

Approved: 02-19-2010

Date

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 3:30 p.m. on January 27, 2010, in Room 159-S of the Capitol.

All members were present except:

Representative Brenda Landwehr- excused

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes
Reagan Cussimano, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Walt Chappell, Wichita, Kansas
Steve Shogren, Sr Vice President, George K Baum & Co
Gary George, Assistant Superintendent, USD 233
Bill Reardon, Kansas City Kansas Schools
Eric Stafford, Director of Government Affairs, Associated Contractors of KS, Inc
Diane Gjerstad, Director of Government Relations
Mark Tallman, Assistant Executive Director, Kansas Association of School Boards
Jack Deyoe, Director of Operations, USD 232, Olathe, Kansas
Trudy Aron, Executive Director, American Institute of Architects

Others attending:

See attached list.

HB 2280 - School districts; capital improvement and capital outlay state aid.

Theresa Kiernan, Office of the Revisor of Statutes addressed **HB 2280** with a short explanation of the bill.

As an educator, Walt Chappell, Wichita, Kansas, is in favor of this bill and stated he strongly recommended that limits be placed on new school construction projects which are not specifically designed to provide space to teach students employable skills. (Attachment 1) Dr. Chappell referred to a Request and Recommendation for Board Action which is a list of proposed school construction plans that need Kansas State Board approval. This information will be copied and passed out at the next committee meeting. (Attachment 2)

Written testimony submitted in favor of **HB 2280** by Dave Trabert, President, Kansas Policy Institute, said his company strongly supports this bill because it is an impingement of personal freedom for one group of citizens to be able to use other peoples' money for their own gain. (Attachment 3)

Steve Shogren, Sr Vice President, George K Baum & Co which serves as a financial advisor to various Kansas school districts, insists many school districts, communities, and especially our Kansas children would be negatively affected by this proposed legislation. (Attachment 4) Mr Shogren sent in an addendum on January 28, 2010 and asked it be attached to these minutes and refutes Walt Chappell's testimony. No committee member objected to attaching the addendum. (Attachment 5)

Gary George, Assistant Superintendent, USD 233, Olathe, Kansas, is against **HB 2280** because it would make capital outlay funds ineligible for state aid after the effective date of this bill, and bond issues after the effective date would be ineligible for state assistance. He said he believed this is the wrong approach for the state to take. (Attachment 6)

Another opponent, Bill Reardon, Kansas City Kansas Schools, said the bill would have a chilling effect on the passage of all new school construction projects except projects in wealthy USD's that do not qualify for state assistance. (Attachment 7)

01-27-10

CONTINUATION SHEET

Minutes of the House Education Budget Committee at 3:30 p.m. on January 27, 2010, in Room 159-S of the Capitol.

In opposition, Eric Stafford, Director of Government Affairs, Associated Contractors of KS, Inc, noted the removal of state aid for future projects would surely impact the ability for school districts to make the improvements necessary to maintain a sound network of infrastructure, resulting in a backlog of maintenance and repair of construction projects. (Attachment 8)

The opposition of the Wichita Public Schools was stated by Diane Gjerstad, Director of Government Relations. State aid helps smooth the differences in valuation statewide. Eliminating state aid will disadvantage students attending districts with lower valuation. Her testimony includes a chart that indicates the wealthiest large districts raise over double the amount as Wichita, Kansas City or Topeka. She said we have supported your districts; now we ask you to honor the same policy for ours. (Attachment 9)

Mark Tallman, Assistant Executive Director, Kansas Association of School Boards, strongly opposes **HB 2280**, and believes the quality of a child's education is the responsibility of the whole state and this bill would invite litigation, which he believes the state would lose. (Attachment 10)

Jack Deyoe, Director of Operations, USD 232, Olathe, Kansas as an opponent, outlined to the committee **HB 2280** would change law for state aid for future capital improvement debt. The district will need additional classroom space and will have no choice but to go forward with projects for the future, which would result in local property tax increases. He further stated that surely the legislature has learned from the problems at our regent's institutions that gaps in maintenance lead to rapid deterioration and increased future expenses that would not have been necessary with regular care. (Attachment 11)

Trudy Aron, Executive Director, American Institute of Architects, does not want this bill to move forward because she says the State of Kansas needs the new and renovated schools these bond elections provide. According to Trudy, many of our schools are two or three generations old. They are totally inadequate for today's teaching methods and technology. In addition, these older schools use 30-50% more energy, costing the school district and the community, funds that should be spent giving our children a better education. (Attachment 12)

Opposition submitted in written testimony by Tom Kaleko, Senior Vice President of Springsted, Incorporated, stated three points that would be consequences of this bill 1) seriously impairs the completion of projects previously approved by the voters, 2) amounts to a de-facto tax increase, and 3) creates uncertainty about the future of state education funding; thereby, hindering the ability of districts to obtain the best possible bond rating. He wrote Kansas is unpredictable and undependable; thereby, inhibiting the ability of Kansas school districts to obtain the best possible rating. In today's market, in which credit quality is critical, a minor downgrade in bond rating can cost a district millions of dollars due to increased interest costs. (Attachment 13)

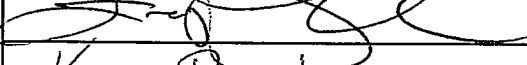
Opposing testimony was, also, submitted by Cheryl Semmel, Executive Director, United School Administrators of Kansas. Her written testimony outlined that capital improvements are about more than just the beautification of facilities that are safe and conducive to learning. As administrators, we believe that quality education is directly associated with the quality of the learning environment. Investing in the ongoing maintenance and modernization of school facilities should be a priority for the state. (Attachment 14)

The hearing on **HB 2280** was closed by Chairman McLeland.

The next meeting is scheduled for February 1, 2010.

The meeting was adjourned at 4:54 p.m.

EDUCATION BUDGET COMMITTEE GUEST LIST
DATE: JANUARY 27, 2010

NAME	REPRESENTING
Gary George	Olathe Dist. Schools
REX ROBINSON	Skyline USD 438
Ted Bohring	Skyline USD 438
STEVE STAGREN	GEO K. BAUM - WICHITA
TERRY FORSYTH	KNEA
Mike Reecht	KIR Inc
Eric Stafford	AGC of Kansas
Scott Frank	Post Audit
	Sen. Terrie Huntington
Kari Prustey	Kearney & Associates Inc.
Dodie Wellsheer	USA / Ks

TESTIMONY IN SUPPORT OF HB2280

By
Dr. Walt Chappell, President
Educational Management Consultants

This bill is a small attempt to deal with a huge problem. As the attached handouts show, there are now **188 Kansas school districts** which have accumulated a **total of nearly \$4.4 billion dollars in bonded indebtedness**. The amount estimated by the KSDE in **demand transfers in State school district capital outlay aid this fiscal year will be over \$87 million dollars**.

However, the Fiscal Note for HB2280 estimates **only \$4.5 million of this amount will be saved**, beginning in FY 2011. Thereafter, only \$3 million will be saved each year.

At the start of the economic recession, voters in 13 local school districts decided to **add \$803 million dollars of new bond debt** on themselves and the taxpayers of Kansas. Neither the Legislature, the voters in the rest of the State nor the Kansas Board of Education had any input or oversight of whether these financial obligations were necessary or timely.

Of these new bonds, there are **\$246 million still not issued as of November 24th, 2009**. This means that the State Legislature and Kansas taxpayers have additional **uncontrolled debts to pay ranging from 48% down to 9% with an average of 31%** of the bond and interest payments.

These bond payments are for brick and mortar. The number of students in Kansas is now back to 1998 enrollment. Yet school districts keep building more buildings without any oversight or requirement that they must first justify how these new facilities will improve each student's ability to learn employable skills. **The Legislature needs to end State aid for any new bonds**.

These \$87 million dollars per year in bond and interest payments are a Demand Transfer from money which the State legislature must set aside. So, until these uncontrolled costs are stopped, the State Legislature is forced to make cuts in BSAPP appropriations to all school districts.

It is time to make tough choices and set priorities. The key question of all of us is, **what is the most important use of our education dollars?** Is the State Legislature going to make decisions this Session to "stop the bleeding" of uncontrolled costs and inefficient use of instructional resources—or is it going to be forced to make further cuts to schools and raise taxes to keep "business as usual".

As an educator, I strongly recommend that limits be placed on new school construction projects which are not specifically designed to provide space to teach students employable skills. HB2280 is a step in the right direction but does not go far enough in reducing the State percent for bond repayment. Until existing revenues are sufficient to balance the State budget without raising taxes, the emphasis should be on keeping the BSAPP at the current level instead of being forced to make further cuts which will be required if the \$87 million per year in demand transfers are not stopped or substantially reduced.

For further information, contact Dr. Walt Chappell @ (316)838-7900 or educationalmanagers@cox.net

House Education Budget Committee
Date: 01-27-2010
Attachment #: 1

**STATE % FOR SCHOOL BONDS NOT YET ISSUED
AS OF NOVEMBER 24TH, 2009**

USD	Date of bond election	Amt of bond election - bonds approved	What is the dollar amt of bonds NOT issued as of 11/24/09?	What date do you expect to issue the remaining bonds?	Percentage state aid
233 Olathe	11/4/2008	\$68,000,000	\$9,000,000	spring 2010	9%
232 DeSoto	11/4/2008	\$75,000,000	\$50,000,000	Jan 2010 \$27,000,000	19%
259 Wichita	11/4/2008	\$370,000,000	\$150,000,000	Dec 2009 \$32,000,000; Year 2010 \$59,000,000; Year 2011 \$59,000,000	25%
348 Baldwin City	11/4/2008	\$22,900,000	\$12,900,000	Dec-09	29%
361 Anthony-Harper	11/4/2008	\$6,500,000	0		21%
376 Sterling	11/4/2008	\$20,400,000	0		41%
441 Sabetha	11/4/2008	\$8,345,000	0		37%
453 Leavenworth	11/4/2008	\$57,800,000	0		33%
457 Garden City	11/4/2008	\$97,500,000	0		37%
446 Independence	12/9/2008	\$45,100,000	0		29%
307 Ell-Saline	2/10/2009	\$7,200,000	0		41%
320 Wamego	11/3/2009	\$9,300,000	\$9,300,000	29-Dec-09	31%
487 Herington	11/3/2009	\$14,900,000	\$14,900,000	Dec-09 or Jan-2010	48%
		\$802,945,000 total passed	\$246,100,000 total not issued		

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**STATE SCHOOL BOND AID %
by DISTRICT as of 12/2/2009**

12/2/2009			Col 1	Col 2	Col 3
USD#	USD Name	County Name	B&I Aid Rate	Est. B&I Aid	Bonded Indebtedness
			2009-10	2009-10	7/1/2009
D0207	FT LEAVENWORTH	LEAVENWORTH	0.83	0	0
D0499	GALENA	CHEROKEE	0.65	178,038	1,385,000
D0447	CHERRYVALE	MONTGOMERY	0.61	169,534	2,150,000
D0504	OSWEGO	LABETTE	0.61	161,775	1,205,000
D0505	CHETOPA-ST.PAUL	LABETTE	0.58	232,131	8,500,000
D0439	SEDGWICK PUBLIC SCHOOLS	HARVEY	0.57	181,618	1,145,000
D0475	JUNCTION CITY	GEARY	0.57	1,362,750	33,265,000
D0261	HAYSVILLE	SEDGWICK	0.56	1,871,573	65,125,000
D0337	ROYAL VALLEY	JACKSON	0.56	0	0
D0508	BAXTER SPRINGS	CHEROKEE	0.56	0	0
D0249	FRONTENAC PUBLIC SCHOOLS	CRAWFORD	0.55	191,135	5,750,000
D0357	BELLE PLAINE	SUMNER	0.55	311,409	2,330,000
D0470	ARKANSAS CITY	COWLEY	0.54	1,127,746	43,595,000
D0246	NORTHEAST	CRAWFORD	0.53	183,859	3,585,000
D0506	LABETTE COUNTY	LABETTE	0.53	280,585	7,465,000
D0235	UNIONTOWN	BOURBON	0.52	79,648	1,350,000
D0339	JEFFERSON COUNTY NORTH	JEFFERSON	0.52	268,588	2,515,000
D0396	DOUGLASS PUBLIC SCHOOLS	BUTLER	0.52	327,940	6,500,000
D0430	SOUTH BROWN COUNTY	BROWN	0.52	236,982	3,697,548
D0443	DODGE CITY	FORD	0.52	2,683,314	41,590,000
D0263	MULVANE	SEDGWICK	0.51	777,354	13,580,000
D0394	ROSE HILL PUBLIC SCHOOLS	BUTLER	0.50	1,014,873	29,314,000
D0248	GIRARD	CRAWFORD	0.49	247,412	490,000
D0404	RIVERTON	CHEROKEE	0.49	0	0
D0454	BURLINGAME	OSAGE	0.49	132,793	2,400,000
D0211	NORTON COMMUNITY SCHOOLS	NORTON	0.48	0	0
D0338	VALLEY FALLS	JEFFERSON	0.48	108,943	3,500,000
D0413	CHANUTE PUBLIC SCHOOLS	NEOSHO	0.48	971,211	42,690,000
D0462	CENTRAL	COWLEY	0.48	148,283	3,110,000
D0471	DEXTER	COWLEY	0.48	0	0
D0487	HERINGTON	DICKINSON	0.48	0	0
D0257	IOLA	ALLEN	0.47	0	0
D0356	CONWAY SPRINGS	SUMNER	0.47	410,433	6,685,000
D0402	AUGUSTA	BUTLER	0.47	1,173,835	52,210,000
D0247	CHEROKEE	CRAWFORD	0.46	0	0
D0336	HOLTON	JACKSON	0.46	189,375	1,415,000
D0344	PLEASANTON	LINN	0.45	0	0
D0353	WELLINGTON	SUMNER	0.45	804,358	25,245,000
D0372	SILVER LAKE	SHAWNEE	0.45	266,581	8,730,000
D0436	CANEY VALLEY	MONTGOMERY	0.45	0	0
D0463	UDALL	COWLEY	0.45	106,546	1,165,000
D0234	FORT SCOTT	BOURBON	0.44	467,575	6,735,000
D0268	CHENEY	SEDGWICK	0.44	285,295	3,465,000
D0367	OSAWATOMIE	MIAMI	0.44	483,569	15,005,000
D0465	WINFIELD	COWLEY	0.44	867,200	21,915,000
D0503	PARSONS	LABETTE	0.44	842,052	18,495,000
D0202	TURNER-KANSAS CITY	WYANDOTTE	0.43	1,590,939	32,245,000
D0253	EMPORIA	LYON	0.43	1,478,411	32,655,000
D0335	NORTH JACKSON	JACKSON	0.43	55,114	0
D0340	JEFFERSON WEST	JEFFERSON	0.43	276,225	2,465,000
D0434	SANTA FE TRAIL	OSAGE	0.43	274,260	3,005,000
D0486	ELWOOD	DONIPHAN	0.43	73,569	1,530,000

**STATE SCHOOL BOND AID %
by DISTRICT as of 12/2/2009**

12/2/2009			Col 1	Col 2	Col 3
USD#	USD Name	County Name	B&I Aid Rate	Est. B&I Aid	Bonded Indebtedness
			2009-10	2009-10	7/1/2009
D0491	EUDORA	DOUGLAS	0.43	1,233,339	37,775,000
D0262	VALLEY CENTER PUBLIC SCHOOLS	SEDGWICK	0.42	1,920,274	70,984,501
D0288	CENTRAL HEIGHTS	FRANKLIN	0.42	111,403	3,615,000
D0325	PHILLIPSBURG	PHILLIPS	0.42	158,464	370,000
D0380	VERMILLION	MARSHALL	0.42	113,961	765,000
D0420	OSAGE CITY	OSAGE	0.42	200,381	4,515,000
D0307	ELL-SALINE	SALINE	0.41	188,112	7,305,000
D0373	NEWTON	HARVEY	0.41	1,564,430	48,160,000
D0376	STERLING	RICE	0.41	351,485	20,400,000
D0440	HALSTEAD	HARVEY	0.41	261,889	9,500,000
D0498	VALLEY HEIGHTS	MARSHALL	0.41	102,247	3,380,000
D0500	KANSAS CITY	WYANDOTTE	0.41	3,888,906	98,965,000
D0509	SOUTH HAVEN	SUMNER	0.41	74,168	1,745,000
D0265	GODDARD	SEDGWICK	0.40	3,278,510	84,955,000
D0308	HUTCHINSON PUBLIC SCHOOLS	RENO	0.40	1,877,426	82,025,000
D0333	CONCORDIA	CLOUD	0.40	171,902	2,100,000
D0406	WATHENA	DONIPHAN	0.40	0	0
D0460	HESSTON	HARVEY	0.40	405,605	12,340,000
D0461	NEODESHA	WILSON	0.40	153,872	2,375,000
D0240	TWIN VALLEY	OTTAWA	0.39	207,584	6,425,000
D0243	LEBO-WAVERLY	COFFEY	0.39	163,619	3,890,000
D0256	MARMATON VALLEY	ALLEN	0.39	71,032	1,435,000
D0264	CLEARWATER	SEDGWICK	0.39	427,302	14,755,000
D0405	LYONS	RICE	0.39	158,709	4,090,000
D0323	ROCK CREEK	POTTAWATOMIE	0.38	268,105	11,800,000
D0429	TROY PUBLIC SCHOOLS	DONIPHAN	0.38	0	0
D0469	LANSING	LEAVENWORTH	0.38	854,267	29,860,000
D0480	LIBERAL	SEWARD	0.38	757,590	16,960,000
D0212	NORTHERN VALLEY	NORTON	0.37	0	0
D0381	SPEARVILLE	FORD	0.37	100,202	2,380,000
D0428	GREAT BEND	BARTON	0.37	658,286	14,105,000
D0441	SABETHA	NEMAHA	0.37	110,397	8,345,000
D0449	EASTON	LEAVENWORTH	0.37	240,738	5,815,000
D0457	GARDEN CITY	FINNEY	0.37	1,189,238	99,200,000
D0267	RENWICK	SEDGWICK	0.36	969,800	32,610,000
D0389	EUREKA	GREENWOOD	0.36	295,221	7,280,000
D0408	MARION-FLORENCE	MARION	0.36	217,545	7,795,000
D0411	GOESSEL	MARION	0.36	77,766	1,215,000
D0421	LYNDON	OSAGE	0.36	0	0
D0316	GOLDEN PLAINS	THOMAS	0.35	8,679	105,000
D0426	PIKE VALLEY	REPUBLIC	0.35	0	0
D0501	TOPEKA PUBLIC SCHOOLS	SHAWNEE	0.35	2,463,798	42,100,000
D0290	OTTAWA	FRANKLIN	0.34	879,625	32,970,000
D0341	OSKALOOSA PUBLIC SCHOOLS	JEFFERSON	0.34	0	0
D0358	OXFORD	SUMNER	0.34	131,156	3,040,000
D0379	CLAY CENTER	CLAY	0.34	184,391	350,000
D0493	COLUMBUS	CHEROKEE	0.34	0	0
D0102	CIMARRON-ENSIGN	GRAY	0.33	140,973	2,165,000
D0205	BLUESTEM	BUTLER	0.33	214,871	3,625,000
D0258	HUMBOLDT	ALLEN	0.33	257,220	7,535,000
D0266	MAIZE	SEDGWICK	0.33	2,460,100	95,425,000
D0286	CHAUTAUQUA COUNTY COMMUNITY	CHAUTAUQUA	0.33	0	0

**STATE SCHOOL BOND AID %
by DISTRICT as of 12/2/2009**

12/2/2009			Col 1	Col 2	Col 3
USD#	USD Name	County Name	B&I Aid Rate	Est. B&I Aid	Bonded Indebtedness
			2009-10	2009-10	7/1/2009
D0327	ELLSWORTH	ELLSWORTH	0.33	0	0
D0392	OSBORNE COUNTY	OSBORNE	0.33	71,379	1,160,000
D0409	ATCHISON PUBLIC SCHOOLS	ATCHISON	0.33	578,612	20,405,000
D0435	ABILENE	DICKINSON	0.33	110,291	4,430,000
D0450	SHAWNEE HEIGHTS	SHAWNEE	0.33	577,434	24,995,000
D0453	LEAVENWORTH	LEAVENWORTH	0.33	1,480,705	72,090,000
D0464	TONGANOXIE	LEAVENWORTH	0.33	527,691	25,315,000
D0111	DONIPHAN WEST SCHOOL	DONIPHAN	0.32	0	0
D0239	NORTH OTTAWA COUNTY	OTTAWA	0.32	98,389	5,473,000
D0378	RILEY COUNTY	RILEY	0.32	120,145	2,820,000
D0492	FLINTHILLS	BUTLER	0.32	91,178	3,280,098
D0495	FT LARNED	PAWNEE	0.32	144,942	2,855,000
D0285	CEDAR VALE	CHAUTAUQUA	0.31	0	0
D0320	WAMEGO	POTTAWATOMIE	0.31	512,120	12,490,000
D0393	SOLOMON	DICKINSON	0.31	74,865	210,000
D0400	SMOKY VALLEY	MCPHERSON	0.31	297,239	6,775,000
D0110	THUNDER RIDGE SCHOOLS	PHILLIPS	0.30	0	0
D0289	WELLSVILLE	FRANKLIN	0.30	226,468	7,670,000
D0365	GARNETT	ANDERSON	0.30	55,530	1,510,000
D0385	ANDOVER	BUTLER	0.30	2,324,760	94,790,000
D0410	DURHAM-HILLSBORO-LEHIGH	MARION	0.30	95,577	7,300,000
D0107	ROCK HILLS	JEWELL	0.29	14,251	285,000
D0237	SMITH CENTER	SMITH	0.29	0	0
D0282	WEST ELK	ELK	0.29	0	0
D0287	WEST FRANKLIN	FRANKLIN	0.29	0	0
D0309	NICKERSON	RENO	0.29	146,578	4,510,000
D0322	ONAGA-HAVENSVILLE-WHEATON	POTTAWATOMIE	0.29	74,711	860,000
D0346	JAYHAWK	LINN	0.29	50,386	640,000
D0348	BALDWIN CITY	DOUGLAS	0.29	504,971	20,665,000
D0446	INDEPENDENCE	MONTGOMERY	0.29	352,727	0
D0456	MARAIS DES CYGNES VALLEY	OSAGE	0.29	0	0
D0481	RURAL VISTA	DICKINSON	0.29	85,724	2,490,000
D0251	NORTH LYON COUNTY	LYON	0.28	0	0
D0311	PRETTY PRAIRIE	RENO	0.28	38,406	1,450,000
D0313	BUHLER	RENO	0.28	393,044	9,810,000
D0342	MCLOUTH	JEFFERSON	0.28	0	0
D0250	PITTSBURG	CRAWFORD	0.27	457,881	25,325,000
D0260	DERBY	SEDGWICK	0.27	967,504	13,855,000
D0377	ATCHISON CO COMM SCHOOLS	ATCHISON	0.27	0	0
D0230	SPRING HILL	JOHNSON	0.26	917,752	54,680,000
D0273	BELOIT	MITCHELL	0.26	0	0
D0312	HAVEN PUBLIC SCHOOLS	RENO	0.26	147,637	3,685,000
D0448	INMAN	MCPHERSON	0.26	114,634	1,685,000
D0231	GARDNER-EDGERTON-ANTIOCH	JOHNSON	0.25	2,672,371	108,430,000
D0259	WICHITA	SEDGWICK	0.25	7,462,292	381,165,000
D0272	WACONDA	MITCHELL	0.25	0	0
D0386	MADISON-VIRGIL	GREENWOOD	0.25	0	0
D0458	BASEHOR-LINWOOD	LEAVENWORTH	0.25	831,388	47,605,000
D0484	FREDONIA	WILSON	0.25	0	0
D0343	PERRY PUBLIC SCHOOLS	JEFFERSON	0.24	161,161	9,325,000
D0305	SALINA	SALINE	0.22	1,746,269	58,275,000
D0345	SEAMAN	SHAWNEE	0.22	668,951	16,655,000

**STATE SCHOOL BOND AID %
by DISTRICT as of 12/2/2009**

12/2/2009			Col 1	Col 2	Col 3
USD#	USD Name	County Name	B&I Aid Rate	Est. B&I Aid	Bonded Indebtedness
			2009-10	2009-10	7/1/2009
D0366	WOODSON	WOODSON	0.22	0	0
D0473	CHAPMAN	DICKINSON	0.22	56,714	0
D0315	COLBY PUBLIC SCHOOLS	THOMAS	0.21	114,682	2,475,000
D0361	ANTHONY-HARPER	HARPER	0.21	53,746	0
D0382	PRATT	PRATT	0.21	191,508	14,255,000
D0451	B & B	NEMAHA	0.20	0	0
D0479	CREST	ANDERSON	0.20	0	0
D0232	DESOTO	JOHNSON	0.19	2,534,798	172,305,000
D0283	ELK VALLEY	ELK	0.19	26,864	1,220,000
D0360	CALDWELL	SUMNER	0.19	72,382	3,860,000
D0108	WASHINGTON CO.SCHOOLS	WASHINGTON	0.18	43,549	2,340,000
D0252	SOUTHERN LYON COUNTY	LYON	0.18	142,931	6,470,000
D0330	MISSION VALLEY	WABAUNSEE	0.18	89,087	6,075,000
D0349	STAFFORD	STAFFORD	0.18	55,516	2,160,000
D0368	PAOLA	MIAMI	0.18	430,671	15,230,000
D0398	PEABODY-BURNS	MARION	0.18	66,432	2,520,000
D0204	BONNER SPRINGS	WYANDOTTE	0.17	558,877	38,015,000
D0206	REMINGTON-WHITEWATER	BUTLER	0.16	68,511	6,765,000
D0431	HOISINGTON	BARTON	0.16	143,790	8,910,000
D0467	LEOTI	WICHITA	0.15	31,875	0
D0352	GOODLAND	SHERMAN	0.14	0	0
D0359	ARGONIA PUBLIC SCHOOLS	SUMNER	0.14	0	0
D0371	MONTEZUMA	GRAY	0.14	34,843	3,215,000
D0298	LINCOLN	LINCOLN	0.13	42,260	1,485,000
D0331	KINGMAN-NORWICH	KINGMAN	0.13	125,293	8,425,000
D0369	BURRTON	HARVEY	0.12	14,054	645,000
D0417	MORRIS COUNTY	MORRIS	0.12	65,680	8,270,000
D0109	REPUBLIC COUNTY	REPUBLIC	0.11	6,957	345,000
D0242	WESKAN	WALLACE	0.11	0	0
D0496	PAWNEE HEIGHTS	PAWNEE	0.11	0	0
D0223	BARNES	WASHINGTON	0.10	18,943	1,215,000
D0416	LOUISBURG	MIAMI	0.10	451,478	38,695,000
D0418	MCPHERSON	MCPHERSON	0.10	116,113	6,005,000
D0442	NEMAHA VALLEY SCHOOLS	NEMAHA	0.10	27,275	6,355,000
D0488	AXTELL	MARSHALL	0.10	24,782	2,360,000
D0233	OLATHE	JOHNSON	0.09	3,657,359	369,800,687
D0329	MILL CREEK VALLEY	WABAUNSEE	0.08	43,070	5,515,000
D0419	CANTON-GALVA	MCPHERSON	0.08	25,792	2,205,000
D0105	RAWLINS COUNTY	RAWLINS	0.07	0	0
D0293	QUINTER PUBLIC SCHOOLS	GOVE	0.07	0	0
D0355	ELLINWOOD PUBLIC SCHOOLS	BARTON	0.07	36,737	4,685,000
D0390	HAMILTON	GREENWOOD	0.07	0	0
D0415	HIAWATHA	BROWN	0.07	40,627	5,020,000
D0477	INGALLS	GRAY	0.07	0	0
D0224	CLIFTON-CLYDE	WASHINGTON	0.06	0	0
D0219	MINNEOLA	CLARK	0.05	14,633	3,670,000
D0334	SOUTHERN CLOUD	CLOUD	0.05	0	0
D0364	MARYSVILLE	MARSHALL	0.05	0	0
D0395	LACROSSE	RUSH	0.05	0	0
D0438	SKYLINE SCHOOLS	PRATT	0.05	0	0
D0245	LEROY-GRIDLEY	COFFEY	0.04	0	0
D0397	CENTRE	MARION	0.04	3,204	625,000

**STATE SCHOOL BOND AID %
by DISTRICT as of 12/2/2009**

12/2/2009			Col 1	Col 2	Col 3
USD#	USD Name	County Name	B&I Aid Rate	Est. B&I Aid	Bonded Indebtedness
			2009-10	2009-10	7/1/2009
D0384	BLUE VALLEY	RILEY	0.02	3,346	1,360,000
D0101	ERIE	NEOSHO	0.01	6,966	15,000,000
D0225	FOWLER	MEADE	0.01	933	1,940,000
D0437	AUBURN WASHBURN	SHAWNEE	0.01	31,727	56,220,000
D0103	CHEYLIN	CHEYENNE	0.00	0	0
D0106	WESTERN PLAINS	NESS	0.00	0	165,000
D0200	GREELEY COUNTY	GREELEY	0.00	0	0
D0203	PIPER-KANSAS CITY	WYANDOTTE	0.00	0	31,805,000
D0208	WAKEENEY	TREGO	0.00	0	2,325,000
D0209	MOSCOW PUBLIC SCHOOLS	STEVENS	0.00	0	0
D0210	HUGOTON PUBLIC SCHOOLS	STEVENS	0.00	0	0
D0213	WEST SOLOMON VALLEY SCHOOLS	NORTON	0.00	0	0
D0214	ULYSSES	GRANT	0.00	0	3,780,000
D0215	LAKIN	KEARNY	0.00	0	3,685,000
D0216	DEERFIELD	KEARNY	0.00	0	0
D0217	ROLLA	MORTON	0.00	0	2,032,470
D0218	ELKHART	MORTON	0.00	0	0
D0220	ASHLAND	CLARK	0.00	0	0
D0226	MEADE	MEADE	0.00	0	4,700,000
D0227	JETMORE	HODGEMAN	0.00	0	4,770,000
D0228	HANSTON	HODGEMAN	0.00	0	0
D0229	BLUE VALLEY	JOHNSON	0.00	0	360,875,000
D0241	WALLACE COUNTY SCHOOLS	WALLACE	0.00	0	1,270,000
D0244	BURLINGTON	COFFEY	0.00	0	0
D0254	BARBER COUNTY NORTH	BARBER	0.00	0	2,030,000
D0255	SOUTH BARBER	BARBER	0.00	0	0
D0269	PALCO	ROOKS	0.00	0	0
D0270	PLAINVILLE	ROOKS	0.00	0	3,275,000
D0271	STOCKTON	ROOKS	0.00	0	1,800,000
D0274	OAKLEY	LOGAN	0.00	0	0
D0275	TRIPLAINS	LOGAN	0.00	0	0
D0281	HILL CITY	GRAHAM	0.00	0	0
D0284	CHASE COUNTY	CHASE	0.00	0	1,345,000
D0291	GRINNELL PUBLIC SCHOOLS	GOVE	0.00	0	0
D0292	WHEATLAND	GOVE	0.00	0	0
D0294	OBERLIN	DECATUR	0.00	0	0
D0297	ST FRANCIS COMMUNITY SCHOOLS	CHEYENNE	0.00	0	0
D0299	SYLVAN GROVE	LINCOLN	0.00	0	0
D0300	COMANCHE COUNTY	COMANCHE	0.00	0	0
D0303	NESS CITY	NESS	0.00	0	0
D0306	SOUTHEAST OF SALINE	SALINE	0.00	0	0
D0310	FAIRFIELD	RENO	0.00	0	0
D0314	BREWSTER	THOMAS	0.00	0	0
D0321	KAW VALLEY	POTTAWATOMIE	0.00	0	0
D0326	LOGAN	PHILLIPS	0.00	0	0
D0328	LORRAINE	ELLSWORTH	0.00	0	5,500,000
D0332	CUNNINGHAM	KINGMAN	0.00	0	0
D0347	KINSLEY-OFFERLE	EDWARDS	0.00	0	0
D0350	ST JOHN-HUDSON	STAFFORD	0.00	0	1,110,000
D0351	MACKSVILLE	STAFFORD	0.00	0	0
D0354	CLAFLIN	BARTON	0.00	0	0
D0362	PRAIRIE VIEW	LINN	0.00	0	5,805,000

**STATE SCHOOL BOND AID %
by DISTRICT as of 12/2/2009**

12/2/2009			Col 1	Col 2	Col 3
USD#	USD Name	County Name	B&I Aid Rate	Est. B&I Aid	Bonded Indebtedness
			2009-10	2009-10	7/1/2009
D0363	HOLCOMB	FINNEY	0.00	0	5,910,000
D0374	SUBLETTE	HASKELL	0.00	0	5,870,000
D0375	CIRCLE	BUTLER	0.00	0	33,955,000
D0383	MANHATTAN	RILEY	0.00	0	103,030,000
D0387	ALTOONA-MIDWAY	WILSON	0.00	0	0
D0388	ELLIS	ELLIS	0.00	0	0
D0399	PARADISE	RUSSELL	0.00	0	0
D0401	CHASE	RICE	0.00	0	105,000
D0403	OTIS-BISON	RUSH	0.00	0	0
D0407	RUSSELL COUNTY	RUSSELL	0.00	0	0
D0412	HOXIE COMMUNITY SCHOOLS	SHERIDAN	0.00	0	0
D0422	GREENSBURG	KIOWA	0.00	0	0
D0423	MOUNDRIDGE	MCPHERSON	0.00	0	3,570,000
D0424	MULLINVILLE	KIOWA	0.00	0	0
D0432	VICTORIA	ELLIS	0.00	0	0
D0444	LITTLE RIVER	RICE	0.00	0	795,000
D0445	COFFEYVILLE	MONTGOMERY	0.00	0	17,430,000
D0452	STANTON COUNTY	STANTON	0.00	0	0
D0459	BUCKLIN	FORD	0.00	0	0
D0466	SCOTT COUNTY	SCOTT	0.00	0	13,725,000
D0468	HEALY PUBLIC SCHOOLS	LANE	0.00	0	0
D0474	HAVILAND	KIOWA	0.00	0	0
D0476	COPELAND	GRAY	0.00	0	4,000,000
D0482	DIGHTON	LANE	0.00	0	0
D0483	KISMET-PLAINS	SEWARD	0.00	0	2,270,000
D0489	HAYS	ELLIS	0.00	0	1,270,000
D0490	EL DORADO	BUTLER	0.00	56,748	19,455,000
D0494	SYRACUSE	HAMILTON	0.00	0	3,365,395
D0497	LAWRENCE	DOUGLAS	0.00	0	89,255,000
D0502	LEWIS	EDWARDS	0.00	0	0
D0507	SATANTA	HASKELL	0.00	0	0
D0511	ATTICA	HARPER	0.00	0	0
D0512	SHAWNEE MISSION PUBLIC SCHOO	JOHNSON	0.00	0	249,200,000
TOTALS				\$ 87,186,135	\$ 4,375,847,699

REQUEST AND RECOMMENDATION FOR BOARD ACTION

Staff Initiating: Director: Commissioner:
Bertha Hackett Deanna Lieber Alexa Posny

Item Title:

Act on school construction plans

Board Goals:

Governmental responsibility

Recommended Motion:

It is moved that the Kansas State Board of Education approve the proposed school construction plans.

Explanation of Situation Requiring Action:

Proposed school construction plans must be submitted to the State Board for approval or disapproval for compliance with building codes pursuant to K.S.A. 31-150, 58-1301 et seq., and Section 504 of the Rehabilitation Act of 1973.

DISTRICT	USD#	COUNTY	PROJECT	LOCATION	DISTRICT ENRLLMNT	PROJECT NUMBER
1) Fort Scott	234	Bourbon	Fort Scott Head Start Program	Fort Scott	2,005	5524
2) McPherson	418	McPherson	Exiting Plan Alterations – McPherson High School	McPherson	2,466	5527
3) Abilene	435	Dickinson	Addition to McKinley Elementary	Abilene	1,687	5560
4) Liberal	480	Seward	Addition to Southlawn Elementary	Liberal	3,350	5562
5) Goddard	265	Sedgwick	New Eisenhower Middle School	Goddard	4,960	5631
6) Renwick	267	Sedgwick	Additions/Renovation – Colwich Elementary School	Colwich	2,022	5639
7) Blue Valley	229	Johnson	Blue Valley Center for Advanced Professional Studies	Overland Park	14,609	5641
8) Stanton County Schools	452	Stanton	Addition/Renovation – Elementary and Middle Schools	Johnson	467	5644
9) Chapman	473	Dickinson	New Education Center	Chapman	973	5649
10) Augusta	402	Butler	Additions/Renovation – Ewait Elementary School	Augusta	2,347	5653
11) LeRoy-Gridley	245	Coffey	Relocation of Southern Coffey County Middle School	Gridley	273	5656

REQUEST AND RECOMMENDATION FOR BOARD ACTION

Staff Initiating: Director: Commissioner:
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DISTRICT	USD#	COUNTY	PROJECT	LOCATION	DISTRICT ENRLLMN'	PROJECT NUMBER
1) Bishop Carroll Catholic High School	---	Sedgwick	Phase I Addition – Bishop Carroll Catholic High School	Wichita	---	5498
2) Durham/Hillsboro/Lehigh Public Schools	410	Marion	Additions to Hillsboro Elementary School	Hillsboro	659	5506
3) Renwick	267	Sedgwick	Additions & Alterations to Andale Elementary School	Andale	2,022	5536
4) Newton	373	Harvey	Lindley Hall Window Replacement	Newton	3,737	5570(a)
5) Newton	373	Harvey	Santa Fe Middle School Addition	Newton	3,737	5570(b)
6) Newton	373	Harvey	Additions-Renovations to Educational Technology Center	Newton	3,737	5576
7) Burrton	369	Harvey	Addition to Workshop - Burrton High School	Burrton	253	5588
8) Basehor-Linwood	458	Leavenworth	Basehor Elementary School 305	Basehor	2,181	5602
* 9) Copeland	476	Gray	Additions to Junior High School – Gymnasium and Classroom Building	Copeland	120	5608
10) Olathe	233	Johnson	Additions to Central Elementary	Olathe	25,994	5615
11) Piper – Kansas City	203	Wyandotte	Additions and Renovations to Piper High School	Kansas City	1,583	5616
12) Greensburg	422	Kiowa	Greensburg School PreK-12	Greensburg	202	5622
13) Renwick	267	Sedgwick	Remodel St. Mark's Charter School	Andale	2,022	5625
14) Olathe	233	Johnson	Manchester Park Elementary School Addition	Olathe	25,994	5626
* 15) Leoti	467	Wichita	Wichita County Junior High School Gymnasium Remodel	Leoti	455	5634
16) Hutchinson Public Schools	308	Reno	Additions and Renovations – Allen Elementary School	Hutchinson	4,502	5637

REQUEST AND RECOMMENDATION FOR BOARD ACTION

Staff Initiating: Interim Commissioner:
Bertha Hackett (Interim) Diane DeBacker

Item Title:

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Governmental responsibility

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	DISTRICT	USD#	COUNTY	PROJECT	LOCATION	DISTRICT ENROLLMENT	PROJECT NUMBER
*	1) Auburn-Washburn	437	Shawnee	Gymnasium Expansion & Renovation Washburn-Rural High School	Topeka	5,633	5737
	2) Baldwin City	348	Douglas	Baldwin City Primary Center	Baldwin City	1,444	5757
	3) Hugoton Public Schools	210	Stevens	Renovation – Hugoton Learning Academy	Hugoton	1,008	5763
*	4) Fowler Public Schools	225	Meade	New Gymnasium for Fowler Public Schools	Fowler	170	5768

REQUEST AND RECOMMENDATION FOR BOARD ACTION

Staff Initiating: Director: Commissioner:
Bertha Hackett Deanna Lieber Alexa Posny

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Governmental responsibility

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DISTRICT	USD#	COUNTY	PROJECT	LOCATION	DISTRICT ENROLLMENT	PROJECT NUMBER
1) Goddard	265	Sedgwick	New Apollo Elementary School	Goddard	4,960	5632
2) Olathe	233	Johnson	New Olathe Junior High School # 9	Olathe	25,994	5642

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	USD#	COUNTY	PROJECT	LOCATION	DISTRICT ENROLLMNT	PROJECT NUMBER
1) Topeka	501	Shawnee	Projects for Topeka USD 501 a) Office Remodel – Quincy ES b) Life – Highland Park ES c) Bleachers – Chase MS d) Concessions Remodel – Topeka HS	Topeka	13,125	5406
2) Oakley	274	Logan	Phase I – Oakley High School Weight Room Addition – Phase II – Oakley Schools Multi-Purpose Building	Oakley	467	5421
3) Ottawa	---	Franklin	Renovation of Church and Office Area of Educational Wing at First Baptist Church	Ottawa	---	5443
4) Shawnee Mission	512	Johnson	Addition/Renovation – Shawnee Mission Northwest HS	Shawnee Mission	27,831	5496
5) Newton	373	Harvey	Classroom Addition – Northridge ES	Newton	2,573	5551
6) Olathe	233	Johnson	Additions to Ridgeview ES	Olathe	20,276	5593
7) Derby	260	Sedgwick	Pleasantview ES – Enclosed Link	Derby	4,321	5604
8) Blue Valley	229	Johnson	Office and Classroom Additions – Valley Park Elementary School	Overland Park	14,619	5620a
9) Blue Valley	229	Johnson	Addition – Mission Trail ES	Overland Park	14,619	5620b
10) Maize	266	Sedgwick	Additions – Pray Woodman ES	Maize	6,423	5629
11) Rawlins County Schools	105	Rawlins	Atwood High School Music Room Addition	Atwood	318	5635
12) Olathe	233	Johnson	Kindergarten Classroom Addition at Indian Creek Elementary School	Olathe	20,276	5638a
13) Olathe	233	Johnson	Kindergarten Classroom Addition at Country Side Elementary School	Olathe	20,276	5638b
14) Blue Valley	229	Johnson	New Blue Valley Middle School	Overland Park	14,619	5640
15) El Dorado	490	Butler	Renovation of Existing Space – Change of Use for Charter School aka Extend High School	El Dorado	1,496	5647
16) Valley Center	262	Sedgwick	Addition to Wheatland ES	Valley Center	1,801	5648
17) Erie-Galesburg	101	Neosho	New High School	Erie	601	5650
18) Kaw Valley	321	Pottawatomie	Gymnasium Addition – Rossville Jr-Sr High School	Rossville	1,173	5651
19) Kaw Valley	321	Pottawatomie	Gymnasium Addition – St. Marys Jr-Sr	St. Marys	1,173	5652
* 20) Morris County Schools	417	Morris	New Gymnasium & Kitchen Addition	Council Grove	827	5654
21) Maize	266	Sedgwick	Addition to Maize South HS	Maize	6,423	5655
22) Thomas More Prep-Marian High School	---	-----	Locker Room Renovation at Thomas More Prep-Marian High School	Hays	-----	5657
23) Valley Center	262	Sedgwick	Addition to West ES	Valley Center	1,801	5659a
24) Valley Center	262	Sedgwick	Addition to Abilene ES	Valley Center	1,801	5659b
25) Kismet-Plains	483	Seward	New Greenhouse	Plains	756	5688

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DISTRICT	USD#	COUNTY	PROJECT	LOCATION	DISTRICT ENROLLMENT	PROJECT NUMBER
26) Plainville	270	Rooks	High School Gymnasium Addition to Sports Complex	Plainville	394	5374
27) Lansing	469	Leavenworth	Change in use-Lansing Elem. School	Lansing	2,274	5624
28) Auburn-Washburn	437	Shawnee	Washburn Rural High School Library	Topeka	5,578	5630

REQUEST AND RECOMMENDATION FOR BOARD ACTION

Staff Initiating: Director: Commissioner:
Bertha Hackett Deanna Lieber Alexa Posny

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DISTRICT	SD#	COUNTY	PROJECT	LOCATION	DISTRICT ENROLLMNT	PROJECT NUMBER
1) Hutchinson Public Schools	308	Reno	Additions/Renovations to Hutchinson High School	Hutchinson	4,502	5658
2) Hutchinson Public Schools	308	Reno	Additions/Renovations – McCandless Elementary School	Hutchinson	4,502	5662a
3) Hutchinson Public Schools	308	Reno	Additions/Renovations – Graber Elementary School	Hutchinson	4,502	5662b
4) Arkansas City	470	Cowley	Addition – IXL Elementary School	Arkansas City	2,933	5675
5) Royal Valley	337	Jackson	Classroom Addition – Royal Valley Middle School	Mayetta	953	5679
6) Coffeyville	445	Montgomery	Whittier Early Childhood Education Center Phase 1	Coffeyville	1,909	5686
7) Sterling	376	Rice	New Grade School	Sterling	577	5691
8) Leavenworth	453	Leavenworth	New Leavenworth Elementary School	Leavenworth	4,014	5698
9) Seaman	345	Shawnee	Portable Classrooms – Elmont, West Indianola and North Fairview Elementary Schools	Topeka	3,581	5742
10) Abilene	435	Dickinson	Portable Classrooms – Garfield Elementary School	Abilene	1,687	5743
11) Interlocal #637	---	Crawford	Modular Classroom Building at Scammon Elementary School	Pittsburg	----	5744
12) Girard	248	Crawford	Portable Classrooms-R.V. Haderlein Elementary School	Girard	740	5745

REQUEST AND RECOMMENDATION FOR BOARD ACTION

Staff Initiating: Interim Commissioner:
Bertha Hackett (Interim) Diane DeBacker

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Proposed school construction plans must be submitted to the State Board for approval or disapproval for compliance with building codes pursuant to K.S.A. 31-150, 58-1301 et seq., and Section 504 of the Rehabilitation Act of 1973.

DECEMBER 2009						
DISTRICT	JSD#	COUNTY	PROJECT	LOCATION	DISTRICT ENRLLMNT	PROJECT NUMBER
1) Durham/Hillsboro/ Lehigh Public Schools	410	Marion	Tabor College Stadium	Hillsboro	638	5661
2) Victoria	432	Ellis	Addition – Victoria High School	Victoria	170	5663
3) Peabody-Burns	398	Marion	Renovation of Former Nursing Home into Classrooms and Administrative Offices for Marion County Special Education Cooperative in USD 398	Marion	-----	5665
4) Garden City	457	Finney	Early Childhood Addition to Garfield Elem. School & Elevator Addition to Abe Hubert Middle School	Garden City	7,218	5687
5) Ellsworth/Kanopolis/Geness o	327	Ellsworth	Window & HVAC Replacement Projects at Ellsworth Elementary School	Ellsworth	604	5716
6) De Soto	232	Johnson	New De Soto Elementary School #7	De Soto	6,381	5717
7) Manhattan-Ogden	383	Riley	Addition/Renovation-Ogden Elem	Ogden	6,141	5760
8) Valley Center	262	Sedgwick	New District Office	Valley Center	2,565	5765
9) Hugoton	210	Stevens	New Hugoton Early Childhood Development Center	Hugoton	1,008	5778

REQUEST AND RECOMMENDATION FOR BOARD ACTION

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1) DISTRICT	USD#	COUNTY	PROJECT	LOCATION	DISTRICT ENRLLMNT	PROJECT NUMBER
2) Victoria	432	Ellis	Entrance Addition – Victoria Elementary School	Victoria	170	5670
* 3) De Soto	232	Johnson	Gymnasium Renovation and Site Utilities – Mill Valley High School	De Soto	6,381	5697
4) De Soto	232	Johnson	Addition – Mill Valley High School	De Soto	6,381	5733
5) Chapman	473	Dickinson	New Chapman Elementary School	Chapman	988	5738
6) Chapman	473	Dickinson	New Chapman Middle School	Chapman	988	5739
7) Chapman	473	Dickinson	New Chapman High School	Chapman	88	5740
8) Hugoton	210	Stevens	Addition – Hugoton Middle School	Hugoton	1,008	5750
9) Manhattan-Ogden	383	Riley	Additions-Amanda Arnold Elementary School	Manhattan	6,141	5756
10) Satanta	507	Haskell	Addition – Satanta High School Cafeteria	Satanta	368	5758
11) Liberal	480	Seward	Addition – Liberal High School	Liberal	4,624	5759
12) Hutchinson Public Schools	308	Reno	Additions/Renovations – Faris and Lincoln Elementary Schools	Hutchinson	4,530	5769
13) Uniontown	235	Bourbon	Relocation of an Existing Modular Classroom Building at Uniontown	Uniontown	461	5780
14) Central Christian High School	---	Reno	Rebuild of Snow Damaged Portion of Central Christian High School	Hutchinson	---	5783
15) Valley Center	262	Sedgwick	New Transportation Facility	Valley Center	2,565	5788
16) Leavenworth	453	Leavenworth	District Activity Complex	Leavenworth	3,857	5789
17) Thunder Ridge Schools	110	Phillips	ADA Ramp, Sidewalk, Curb Cut Thunder Ridge Elementary Building	Kensington	241	5791



Testimony Presented to the House Education Budget Committee
Dave Trabert, President
January 25, 2010

Mr. Chairman and esteemed members of the Committee:

Thank you for the opportunity to testify in support of HB 2280, which would make any capital outlay resolution adopted by school districts after the effective date of the bill ineligible for capital outlay state aid.

We support this bill because we believe the ability of voters from a single school district to impose an increased tax burden on citizens outside that district is an infringement upon citizens' rights and personal freedom. Government has no money of its own; it only has what it takes from citizens. When residents of a school district vote to spend money on a capital project, they are not obligating the State to pay a portion of the bill; they are telling the State to use other people's money to pay a portion of that district's capital project.

Only those who have the opportunity to vote should be responsible for paying the tax.

School districts actually use the ability to force residents outside the district to pay a portion of the cost as a marketing tool. USD 259 Wichita passed a bond issue in 2008 that obligated citizens across Kansas to pick up 25% of the tab. They passed out buttons that said '25%' to remind voters that other people's money would cover that much of the cost.

And 25% is on the low end. In many cases it is over 50%. The Department of Education says the total amount scheduled to be spent by taxpayers this year, most of whom had no say in the matter, is \$87.2 million. That is a tremendous amount of Other People's Money that's being spent, especially when money is so tight. But regardless of the amount, it is wrong for anyone to be able to vote to raise another person's taxes without their having a say in the matter.

Kansas Policy Institute believes it is an impingement of personal freedom for one group of citizens to be able to use other people's money for their own gain and therefore is a strong supporter of HB 2280.

House Education Budget Committee

Date: 01-27-2010

Attachment #: 3

**Testimony in Opposition to
Proposed House Bill 2280
January 25, 2010**

My name is Steve Shogren. I am a resident of Sedgwick County, Kansas and a parent, patron and taxpayer in the Great State of Kansas. Professionally I am a Senior Vice President with the firm of George K. Baum & Company serving as a financial advisor to various Kansas school districts as well as cities, counties, healthcare providers, and other issuers of bonds for public purpose projects. I have been involved in assisting communities and school districts in Kansas with their capital improvement projects and bond issues for more than 35 years.

I am here to oppose House Bill 2280 which proposes to halt the current legislation that offers state aid to local school districts to help pay principal and interest payments on voter approved bond projects. Many school districts, communities, and especially our Kansas children would be negatively affected by this proposed legislation.

This discussion should be about three things: educational equity, fairness, and a bond.

I believe that our K-12 education system is one of, if not the most important infrastructure asset in the State of Kansas. Quality education for our most important asset—our children—is vital for both their future and all our economic futures.

I also believe that quality classrooms, labs, libraries, and other support spaces, as well as modern technology are vital for our teachers to teach and for our children to reach their educational potential.

In the early 1990's, the Kansas Legislature determined that all Kansas children regardless of location, regardless of urban or rural background, had the right to and deserved reasonably equal educational opportunities. In order to attempt to levelize opportunities as to facilities and learning, legislation created a program where additional state aid was offered to local school districts to subsidize bond payments with local voter approval. The percentage of state aid for a voted bond is based on certification of a local district's enrollment and district wealth as compared to all other Kansas school districts. A district that falls at the median of a grid of all districts is currently eligible for 25% state aid to help retire a bond issue and the percentage of state aid adjusts up or down by 1% for each \$1,000 of district wealth per pupil based on the annual certification of the grid by the State Department of Education. Elimination of this program would take our state back to a period of inequity for children living in less wealthy areas of Kansas.

This program has been a very positive one as it has motivated communities throughout the State of Kansas to build, upgrade, modernize, expand and provide technology improvements to schools in all parts of our state. The program has provided enhanced educational opportunities for today's children, but also for decades of students to come in the future. The program has also resulted in significant employment and economic activity in many communities and counties for several years at a time during construction of approved projects.

I am opposed to House Bill 2280 as it would end a program that has been very beneficial for so many Kansans in many ways.

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I am also opposed to Bill 2280 as it is, in my opinion, blatantly unfair to numerous school districts that have received local voter approval for improvement projects but have not, as of yet, marketed their bond issues. Approval of the proposed House Bill would shift the state aid portion of the bond payments onto the backs of local taxpayers resulting in significantly higher local taxes in many cases. To change the rules of the game in the middle of the game is very unfair, and especially when it results in higher taxes often in communities or areas of lesser wealth.

One prime example of how the proposed Senate Bill 2280 will cause real challenges for a local school district and its Board of Education is in USD 491 in Douglas County. In 2007, USD 491 district voters approved the issuance of \$45 million in bonds for new schools and other improvements. The district is currently eligible for 43% state aid to help retire their bonds. The plan was to issue the total bond issue amount in 4 equal installments over 4 years to allow the district's valuation to continue to grow and phase-in the mill levy. To date, \$12 million of the bonds have yet to be sold. The District has entered into construction contracts for the total amount. Without the state aid, a shift of approximately \$8.6 million (43% of both the principal and interest) in property taxes to local taxpayers will occur with a significant jump in the required bond and interest levy. Without the state aid program, local taxes for retirement of the bonds will be significantly above what voters believed they approved. This also would compound the challenge of dealing with reduced funding for operating schools. This is just not fair to certain local school districts that played by the rules in attempting to improve their schools, to have the legislature change the rules in the middle of their game and shift a significant tax burden to local taxpayers.

Federal law requires that any bond proceeds be expended within 3 years of issuance and, therefore, some approved bonds cannot be issued up front as the multiple projects often cannot reasonably be expected to be completed under this mandate. The tax-exempt status of the bonds would be in jeopardy if compliance of expenditures tests is not met. In certain bond issue and capital improvement programs, the issuance of bonds over a three or four year period is necessary. To, after voter approval under current law, shift a significant burden back to local taxpayers for issuing their bonds in a reasonable manner to comply with Federal regulations is neither fair nor right.

As a financial advisor to not only school districts but a variety of other issuers of bonds for capital improvement projects, I am also concerned about the proposed Bill's impact on our markets. The proposed legislation, I believe, could result in bond issues being rushed to market to beat a potential deadline and provide inclusion in the state aid program. Our tax-exempt bond market, like most markets, is orderly based on reasonable supply and demand. There is traditionally only so many investment dollars to purchase these types of bonds and provide the capital for projects. This legislation could flood our market with tremendous supply in a period of less demand for tax-exempt bonds due to the national and state economy. More supply and less demand could mean higher interest rates for issuers. Unreasonable supply could result in some issuers not receiving bids at all for their bonds. This legislation could result in higher interest costs for all bond issues in Kansas—not just school districts—but all entities that borrow via the bond markets.

Our great country, I believe, is still in a period of recession. Unemployment is still at very high levels. Kansas is not immune to the economic challenges of the day. To get our economy back on track will require jobs and economic activity. Bond issue projects provide exactly that. The school bond projects of 2000 provided a major portion of economic activity in Kansas during the last recession in 2001 and 2002. To halt or reduce school construction projects already approved or planned will prolong the economic recession for Kansas.

A bond is a promise or a contract. The state many years ago encouraged local school districts to improve education and their schools with a promise to pay on average 25% of the resultant bond payments with voter approval. On average, local taxpayers committed to the larger portion-- 75% of the bond payments. For the State of Kansas to break their bond has far reaching consequences for local boards of education, your taxpayers, and the State's credibility. Once your credibility is damaged with a broken promise, it is difficult or impossible to reestablish. The resultant long term costs of House Bill 2280 need to be considered very carefully.

Without the state aid program, the resultant mill rate increase for a capital improvement bond issue will make it nearly impossible to achieve voter approval for most districts in Kansas. Only the districts with large tax bases will be able to improve or expand their schools, once again creating educational inequity. Approval of HB 2280 will allow the rich districts to prosper and districts of less wealth to watch their facilities deteriorate as the local tax cost of any significant improvements would not be tolerable.

To summarize, the state aid program for school bond issues has been very positive for Kansas and especially for Kansas children. Modern schools enhance learning and education and provide positive future adults that will be the core of our leaders, workers and taxpayers. School bond projects, financed with bond issues, have put thousands of people to work through extended construction periods. The proposed change in this program would be very negative and blatantly unfair to local voters and taxpayers. In this period of economic challenges, Kansas needs projects that not only put people to work, but provide learning environments for thousands of children and the future citizens they are to become.

I encourage you not to approve House Bill 2280 in the interest of educational equity for all our children, fairness, and for the future of our children and the future of Kansas.

Sincerely,

Steve Shogren

January 28, 2010

Rep. Joe McLeland, Chairman

House Education Budget Committee

Re: SB 2280

Chairman McLeland:

If it appropriate, I would like to provide this addendum to my testimony of yesterday, January 27, 2010 to the House Education Budget Committee.

Dr. Chappel , in his testimony, referenced school districts in Fowler and Copeland as examples of the system without oversight and checks and balances.

I was the financial advisor on both of those bond issues.

Fowler USD 225 voted and approved \$1.9 million in bonds for school improvements. The interesting point is that this district receives 0% state aid to help retire their bonds.

Copeland USD 476 voted and approved \$4 million in bonds for school improvements. Their state aid percentage to help retire their bonds is only 1%.

I provide this information to refute Dr. Chappel's testimony as a point of interest to the Committee. Thank you for the opportunity to share my insight into the value of the state aid program.

Sincerely,

Stephen E. Shogren

House Education Budget Committee
Date: 01-27-2010
Attachment #: 5



Olathe School District
Testimony provided by Dr. Gary George
House Bill 2280
January 25, 2010

I am present to speak in opposition to House Bill 2280, which would make capital outlay funds ineligible for state aid after the effective date of this bill and bond issues after the effective date of this bill would also be ineligible for state assistance. We believe this is the wrong approach for the state to take.

Capital outlay aid and bond and interest assistance were established to create a measure of equalization among school districts in the state. Prior to this time, school districts with low assessed valuations per pupil found it very difficult to address facility and technology needs in their district.

Olathe receives nine percent aid for new bond issues. We currently have \$61M in bond authority, most of which will be issued in the next 12 months. This bill would make these bonds ineligible for state aid. If this bill passes, it will create a tax increase for local taxpayers as a result of legislative action. We, like other districts, made mill levy projections for our taxpayers. We estimated the costs for homes of selected values. If this bill passes, those projections will be invalid and the cost to our taxpayers increases, thus causing school districts to "break faith" with their communities. This is not good public policy as it reduces trust in state and local government. Further, this bill will significantly impact our community in the future. Olathe is a rapidly growing district that will continue to need many new schools to support its escalating student enrollment. Significant mill levy increases will have to be passed on to our local taxpayers without the bond and interest aid.

We recognize that the state must reduce its expenses, but these are not the areas in which to make cuts. We do not believe this bill should go forward.

Thank you.

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Kansas City, Kansas Public Schools

Unified School District No. 500

HOUSE EDUCATION BUDGET COMMITTEE
HB 2280
January 25, 2010

HB 2280 would eliminate a key component of the current school finance law in Kansas. The provision for state assistance on USD bond issuances was first implemented as part of the 1992 School Finance Law. When Kansas agreed to assist in the cost of bonding for new construction in low wealth districts, we were one of only a handful of states with similar programs. Today, a number of states have followed our lead!

In the recent *Montoy* case, the Kansas Supreme Court referenced this provision of our law as evidence of equity in our formula. How the Court might respond to the removal of this provision is uncertain.

Another unknown is the potential reaction by the bond market to the removal of state assistance. I won't hazard a guess how this proposed change might possibly impact bond interest rates, but I do believe that prudence would dictate a thorough study of these possible negative consequences before HB 2280 is seriously considered.

The Kansas City, Kansas District does not have any immediate plans for a bond election. We are currently benefiting, however, from state assistance on bonds approved by our voters several years ago for a renovation of many of our schools. (The average age of all of our schools is 56 years.)

I am fearful that the passage of HB 2280 would have a chilling affect on the passage of all new school construction projects except projects in wealthy USDs that do not qualify for state assistance. Creating an environment that reduces Kansas construction jobs is precisely the wrong approach for a nation (or a state) attempting to lift itself and its people out of the worst recession in more than a half century.

For these reasons, the Kansas City, Kansas Public Schools must oppose the passage of HB 2280.

Bill Reardon, KCKPS Lobbyist



Building a Better Kansas Since 1934
200 SW 33rd St. Topeka, KS 66611 785-266-4015

**TESTIMONY OF
ASSOCIATED GENERAL CONTRACTORS OF KANSAS
BEFORE HOUSE COMMITTEE ON EDUCATION BUDGET**

HB 2280

January 25, 2010

By Eric Stafford, Associated General Contractors of Kansas, Inc.

Mister Chairman and members of the committee, my name is Eric Stafford. I am the Director of Government Affairs for the Associated General Contractors of Kansas, Inc. The AGC of Kansas is a trade association representing the commercial building construction industry, including general contractors, subcontractors and suppliers throughout Kansas (with the exception of Johnson and Wyandotte counties).

The AGC of Kansas opposes House Bill 2280 and asks that you do not recommend it favorably for passage.

When AGC testified in opposition to HB 2280 last March, the construction industry in Kansas had not yet experienced the significant downturn seen in other parts of the country. However, the past 10 months have not been favorable toward the 260 AGC member companies.

The national unemployment rate for the construction industry sits higher than any other industry at 23%. General contractors, subcontractors and suppliers are counting on public construction to carry the industry through these tough times. Privately funded construction projects are virtually non-existent as lenders are unwilling to release funds because of increased regulations from the federal government. HB 2280 would be another blow to an already devastated industry that is responsible for a large portion of the Kansas economy.

The removal of state aid for future projects would surely impact the ability for school districts to make the improvements necessary to maintain a sound network of infrastructure, resulting in a backlog of maintenance and repair of construction projects.

Again, the AGC of Kansas respectfully requests that you do not recommend HB 2280 favorably for passage. Thank you for your consideration.

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Date: 01-27-2010
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**House Education Budget Committee
Representative McLeland , Chair**

H.B. 2280 – Elimination of Capital and Bond State Aid

*Presented by: Diane Gjerstad
Wichita Public Schools*

Mr. Chairman, members of the Committee:

Last session Capital Outlay State Aid was not funded. The impact was to shift a \$25m cut to a few districts who receive state aid. Wichita Public Schools bore 18% of this reduction. A few districts were cut to save an additional \$22 per pupil cut for all districts. Wichita’s Capital Fund is bearing part of the cost of projects approved in 2008. This \$4.6 million annual loss means some projects will not be completed. Projects which were planned to be funded from Capital will now be delayed for many years adding disruption to buildings and cost.

State aid helps smooth the differences in valuation statewide. Eliminating state aid will disadvantage students attending districts with lower valuation. As the chart below indicates the wealthiest large districts raise over double the amount as Wichita, KCK or Topeka. State aid helps fund facilities and repair for districts with the lowest property valuation.

	FTE Enrollment	One mill	One mill per pupil
Shawnee Mission	26,580	\$3.2m	\$120
Blue Valley	19,953	\$2.4m	\$120
Olathe	25,222	\$1.8m	\$71
Wichita	45,580	\$2.6m	\$57
Kansas City	18,485	\$778,650	\$42
Topeka	12,900	\$636,006	\$49

We oppose the elimination of Bond state aid for the same reasons plus voters who have approved bonds did so based on the rules in place. Changing the rules retroactively breaks faith with the voters and will raise property taxes for districts losing bond state aid. Since state aid was enacted in 1992 Sedgwick County taxpayers have supported school construction throughout the state. Now it is time for school construction projects for Wichita students. We have supported your districts; now we ask you honor the same policy for ours.

Mr. Chairman, we encourage the committee to reject H.B. 2280.

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KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony before the
House Education Budget Committee
on
HB 2280

by
Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

January 25, 2010

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to testify. For the record, these are the same comments we presented last session, when this bill received a hearing.

HB 2280 would make any capital outlay resolution adopted by school districts after the effective date of the bill ineligible for capital outlay state aid, and any bonds issued by school districts for capital improvements after the effective date of the bill would be ineligible for capital improvement state aid, also known as bond and interest state aid. KASB opposes this bill for the following reasons:

First, KASB strongly believes the quality of a child's education 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 districts, the elimination of state assistance will make educational quality and opportunity much less equal. We can think of no public policy served by this disparate treatment of Kansas students.

Second, Kansas courts have repeatedly articulated these same principles under the Kansas Constitution, which says the responsibility for suitable finance for public education rests with the Legislature, and that responsibility is owed to each child under Article Six. State aid for bond payments was created following court cases in 1991-92. State aid for capital outlay was created after the *Montoy* decisions in 2005-06. In both cases, these actions were part of judicial settlements. To eliminate these aid programs would invite litigation, and we believe it is highly likely the state would lose.

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Third, eliminating these programs would require higher property taxes in lower-wealth Kansas school districts in order to maintain current levels of capital outlay expenditures for technology, equipment, repair and remodeling; and to adopt future projects addressing concerns of growth, safety, energy-savings, consolidation and modernization. Shouldn't the state be *encouraging* these activities? Furthermore, at a time of growing concerns about the property tax burden, does it make sense to increase property tax reliance in many communities?

For example, in a previous session the Legislature passed a proviso directing all districts to conduct a tornado safety evaluation. That action – which imposed an additional unfunded mandate – certainly indicates the Legislature's concern over safety issues. Yet this bill would make it harder for many districts to address safety issues that have been identified.

Fourth, if the lack of state funding and corresponding property tax requirements reduce the ability of districts to finance the kind of projects identified above, it will reduce demand for construction and other capital purchases. Given the state's economic situation, this seems highly counterproductive. Shouldn't we be encouraging investments in infrastructure?

Fifth, there may be a tendency for some to take the position that this bill will only affect other, less wealthy districts. We urge caution. Any district's circumstances can change over time. Your district may, in the future, find itself needing support from the state that will no longer be available if this bill passes.

Sixth, because this bill would impact school bond issues which have been passed but not yet issued, it will either force districts to move up their schedule for issuing bonds or scale back projects – or increase property taxes beyond the formula promised in current law. None of those options reflect prudent management decisions.

Seventh, we are deeply concerned that proposals to terminate state aid for bonds will have a negative impact on Kansas bond ratings and interest rates – ultimately costing the state and taxpayers more and offsetting any savings under this bill.

Thank you for your consideration. I would be happy to respond to questions.



Unified School District 232

De Soto – Shawnee – Lenexa – Olathe
www.usd232.org

35200 West 91st Street
De Soto, Kansas 66018
Phone: 913/667-6220
FAX: 913/667-6221
e-mail: jdeyoe@usd232.org

Jack Deyoe
Director of Operations

The Honorable Joe McLeland, Chairperson
House Committee on Education Budget
Statehouse, Room 458-W
Topeka, KS 66612

Dear Representative McLeland and Committee Members:

SUBJECT: Testimony in opposition of HB 2280

Unified School District 232, De Soto, Kansas, and its approximately 28,000 patrons would like to express opposition to HB 2280. USD 232 serves portions of Shawnee, Lenexa and Olathe as well as all of De Soto in Johnson County. While one of the six Johnson County school districts, USD 232 is a "bedroom" district and its taxes are paid by homeowners who came to the school district for its ability to provide quality K-12 education. The district has for over a decade been noted by the Department of Education and the Kansas Association of School Boards as the fastest growing (by percentage) district in the state. Since 1995, the district's enrollment has grown from 2,100 students to over 6,500 students and the district patron population has grown from under 12,000 to over 28,000 persons.

To keep up with this growth, USD 232's patrons have passed numerous bond issues to provide for new schools and classrooms. These bond issues were passed based on good faith that the State of Kansas would pay a portion of the bond and interest payments each year. Since this growth boom began less than 20 years ago, none of these bond issues have been paid off fully, but the district still grows. In a down economy, USD 232's enrollment has grown by 442 students from 2007-08 to 2009-10, and the inevitable economic rebound forecasts continued growth for years to come.

Reducing or eliminating the state's contribution to bond principal and interest payments would result in local property tax increases for patrons and/or failure of future bond issue initiatives. This current year, USD 232's patron tax rate for schools of 74.186 mills is the second highest in the state, and of that, the local taxpayers pay 27.360 mills annually in principal and interest payments. In 2009-10 the state's payment to USD 232 will be \$2,534,798. To make up the state contribution, at current assessed valuation, local property taxes would have to increase by 6.489 mills.

These figures are based on bonds approved and issued to date, and HB 2280 would change law for state aid for future capital improvement debt. The district will need additional classroom space and has no choice but to go forward with projects for the future. HB 2280 is detrimental to our local taxpayers, and this cloud on capital improvement aid also endangers the future upkeep and maintenance of existing school sites. We are sure that the legislature has learned from the problems at our regents institutions that gaps in maintenance lead to rapid deterioration and increased future expenses that would not have been necessary with regular care.

Sincerely,

Jack W. Deyoe
Director of Operations

cc: Dr. Ron Wimmer, Superintendent of Schools

The mission of De Soto Unified School District 232, a dynamic learning community, is to inspire the creative genius in each person by: leading in educational innovation and academic excellence; building visionary, world-class educational opportunities; fulfill lifelong learners; integrating the heritage and promise of our diverse rapidly growing community; and respect while promoting the common good.

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AIA Kansas
A Chapter of the American
Institute of Architects

January 25, 2010

TO: House Education Budget Committee
FROM: Trudy Aron, Executive Director
RE: Opposition to HB 2280

Good Afternoon Chair McLeland and Members of the Committee. I am Trudy Aron, Executive Director of the American Institute of Architects in Kansas (AIA Kansas.) Thank you for allowing me to testify in opposition to HB 2280.

AIA Kansas is a statewide association of architects and intern architects. Most of our 700 members work in over 120 private practice architectural firms designing a variety of project types for both public and private clients. Our members are designing tomorrow's building today. These buildings meet the triple bottom line: environment and energy efficient, healthy people and economy.

AIA Kansas strongly opposes HB 2280. This bill removes the state's funding for capital improvements and outlays to school districts. In these economic times, the passage of bond issues by citizens for improvements to their schools is difficult enough. The state's portion of the funding was used as encouragement for citizens to pass these bond issues.

To renege on the state's commitment will severely compromise these projects where the bonds have not yet been sold. It could even make some projects no longer viable or voters may want another election.

If this weren't bad enough for the school district, this will have devastating effects on the communities where these projects would be located. These projects create much needed design and construction work. They will not create the jobs these communities were counting on. They will not create the turnover revenues created by each design and construction job.

The State of Kansas needs the new and renovated schools these bond elections provide. Many of our schools are two or three generations old. They are totally inadequate for today's teaching methods and technology. In addition, these older schools use 30-50% more energy, costing the school district and the community funds that should be spent on giving our children a better education.

AIA Kansas asks you to not approve HB 2280 for passage. I will be happy to answer questions at the appropriate time.

President
J. Michael Vieux, AIA
Leavenworth
President Elect
Nadia Zhiri, AIA
Lawrence
Secretary
Gary Nevius, AIA
Overland Park
Treasurer
Hans Nettelblad, AIA
Overland Park

Christie Carl, AIA
Abilene
Randle L. Clark, AIA
McPherson
Tim de Noble, AIA
Manhattan
Keith Diaz-Moore, AIA
Lawrence
Dale R. Duncan, AIA
Olathe
Gwenda S. Gigous, AIA
Topeka
David S. Heit, AIA
Topeka
Joshua Herrman, AIA
Wichita
Anthony Jacobs, AIA
Wichita
Alan Johnson, AIA
Overland Park
David Livingood, AIA
Lawrence
Craig Lofton, AIA
Lindsborg
Katherine Nichols, Assoc. AIA
Lawrence
Donald Norton, P.E.
Wichita
Charles Smith, AIA
Topeka
Daniel (Terry) Tevis, AIA
Lenexa
Jason VanHecke, AIA
Wichita

Executive Director
Trudy Aron, Hon. AIA, CAE
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House Education Budget Committee
Date: 01-27-2010
Attachment #: 12



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Email: advisors@springsted.com
www.springsted.com

January 27, 2010

The Honorable Joe McLeland, Chairperson
House Committee on Education Budget
Statehouse, Room 503-N
Topeka, Kansas 66612

Dear Representative McLeland:

Springsted Incorporated is the largest financial advisor to Kansas local governments. We assist school districts, counties and cities throughout the state in planning for their capital needs and in the issuance of bonds. In 2009, Springsted advised our Kansas municipal clients in the issuance of over \$1.1 billion of debt obligations. We are an independent public financial advisory firm – meaning that we don't buy and sell bonds. Our focus is solely on the long-term financial health of our municipal clients. As such, we have been monitoring the progress of House Bill 2280 and have strong concerns.

House Bill 2280 would eliminate capital outlay and bond and interest state aid to school districts after the effective date. Eliminating these two categories of state aid will:

- Seriously impair the completion of projects previously approved by the voters. Districts currently executing previously approved bond referendums may find that they have to cancel or curtail current capital improvement projects because they can no longer afford the related debt service.
- Amount to a de-facto tax increase. Schools that must make capital improvements in the future due to growth, deteriorating facilities or other conditions will be forced to pass on the higher cost of debt service to local taxpayers in the form of higher property tax levies. For districts with relatively high capital outlay and bond and interest aid, the size of the tax increase may be untenable – forcing the district to live with conditions unsuitable to the educational needs of the students.
- Create uncertainty about the future of state education funding thereby hindering the ability of districts to obtain the best possible bond rating. One factor that the bond rating agencies take into consideration when evaluating school districts is the state's willingness and ability to finance its share of the public education system. Predictability is key. HB 2280 would signal to the rating agencies that

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The Honorable Joe McLeland, Chairperson
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Kansas is unpredictable and undependable, thereby inhibiting the ability of Kansas school districts to obtain the best possible rating. In today's market, in which credit quality is critical, a minor downgrade in bond rating can cost a district millions of dollars due to increased interest costs.

We hope the House Committee on Education Budget will take these concerns into account in your deliberations. Springsted would be pleased to provide any further information desired by the Committee.

Thank you for your consideration.

Respectfully,

Tom Kaleko

Tom Kaleko
Senior Vice President

PC. House Committee on Education Budget

13-2

Testimony on HB 2280

House Education Budget Committee

January 25, 2010

Submitted by: Cheryl L. Semmel, executive director

The mission of United School Administrators of Kansas (USA|Kansas*), through collaboration of member associations, is to serve, support, and develop educational leaders and to establish USA|Kansas as a significant force to improve education.

Education administrators remain committed to ensuring that each and every child in Kansas receives a quality education that will help them reach their potential and become successful, productive adults. There are 465,000 students in our public schools that we strive to impact positively every single day. As you know, Kansas students are making unprecedented academic achievement and we are on a path of continuous improvement.

This testimony is provided in opposition to HB 2280, which would terminate state aid for future capital improvements and capital outlay levies. Historically, the bond and interest state aid has provided districts with financial assistance to ensure communities and school districts could upgrade facilities and ensure safe and appropriate learning environments. In fact, it has been a testament to how effective state and local partnerships can be. Unfortunately, the distribution of capital outlay state aid was suspended last year. The long-term consequence of this action could potentially result in the rapid decline of facilities across the state. More importantly, a decline in the educational environment will almost undoubtedly yield low quality education over time.

We believe that each child in Kansas should have access to school facilities that are safe and conducive to learning. As administrators, we believe that quality education is directly associated with the quality of the learning environment. Investing in the ongoing maintenance and modernization of school facilities should be a priority for the state.

Capital improvements are about more than just the beautification of facilities. In some cases, it is about creating healthy learning environments for our students and teachers – clean air, temperature control and natural light. In others cases, these projects support the modernization of school facilities to ensure that our students and teachers have access the tools and resources necessary for a 21st Century learning environment.

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Many school districts are working to implement technology plans designed to enhance student learning. Often times, these improvements are necessary – not simply desired. For example, distance-learning tools have allowed districts to expand the opportunities available to students, while at the same time, sharing personnel with other districts. And, as we work to measure student progress, the State is moving more rapidly towards conducting all assessments online.

Administrators ask that you consider the long-term impact that this could have on buildings in your communities and students in your district. We know you share our belief that each child in Kansas should have access to school facilities that are safe and conducive to learning.

*USA|Kansas represents more than 2,000 individual members and ten member associations:

Kansas Association of Elementary School Principals
Kansas Association of Middle School Administrators
Kansas Association of School Administrators
Kansas Association of School Business Officials
Kansas Association of School Personnel Administrators
Kansas Assoc for Supervision and Curriculum Development
Kansas Association of Special Education Administrators
Kansas Association of Secondary School Principals
Kansas Council of Career and Technical Education Administrators
Kansas School Public Relations Association