

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on February 3, 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:

Senator John Vratil  
Bob Vancrum, USD #229  
Stuart J. Little, USD #512  
Gary George, USD #233

Others attending:

See attached list.

Hearing on **SB 21 - School districts; use of funds from tax levies on motor vehicles and recreational vehicles**

Jason Long, Office of the Revisor of Statutes, appeared before the committee with a brief explanation of **SB 21**. He stated the proposed legislation is the result of an Attorney General's opinion dated June 25, 2010 which provides that the state can no longer collect the motor vehicle tax for special levies such as ancillary facilities, cost of living, and declining enrollment. The legislation would not have any effect on the state but would clean up the statutes to comply with the Attorney General's opinion.

Senator John Vratil appeared before the committee in support of the legislation (Attachment 1). Senator Vratil testified that the bill applies to any school district which has authority for ancillary school facilities weighting, cost of living weighting, or declining enrollment weighting. As a result of the Attorney General's opinion, motor vehicles are not taxable tangible property; therefore, when a school district levies a tax, the district does not have the authority to spend the revenue. The bill merely amends current law to authorize school districts to spend the revenue.

Robert J. Vancrum, Government Affairs Specialist for Blue Valley USD #229, (Attachment 2); Stuart J. Little, Shawnee Mission School District, USD #512 (Attachment 3); and Gary George, Asst. Superintendent of Schools, Olathe USD #233 (Attachment 4) all appeared with testimony in support of the proposed legislation.

Committee discussion followed. It was pointed out that the legislation affects only about seven to nine school districts.

It was moved by Senator Abrams and seconded by Senator King that the committee recommend SB 21 favorable for passage. Motion carried on a voice vote.

**School Districts' Expenditures on Instruction and Ending Fund Balances in School Districts**

Dale Dennis, Deputy Commissioner, Kansas Department of Education, appeared before the committee with a review of the percentage of operating expenditures which are a part of instruction as well as the pupil and staff support services and ending fund balances in school districts. Senator Schodorf stated this was in response to the many questions raised regarding monies available to schools for spending and where these funds could be spent.

Mr. Dennis began the presentation with a discussion regarding classification of expenditures (Attachment 5) and examples of the classification of various services and the difficulty associated with this. He stated

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the definitions used for whatever percentage the locally elected boards of education chose to spend in the appropriate categories need to be defined carefully. The decision on expenditures and allocation of expenditures is made by the local boards of education. Caution must be used in comparing districts as there are a number of reasons that may cause school districts' expenditures to vary. Some of these would include the size of a district and its affect on transportation costs, the number of buildings a district deems necessary, the age of buildings, students eligible for free or reduced price meals, number of bilingual students, and the number of special needs students. A summary of various expenditures per district was provided the committee (Attachment 6).

A report on ending fund balances followed (Attachment 7). He stressed the fact that if school districts have a special mill levy such as capital outlay or bond and interest, the funds collected can only constitutionally be spent for those purposes. For any fund transfers during the year, he stressed the district needed to have a plan. Additional committee discussion followed.

### **Approval of Minutes**

Senator Abrams moved to approve the minutes of January 19, 24, 25, and 26, 2011 as written. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

The next meeting is scheduled for February 7, 2011.

The meeting was adjourned at 02:25 p.m.