.86	6.25%	10,775
Great Bend	775,000	3.91	6.25%	18,135
Kansas City	2,000,000	3.81	6.25%	48,800
Tribune	8,000	3.50	6.25%	220
Newton				
Total	23,344,000			492,648

Compiled by KASB Staff

exhibit on #1322
2-26-69