

February 19, 2013

The Honorable Steve Abrams, Chairperson
Senate Committee on Education
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Abrams:

SUBJECT: Fiscal Note for SB 176 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 176 is respectfully submitted to your committee.

SB 176 would create the Coalition of Innovative Districts Act. The bill would allow any school district board of education to apply to the State Board of Education for a grant of authority to operate such district as a public innovative district. A public innovative district would: (1) not charge tuition for any pupils residing in the district; (2) participate in all Kansas math and reading assessments or an alternative assessment program for measuring student progress as determined by the Board; (3) abide by all financial and auditing requirements that are applicable to school districts, except that a public innovative district may use generally accepted accounting principles; (4) comply with all applicable health, safety and access laws; and (5) comply with all statements set forth in the application submitted to the Board.

The Board would provide the application form to be submitted not later than December 1 of the school year preceding the school year in which the district intends to operate a public innovative district. The application would include the following: (1) a description of the educational programs; (2) a description of the interest and support for partnerships between the public innovative district, parents and the community; (3) the specific goals and the measurable pupil outcomes to be obtained; and (4) an explanation of how pupil performance in achieving the specified outcomes will be measured, evaluated and reported.

A renewal application would include: (1) evidence that such public innovative district has met the standards on the math and reading state assessments, or the alternative assessment during the period of operation; (2) evidence showing improvement in its completion percentage during the period of operation; (3) demonstrated progress in achieving the goals and outcomes described in its application for authority to operate; and (4) a description of compliance with provisions of the law. The Board would provide, upon request, technical advice and assistance regarding preparation of an application and would be required to adopt rules and regulations for the implementation and administration of provisions of the bill.

Until two or more public innovative districts have been granted authority to operate, any local school board desiring the designation would submit a request for approval to the Governor, the chair of the Senate Education Committee, the chair of the House Education Committee and have such request approved by a majority of the three persons prior to submitting an application to the State Board of Education. In addition, the local school board desiring this designation would submit a request to this coalition board for its approval prior to submitting to the State Board of Education. The authority to operate a public innovative district would be in effect for five school years. The bill would place a limit of ten public innovative school districts in the state.

| Estimated State Fiscal Effect | | | | |
|-------------------------------|----------------|----------------------|----------------|----------------------|
| | FY 2013 SGF | FY 2013 All Funds | FY 2014 SGF | FY 2014 All Funds |
| Revenue | -- | -- | -- | -- |
| Expenditure | -- | -- | \$46,908 | \$46,908 |
| FTE Pos. | -- | -- | -- | 0.50 |

According to the Kansas Department of Education, enactment of SB 176 would require expenditures totaling \$46,908, all from the State General Fund, as well as a 0.50 FTE Education Program Consultant to fulfill the Board's obligations in the bill. This estimate includes \$39,000 for salaries and wages, \$2,500 for travel and subsistence expenditures, and \$5,408 for other operating costs, including rent and office supplies. Any fiscal effect associated with SB 176 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Dale Dennis, Education