

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on March 7, 2011, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Sharon Wenger, Kansas Legislative Research Department
Laura Younker, Kansas Legislative Research Department
Jason Long, Office of the Revisor of Statutes
Eunice Peters, Office of the Revisor of Statutes
Dale Dennis, Deputy Commissioner, Kansas Department of Education
Dorothy Gerhardt, Committee Assistant

Conferees appearing before the Committee:

Bill Reardon, USD #500
Corey Peterson, Associated General Contractors of Kansas
Trudy Aron, Executive Director, AIA Kansas
Mark Tallman, KASB
Tracy Russell, Schools for Quality Education (written only)
Jennifer J. Crow, USD #501 (written only)

Others attending:

See attached list.

Montgomery County Debate Champions

Members and coaches of the Caney High School, Caney, Kansas, Field Kindley High School, Coffeyville, Kansas, and Independence High School, Independence, Kansas debate teams were introduced by Senators Jeff King and Dwayne Umbarger. Members of these three high schools in Montgomery County were recognized by the committee as state debate champions.

Also recognized in the audience were Mark Evans, Superintendent, and Roger Elliott, board member from Andover as well as members of the Student Advisory group.

Hearing on **SB 70-Limitation on entitlement to capital improvement state aid**

Jason Long, Office of the Revisor of Statutes, provided a summary of the provisions of SB 70. **SB 70** would prohibit capital improvement state aid to school districts, also known as bond and interest aid, for any bond election held on or after January 1, 2011. According to the Kansas Department of Education, enactment of **SB 70** would have no fiscal effect on state aid payments to school districts in FY 2011 or FY 2012, as bond payments are not made until at least 15 to 18 months after a bond election. However, the Department states that there would be a reduction of capital improvement aid totaling \$1.0 million, beginning in FY 2013.

Bill Reardon, USD #500, appeared as an opponent to **SB 70 (Attachment 1)**. He stated this legislation would eliminate a key component of the current school finance law in Kansas. He also stated that in the recent Montoy case, the Kansas Supreme Court referenced this provision of Kansas law as evidence of equity in the school formula.

Corey Peterson, Associated General Contractors of Kansas, appeared as an opponent to the proposed legislation also (**Attachment 2**). Points of opposition raised by Mr. Peterson included the following: it would be a blow to an industry already on the ropes; Kansas needs economic stimulus and this bill does the opposite; it shifts an unfair advantage to wealthy school districts as it would discourage improvements in less wealthy districts; sets the stage for another Board of Regents-type deferred maintenance crisis as school districts would be encouraged to defer or eliminate capital improvements; and does not impact the current or next year's budget.

Trudy Aron, Executive Director, American Institute of Architects, Kansas, also spoke as an opponent to

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SB 70 (Attachment 3). She stated the state portion of funding is used to help citizens in school districts to pass greatly needed school bond issues without huge increases in property taxes. She also stated these projects create much needed design and construction work. These industries have been devastated by the recession with 23% unemployment in the design sector.

Mark Tallman, Kansas Association of School Boards, also appeared as an opponent to **SB 70** (Attachment 4). He stated KASB believes the funding to provide a quality education for every Kansas child is the responsibility of the state as a whole. The physical plant and equipment of a school district affects the quality of education. Because of the vast disparities in the taxable wealth per student across Kansas, state assistance is vital to providing equity in educational quality and opportunity. He also made reference to the Montoy decision. There are only two major sources of capital funding for most districts, those being state aid and local property taxes. Reducing or eliminating state aid results in higher property taxes in lower-wealth Kansas school districts in order to maintain current levels of expenditures and to adopt future projects.

Others providing testimony in opposition to the passage of **SB 70** included Tracy Russell, Schools for Quality Education (Attachment 5) (written only), and Jennifer J. Crow, USD #501 (Attachment 6) (written only).

During committee discussion, Senator Wagle requested the State Department of Education provide information regarding projections on the bond and interest state aid for the next five years. There being no further discussion, the hearing on **SB 70** was closed.

The next meeting is scheduled for March 8, 2011.

The meeting was adjourned at 2:30 p.m.