

Approved: 3/9/93
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by Chairperson Dave Kerr at 1:30 p.m. on March 8, 1993 in Room 123-S of the Capitol.

All members were present.

Committee staff present: Ben Barrett, Legislative Research Department
Avis Swartzman, Revisor of Statutes
LaVonne Mumert, Committee Secretary

Conferees appearing before the committee:
Dale Dennis, State Board of Education
Mark Tallman, Kansas Association of School Boards
Rod Bieker, State Board of Education

Others attending: See attached list

Senator Corbin made a motion to approve the minutes of the March 1, 1993 meeting. Senator Emert seconded the motion, and the motion carried.

HB 2481 - Repealing K.S.A. 72-8184 and 72-8186, relating to enrollment determination in USD No. 260 and USD No. 385 for the 1991-92 school year

Staff explained that HB 2481 would remove obsolete provisions in the statute which related to the potential temporary loss of enrollment in the Derby and Andover school districts because of tornado devastation.

Senator Corbin made a motion that HB 2481 be recommended favorably for passage and placed on the Consent Calendar. Senator Tiahrt seconded the motion, and the motion carried.

SB 2057 - School districts, bonded debt limitations

Dale Dennis, State Board of Education, explained HB 2057. Districts must obtain approval from the State Board of Education to submit a proposal to voters to approve bonds when the aggregate bonded debt amount reaches a certain level. After the adoption of the reappraisal and classification amendment, the formula used to calculate this limit became very complicated and HB 2057 would simplify that procedure by setting the level at 14 percent of the district's assessed valuation, as was the formula in 1988.

Mark Tallman, Kansas Association of School Boards, testified in support of the bill and urged that the 14 percent level be raised to 40 percent (Attachment 1).

The Committee was also provided with written testimony from Connie Hubbell, State Board of Education, in support of the bill (Attachment 2).

Senator Emert made a motion that SB 2057 be recommended favorably for passage. Senator Walker seconded the motion, and the motion carried.

HB 2059 - Tuition protection fund, sources and liabilities, defining student

Rod Bieker, State Board of Education, explained and testified in support of HB 2059 (Attachment 3). He said that the Board had requested a bill to amend legislation passed last year which created the Tuition Protection Fund with regard to proprietary schools. Subsequently, it was learned that federal legislation recently enacted makes the Kansas law unneeded. Mr. Bieker advised that proprietary schools rely heavily on federal student

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION, Room 123-S Statehouse, at 1:30 p.m. on March 8, 1993.

loan programs and the new federal legislation requires that schools must provide protection to students in order to participate in such federal loan programs.

Senator Oleen made a motion that HB 2059 be recommended favorably for passage. Senator Langworthy seconded the motion, and the motion carried.

SB 67 - School finance, definition of enrollment, new school facility

Senator Langworthy reported on the Senate Bill 67 Subcommittee's activities and recommendations. She advised that the subcommittee had reviewed recommendations of a sub-subcommittee of persons interested in SB 67. She noted that the subcommittee feels that the issue of providing growing school districts with additional taxing authority and the definition of new school facility should be given further consideration by the Committee on School District Finance and Quality Performance. Senator Langworthy explained the subcommittee's proposed amendment to SB 67 (Attachment 4). The amendment would permit districts, who are at the 25 percent local option budget cap, to appeal to the State Board of Tax Appeals for additional taxing authority for two years for recovering the costs of opening new school facilities. Senator Langworthy advised that the Blue Valley School District, who is the only district which meets the qualifications contained in the proposed amendment, was granted taxing authority of \$1.9 million by the Board of Tax Appeals under the old school finance law for two new schools. Under the present law, the district received about \$600,000 for new school costs this year. It was noted that approvals by the Board of Tax Appeals are in terms of dollars rather than in terms of mill levies, so if valuations increase, they will not receive windfall amounts.

Helen Stephens, Blue Valley Schools, clarified that the provisions of the amendment would permit the Blue Valley district to seek one year of taxing authority for the schools opened this school year and two years for any future openings.

The meeting was adjourned at 2:30 p.m. The next meeting of the Committee is scheduled for Tuesday, March 9, 1993.

SENATE EDUCATION COMMITTEE

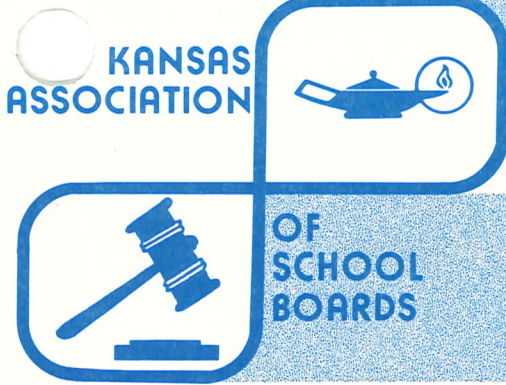
TIME: 1:30

PLACE: 123-S

DATE: 1:30 - 3/8

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Rod Bieker	Topeka, KS	Ks Dept of Educ.
John Peterson	"	Ks Assn of Private Care
Bathara Cole	Topeka	KNEA / Schuli
Jim Zoually	Overland Park	USD #572
Mark Tallman	Topeka	KASB
Deane Higgins	Wichita	Wichita Public Schools
GERALD HENDERSON	TOPEKA	USTOT KS
Jacques Dakes	"	SQE
Russ FREY	Topeka	KUMBA
Jim Colgan	"	TTC
Bruce Geeden	Topeka	Kansas NDA



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**Testimony on H.B. 2057
before the
Senate Committee on Education**

by

**Mark Tallman, Director of Governmental Relations
Kansas Association of School Boards**

March 8, 1993

Mr. Chairman, Members of the Committee:

KASB supports H.B. 2057 as introduced, because it would simplify the process of State Board of Education review and approval of requests to exceed the school district debt limit. However, we believe the bill should be amended to go further.

Frankly, KASB believes the process of review and approval by the State Board should be eliminated. A number of districts currently exceed the 14% ceiling. The State Board rarely refuses requests to exceed this limit. We are not aware of any objective criteria the State Board can use if it does refuse a request.

At the beginning of the session, this committee heard considerable testimony about the need to reduce paperwork and unnecessary regulations, and to allow decisions about school operations to be made at the local level. Removing the debt ceiling is a step in that direction. It would allow local school boards, with the advice of bond counsels and the ultimate approval of the voters, to make these decisions.

However, some members of the House committee expressed a belief that some degree of state oversight should be retained because of the state's obligations under the debt service assistance program. If your committee agrees with that position, we would ask you to consider raising the ceiling above the current 14% level. We are not aware of any significance to 14%. It appears to be an arbitrary figure. We would propose a ceiling of 40%, which is higher than any current ratio among school districts. Since the State Board has already authorized projects approaching that level, we question why any other district should be refused.

Thank you for your consideration.

*Sen. Education
Attachment 1
3/8/93*

Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

March 8, 1993

TO: Senate Education Committee

FROM: State Board of Education

SUBJECT: 1993 House Bill 2057

My name is Connie Hubbell, Legislative Coordinator of the State Board of Education. I appreciate the opportunity to submit written testimony before this Committee on behalf of the State Board.

House Bill 2057 concerns the limitation on the amount of bonds that can be issued by school districts. Both under past law and under current law, the total amount of bonds that can be issued by a school district is stated as a percentage of the school district's assessed valuation. Prior to reappraisal, all districts' limit was fixed at 14 percent. Since reappraisal, each school district has a different percentage limitation which is determined under a complicated formula. Many school districts have experienced difficulty in determining the bond debt limitation for the district.

The State Board of Education believes it would be appropriate and would simplify state law if the limitation was again established at a uniform percentage of assessed valuation. Since the prior law established that limitation at 14 percent, the amendment includes that as the uniform percentage rate.

The State Board of Education encourages your support of the concept of returning to a uniform bond debt limitation for all the state's unified school districts.

Dale M. Dennis
Deputy/Assistant Commissioner
Division of Fiscal Services and Quality Control
(913) 296-3871

Sen. Education
Attachment 2
3/8/93

Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

March 8, 1993

TO: Senate Education Committee
FROM: State Board of Education
SUBJECT: 1993 House Bill 2059

My name is Rod Bieker, General Counsel for the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

The amendments provided for in House Bill 2059 are an attempt to clarify the provisions of legislation which was adopted last year upon the recommendation of the State Board of Education. The legislation was designed to provide protection for students enrolled in proprietary schools, in the event that any such school ceases operation.

However, under brand new federal regulations, the need for the amendments and, in fact, the need for a state tuition protection fund appears to have been eliminated.

Under these new federal regulations, each proprietary school that is allowed to participate in the many federal student loan programs must provide protection for students enrolled in the school in case the school discontinues one or more of its courses or closes completely. Since this is provided for by federal regulations, the requirements apply on a nationwide basis.

In light of this new federal mandate, it appears the legislation creating the state tuition protection fund can, and should, be repealed.

Dale M. Dennis
Deputy/Assistant Commissioner
Division of Fiscal Services and Quality Control
(913) 296-3871

Sen. Education
Attachment 3
3/8/93

On page 3, following line 20, by inserting a new section as follows:

"New Sec. 2. (a) The board of any district to which the provisions of this section apply may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state board of tax appeals under this section for the purpose of financing that portion of the costs attributable to commencing operation of one or more new school facilities which is not financed from any other source provided by law. The state board of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount provided for such purpose under the school district finance and quality performance act. If the district is not eligible, or will be ineligible, for school facilities weighting in any one or more years during the two-year period for which the district is authorized to levy a tax under this section, the state board of tax appeals may authorize the district to make a levy, in such year or years of ineligibility, which will produce an amount that is not greater than the actual amount of costs attributable to commencing operation of the facility or facilities. At any time after the final levy of a tax authorized under this section is certified to the county clerk, the board of any district to which the provisions of this section continue to apply may initiate procedures to renew the authorization to levy such a tax subject to the conditions and in the manner provided in this section for initial authorization to levy the tax and, at two-year intervals thereafter, may renew in like manner and subject to like conditions such authorization for successive two-year periods.

(b) The state board of tax appeals may adopt rules and

regulations necessary to properly effectuate the provisions of this section, including rules relating to the evidence required in support of a district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount provided for such purpose under the school district finance and quality performance act.

(c) The proceeds from the tax levied by a district under authority of this section shall be deposited in the supplemental general fund of the district and used exclusively to supplement amounts expended from the general fund of the district for payment of the costs attributable to commencing operation of new school facilities.

(d) The provisions of this section apply to any district that (1) commenced operation of one or more new school facilities in the school year preceding the current school year or has commenced or will commence operation of one or more new school facilities in the current school year or any or all of the foregoing, and (2) is authorized to adopt and has adopted a local option budget in an amount equal to the state prescribed percentage of the amount of state financial aid determined for the district in the current school year.";

By renumbering sections 2 and 3 as sections 3 and 4, respectively;

In the title, in line 9, before "amending", by inserting "providing for the levy of ad valorem taxes for commencing operation of new school facilities;"