

Approved March 4, 1987  
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by SENATOR JOSEPH C. HARDER at  
Chairperson

1:30 ~~xxx~~ a.m./p.m. on Tuesday, March 3, 1987 in room 254-E of the Capitol.

All members were present except:

Committee staff present:

Mr. Ben Barrett, Legislative Research Department  
Ms. Avis Swartzman, Legislative Revisor's Office  
Mrs. Millie Randell, Secretary

Conferees appearing before the committee:

HB 2106 - School district finance; budget limitations for the 1987-88  
school year (Education)

Proponents:

Mr. John Koepke, Executive Director, Kansas Association of School  
Boards  
Mr. Onan Burnett, Director, Governmental Affairs, USD 501, Topeka  
Ms. Kathryn Dysart, Legislative Liaison, USD 259, Wichita  
Ms. Helen Stephens, Legislative Representative, USD 500, Kansas City  
Dr. Jim Yonally, representing USD 512, Shawnee Mission  
Ms. Connie Hubbell, Legislative Chairman, Kansas State Board of  
Education  
Mr. Ferman Marsh, Superintendent, USD 450, Shawnee Heights; speaking  
on behalf of the United School Administrators

Comments:

Ms. Kay Coles, Director of Communications, Kansas-National Education  
Association

After Chairman Joseph C. Harder called the meeting to order, Senator Allen moved that the Committee minutes of March 2 be approved. The motion was seconded by Senator Arasmith, and the motion carried.

The Chairman announced that the Committee would hear testimony on HB 2106, relating to school finance, and he then called upon the first conferee, Mr. John Koepke, Executive Director of the Kansas Association of School Boards.

Mr. Koepke, testifying in support of HB 2106, began his testimony by reading the resolution adopted by the Delegate Assembly of the Kansas Association of School Boards at its meeting held last December, 1986. (Attachment 1) In further testimony, Mr. Koepke said he felt that the 102-103.5% budget limits are probably appropriate based on the Kansas economy at the present time. After referring the Committee's attention to the House Education Committee's amendments to HB 2106, Mr. Koepke related that the two-year averaging of the wealth factors of a district is not a new concept and cited past instances when multiple year averaging has been used in computations for establishing district wealth. Mr. Koepke said he had no stance regarding the basic budget limitations of 103-106%, since this change occurred after the last meeting of the Delegate Assembly of his organization. Mr. Koepke stated he can support the deposit of interest funds into the general fund budget and explained that this concept had been contained in SB 45 heard earlier by the Committee. Although Mr. Koepke indicated support for the provision regarding the optional budget authority increase by one percent, he suggested that the provision allowing no-aid districts to levy up to the same mill levy the school district had levied in the 1985-86 school year be limited to the large enrollment category districts.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

room 254-E, Statehouse, at 1:30 ~~xxx~~ p.m. on Tuesday, March 3, 19 87

Mr. Onan Burnett, representing USD 501, stated that although there are a couple of amendments to HB 2106 with which he has concerns, he does, nevertheless, support HB 2106.

The representative of USD 259, Wichita, Ms. Kathryn Dysart, related that in spite of constantly rising costs, USD 259 is receiving ever decreasing state aid. She said that although many members of her district view HB 2106 as far below an appropriate level, the two-year averaging provision does provide them with more equalization aid than the Governor's proposal. For this reason, she explained, she is supporting HB 2106 favorably for passage. (Attachment 2)

Ms. Helen Stephens, representing USD 500, Kansas City, testified that she, too, is in support of HB 2106 particularly because of the amendment which provides for the two-year averaging for district wealth. She explained that the purpose of the amendment was to reduce the drastic reductions in state aid to urban school districts. She noted that multiple year averaging has been a tool used in the past, and she noted other school districts which would benefit from the two-year averaging. (Attachment 3)

Dr. Jim Yonally, USD 259, Shawnee Mission, testifying in support of HB 2106, described the primary feature of HB 2106 as the one which allows no-aid school districts to levy up to the same mill levy the school district had levied in the 1985-86 school year. This is a provision, he explained, that he had supported in SB 83. He said he supports the additional one percent budget authority and that he agrees with earlier testimony indicating that the budget limits of 2 and 3.5 percent are reasonable.

Ms. Connie Hubbell, representing the State Board of Education, stated that due to lack of state resources to finance additional budget authority, she is testifying in support of HB 2106. (Attachment 4) She also added that it is the Board's hope that special education could be funded at 95% of the excess cost and that transportation could be funded at 100 percent entitlement under law so that budget authority would not have to be used to fund the mandated programs. Ms. Hubbell also expressed concern for teacher salaries in the nation rankings.

Mr. Ferman Marsh, representing United School Administrators, testified that he supports HB 2106 and the budget limitations offered in the bill only because we must face reality. He said that after giving serious thought to the two-year averaging for district wealth purposes, he does support this concept. He said he is not in favor of allowing the one percent additional budget authority, because it would have a disequalizing effect among school districts. He gave no support to the deposit of interest transfer concept, because, he said, it would provide no additional revenue or budget authority for school districts. Mr. Marsh also felt that using the 1985-86 mill levy is the wrong way to solve the problem of low budget authority.

Ms. Kay Coles, representing Kansas-National Education Association, addressed several provisions that had been amended into HB 2106 in her testimony found in Attachment 5. She also suggested that the optional budget increase authority be raised from one percent to two percent.

In responding to questions, most of the conferees indicated that any new money that is put into school finance should go to state-mandated programs, such as special education and transportation.

The Chairman then adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 254-E DATE: Tuesday, March 3, 1987

GUEST LIST

NAME	ADDRESS	ORGANIZATION
German Moulch	Topeka, Mo.	USA
John Joseph	Topeka	KASB
Kent S. Nelson	Overbrook	USD 450
John Bolton	Beloit	USD 273
Greg Renter	Beloit	USD-273
Jim Cagle	Wichita	WFT
Stephyn Dysart	Wichita	USD 259
John R. Ruggitt	Paucan	S. B. Co.
James Burnett	Topeka	USD 581 #
Richard Anderson	Topeka	USA
Michael O'Dell	Kansas City	Kansas Head of FP
Ken Collins	Topeka	Kansas-NEA
Harold Pitts	Topeka	Observer
Jim Yearally	Overland Park	USD #512
Connie Wheeler	Topeka	S. B. Co.
Marty Criner	Topeka	WU Intern
Selen Stephens	Topeka	KCK #500
John Conard	Topeka	Governor
William M. Clackey	Topeka	WFTU
M. H. Adams	Topeka	Day - Mail
E. Kerr		Visitor
B. Bar W		Boyle Brown



TESTIMONY ON H.B. 2106  
before the  
Senate Education Committee

by

John W. Koepke, Executive Director  
Kansas Association of School Boards  
March 3, 1987

Mr. Chairman and members of the committee, we appreciate the opportunity to testify today on behalf of the 302 members of the Kansas Association of School Boards. The Delegate Assembly of the Kansas Association of School Boards adopted the following resolution at its meeting held December 6, 1986:

School District Budget Limits

WHEREAS the improvement in the Kansas economy has not resulted in a sufficient increase in state general fund revenues to eliminate concerns about the state general fund balance;

WHEREAS significant increases in school district budget limits beyond those authorized by existing statutes without additional state revenues would cause intolerable property tax increases;

NOW, THEREFORE BE IT RESOLVED by the Delegate Assembly of the Kansas Association of School Boards that the Association support 103-106% budget controls in 1987-88, and

BE IT FURTHER RESOLVED that the Association go on record in support of higher budget limits if the economy improves more rapidly than projected, and

BE IT FURTHER RESOLVED that the Association go on record in support of increased non-property tax revenues in support of public education.

WICHITA PUBLIC SCHOOLS  
Unified School District No. 259  
ADMINISTRATION BUILDING  
428 South Broadway  
WICHITA, KANSAS 67202

*Communications Division*  
316•268•7851

*Kathryn Dysart*  
*Legislative Liaison*

March 3, 1987

Among the five large districts which make up the fifth enrollment category, there are many common problems. However, the Wichita Public School system has some qualities which cause it to stand out even within its category.

There are more than 41 thousand students in the Wichita Public Schools. Most of the 300+ districts in the state don't have even four thousand students....yet we have more than four thousand who require special education.

We are battling rising problems of urban poverty with its associated child neglect and homelessness. Drug abuse, teenage pregnancy, and truancy are not problems exclusive to Wichita--but are problems magnified by the sheer force of numbers. There are, this year alone, 823 children (more than the state's first two enrollment categories) -- 823 immigrant children in our regular classrooms who speak little or no English.

Our per pupil expenditure is the lowest in our category....\$3,000.62. Despite meeting constantly rising costs, we are receiving ever decreasing state aid.

In the 1984-85 school year, we were granted \$618 per pupil in S.D.E.A. In 1985-86 we were allowed \$613 per F.T.E. pupil. In 1986-87 we were promised \$495 per pupil....but due to the lapse cuts, received only \$451.

Because the money being restored to school districts is being returned--through the formula--under a different year from that in which it was removed, we have been told the governor's proposal for school finance this year allows us only \$358.15 in equalization aid per pupil--just over half what we received three years ago. The provision in House Bill 2106 which provides for two-year averaging would only increase our per pupil gain to \$412. Yet that \$54 per child will make the difference as to whether U.S.D. 259 has to enact substantial program cuts, forcing us to further overcrowd full classrooms and lay off needed personnel.

Many members of our community see the compromise represented in H.B. 2106 as being far below the level we can sustain. Yet I know, as I stand before you today, that even that hope is in jeopardy.

I ask each of you to favorably report H.B. 2106 for passage. I ask this knowing that to do so will, for some of you, cut some funds from your own home districts.

But I ask not for myself, nor for my Board--but for the 41 thousand children whose future hangs in the balance.

Senate Education  
3/3/87  
Attachment 2



KANSAS CITY U.S.D. #500  
KANSAS CITY, KANSAS

Senate Education Committee  
March 2, 1987  
House Bill #2106

Mr. Chairman and Members of the Committee:

My name is Helen Stephens and I represent the Kansas City School District. We are here to support House Bill #2106, and in particular, the two-year averaging of district wealth.

The school finance law has used a multi-year averaging in the past. This law, passed originally in 1973 was amended in 1975 to go to a two-year average of district wealth. It was amended again in 1976 to go to a three-year average and in 1977 to go to a four-year average. This was done each year to avoid the drastic reductions in state aid to rural school districts, brought about by changes in the sales ratio study.

If two-year averaging is not used in 1987-88, drastic reductions in state aid will occur in many urban school districts. Even with two-year averaging, and the addition of \$22 million in state aid, the following districts will receive less basic aid in 1987-88 than they are receiving in 1986-87 -- Atchison, Augusta, Concordia, Abilene, Newton, Coffeyville, Pratt, Hutchinson, Salina, Wichita, Seaman, Shawnee Heights, Topeka and Kansas City.

Most of these districts would get even less state aid if the two-year averaging provision is removed from the bill.

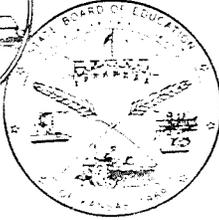
Members of the committee might be particularly interested in knowing that in addition to the large districts; there are several others benefited by the two-year average. Newton, for instance, would receive an additional \$63,347; Pratt an additional \$39,451; and Ottawa, an additional \$41,393.

In closing, I'd like to note that on computer run L8719 (the bill as it is now), there are approximately 33 losers, not including no aids -- these 33 will receive less basic aid than in 86-87, but 23 of these "losers" are still winners over House Bill #2106 WITHOUT 2-year averaging.

Mr. Chairman and Members of the Committee, thank you for the opportunity to speak with you. We do hope that after discussion, you will support House Bill #2106.

I'll be happy to try and answer any questions you may have.

Senate Education  
3/3/87  
Attachment 3



# Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

Mildred McMillon  
District 1

Connie Hubbell  
District 4

Bill Musick  
District 6

Evelyn Whitcomb  
District 8

Kathleen White  
District 2

Sheila Frahm  
District 5

Richard M. Robl  
District 7

Robert J. Clemons  
District 9

Paul D. Adams  
District 3

March 3, 1987

Marion (Mick) Stevens  
District 10

TO: Senate Education Committee  
FROM: State Board of Education  
SUBJECT: 1987 House Bill 2106

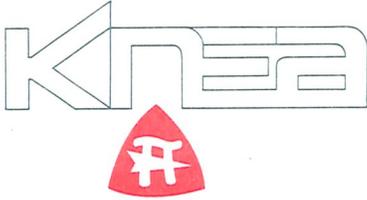
My name is Connie Hubbell, Legislative Chairman of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

The State Board supports budget limitations of 2 percent to 3.5 percent. Board members have spent considerable time reviewing the need for additional funds and it was our hope that higher budget limitations would have been available. However, due to the state's fiscal position and the lack of state resources to finance additional budget authority, we feel House Bill 2106 should be recommended with budget limitations of 2 percent to 3.5 percent.

It is the State Board's hope that special education could be funded at 95 percent of excess cost and transportation could be funded at 100 percent entitlement under the law to prevent using budget authority as provided in House Bill 2106 to fund mandated programs.

The State Board is quite concerned about the continued improvement of teacher salaries. Kansas has moved from 36th in the national rankings to approximately 29th. It is our hope that we may continue that progress in the future. We realize the budget controls in this bill will not permit us to gain in our national ranking but due to the state's fiscal position, we believe this is responsible at this time.

Senate Education  
3/3/87  
Attachment 4



Kay Coles testimony before the  
Senate Education Committee  
March 3, 1987

Thank you, Mr. Chairman. Members of the Committee, my name is Kay Coles and I am here today representing the 20,000 members of Kansas-NEA. I appreciate the opportunity to speak with you about HB 2106.

This school finance legislation contains several provisions added by the House Education Committee. There are three in particular that we wish to address.

First, budget lids for the 1987-88 school year are set at 2% to 3.5%. Kansas-NEA believes these limitations are too low to allow maximum flexibility for school districts as they consider their needs and their budgets. The Kansas-NEA Board of Directors, after careful consideration of the needs of our public schools, recommends a minimum budget lid of 5%. We believe this minimum more accurately reflects the need for flexibility and provides greater opportunities for districts to budget for the educational programs our students require.

We also believe it is important for the Legislature to provide local school districts with a sense of local control. Budget lids at 2% to 3.5% do not allow boards of education the extent of local control we believe they should have in the budgeting process.

(more)

Senate Education  
3/3/87  
Attachment 5

Second, we encourage you to examine the provision added by the House Education Committee that allows districts to exceed their budget limitation by 1%, subject to protest petition. Kansas-NEA believes that this provision should be increased to 2% -- again to provide the greatest amount of flexibility to local school boards.

Third, Kansas-NEA asks you to look closely at the permanent budget lids that the House Education Committee changed from 5% to 15% down to 3% to 6%. This action of the House Committee was taken during discussion of the bill. No hearings were held, and debate was extremely limited on this major policy change.

Kansas-NEA believes the permanent statute dealing with school finance should continue to reflect the highest aspirations and goals for our public schools. We believe setting the budget lids at the low rate of 3% to 6% sends a negative signal to our education system -- a signal that lowers expectations, indicates a reduced commitment on educational excellence, and an abandonment of the equalization concept.

Since the school finance bill was written in 1973, the lower end of the budget lids has been less than 5% only once -- and that occurred last year. With consistent and yearly legislative review of school finance legislation, Kansas-NEA does not believe lawmakers should reduce the permanent budget limitations contained in K.S.A. 72-7055.

We encourage you to keep these points in mind as you consider the provisions of HB 2106. We also encourage you to continue to strive for educational excellence -- to continue toward the goal of raising Kansas teachers' salaries to the national average -- and to continue to support our public schools, the foundation of our prosperity and our freedom.

Thank you for listening to our concerns. I would be glad to answer any questions.