Bond Case Briefs

Municipal Finance Law Since 1971

Kansas GOP House Members Angling to Take Role in School Bond Decisions.

TOPEKA — The education committee in the House gave voice Monday to frustration that local school boards — for more than 20 years — have issued bonds for capital construction projects, all the while secure in the knowledge that state taxpayers automatically would pick up a big chunk of the cost.

Movement to grant the state greater control over school district bonding surfaced in the form of a House bill pitched by Rep. John Bradford, R-Lansing, that creates a special board to evaluate whether to award state aid on school bonds for new construction and remodeling projects.

"The Legislature must develop a school bond review process to make sure we're not blindsided," Bradford said. "We go through this every year."

He said the state's public school districts approved approximately \$300 million in bonds from June to December, and state law requires the Legislature to provide \$36 million in subsidies to modest-wealth districts for that debt. The Legislature had no role in deciding whether to issue the bonds, and taxpayers statewide began picking up the tab in 1992, he said.

Rep. Amanda Grosserode, a Lenexa Republican on the House Education Committee and chairwoman of the House Education Budget Committee, said the state's obligation was more difficult to swallow when school boards and residents borrowed money to build facilities for football, baseball or soccer that had little to do with instruction.

The Kansas Chamber of Commerce and Americans for Prosperity hailed the reform proposal. The Kansas Association of School Boards took no official position, but indicated the current bill would distort state appropriations in a manner inconsistent with Kansas Supreme Court rulings on school finance. The Kansas-National Education Association and Kansas Families for Education opposed the bill.

"Local school boards are better placed to determine what is needed at the local level, not a distant regulatory board populated by people who may have never set food within the county or municipal limits in question," said Brian Koon, legislative liaison of the nonpartisan Families for Education.

Under House Bill 2486, the six-person committee would be prohibited from contributing state tax dollars to facilities or portions of buildings that didn't involve direct "instruction" of students. The review board would be free to redefine in state law what constituted instructional space. Generally, state law defines instruction as interaction between student and teacher.

School districts that didn't apply to the state for financial aid on bonds wouldn't be subject to the action by the oversight board.

Mark Tallman, a lobbyist with the Association of School Boards, said a law that eliminated state support for a portion of bond issues found not to be directly related to instruction would have a large impact on some districts.

He said bonds issued by the Central District in Burden under the old school-finance formula would have required the state to pay 50 percent of the debt. That formula was repealed in 2015 and replaced by a block-grant system. Block granting would pay approximately 32 percent of a bond issue from Central, Tallman said. If half the space in a new building could be viewed as instructional, the state would pay 16 percent — a significant departure, he said.

Kansas' new review board would have four legislators and two members of the Kansas State Board of Education. It was suggested by Bradford during a hearing of the House Education Committee that Gov. Sam Brownback should be given an appointment to avoid the problem of tie votes by the board.

Brian Smith, the superintendent of schools in Galena, said formation of a review panel selected by elected politicians in Kansas was a recipe for discord. He expressed concern the large, influential districts would figure out a way to seize bond funding that ought to be reserved for small, rural districts.

"I'm afraid a committee would become very political. Do you think that's possible?" Smith said. "I want you not to forget Galena in this process."

Chairman Ron Highland, a Wamego Republican, said no firm decision had been made by House leadership regarding handling of the reform bill. The concept has been recommended by a few legislative panels and consultants.

By TIM CARPENTER Topeka Capital-Journal Feb 2, 2016

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com