

SESSION OF 2011

**SECOND CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 21**

As Agreed to May 12, 2011

Brief*

SB 21 would allow any school district having authority for ancillary school facilities weighting, cost of living weighting, or declining enrollment weighting to spend the motor vehicle-related revenue derived as a result of these weightings. Current law allows a school district to receive this revenue, but not spend the revenue.

The bill also would establish a uniform reporting system for receipts and expenditures for school districts. The bill would require that the State Board of Education (Board) develop and maintain the system. The system would include all funds held by a school district, regardless of the source of moneys held in the funds; allow districts to record any information required by state or federal law; provide records by fund, accounts, and other pertinent classifications; the amount appropriated; revenue estimates, actual revenues or receipts; amounts available for expenditure, total expenditures, unencumbered cash balances (excluding state aid receivable), and actual balances; and unencumbered balances of allotments or appropriations for each school district. In addition, the system must allow for data to be searched and compared on a district by district basis.

Each school district would be required to annually submit a report to the Board on all construction activity undertaken by the school district financed by the issuance of

* Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

bonds. This report would be required to include all revenue, expenditures of bond proceed authorized by law, the dates for commencement and completion of construction activity, and the estimated and actual cost of the construction activity. The Board would determine the form and manner of this report.

School districts would not be required to implement the provisions of this bill until July 1, 2012. The bill also would require the Department of Education to annually publish a copy of Budget Form 150 for each school district, the estimated legal maximum general fund budget, or any successor document containing the same, or similar information, submitted by each district. School districts also would be required to annually publish the same information. In addition, the Department of Education also would be required to annually publish the following expenditures for each school district on a per pupil basis: (1) total expenditures; (2) capital outlay expenditures; (3) bond and interest expenditures; and (4) all other expenditures not included in (2) or (3).

In addition, the bill would allow Fort Leavenworth Unified School District 207 to transport grades 10 through 12 students who reside at Fort Leavenworth to Leavenworth High School in Unified School District 453. The bill would require related transportation weighting to be calculated using only students counted on September 20.

Conference Committee Action

The Conference Committee clarified language related to the uniform accounting provisions, excluded state aid receivables from unencumbered cash balances, and required that an annual report regarding the funding of construction activities in school districts be completed.

This second conference committee report eliminated a provision included in the first conference committee report which would redefine a non-resident pupil as a student or

member of the student's family who lives 2.5 or more miles from the attendance center the student would attend in the district in which the student resides. Current law defines a non-resident pupil as a student or member of the student's family who lives ten miles or more from the resident attendance center. This final provision related to non-resident pupils and would have not applied to school districts located in Johnson, Sedgwick, Shawnee, or Wyandotte counties.

Background

The original SB 21 would allow any school district having authority for ancillary school facilities weighting, cost of living weighting, or declining enrollment weighting to spend the motor vehicle-related revenue derived as a result of these weightings.

Proponents of the original SB 21 included Senator John Vratil and representatives of the Blue Valley, Shawnee Mission, and Olathe school districts.

The House Education Budget Committee made three adjustments to the original SB 21. First, the contents of HB 2360, which established a uniform reporting system for school districts' receipts and expenditures, were inserted into SB 21.

Proponents of the uniform accounting provisions of the bill (HB 2360) were Representative Lana Gordon; Steve Anderson, Director of the Budget; Dave Trabert, Kansas Policy Institute; and Dan Murray, State Director for National Federation for Independent Business.

Opponents of HB 2360 were Dr. Rob Balsters, USD No. 345 – Seaman; Dr. Gary George, USD No. 233 – Olathe; Diane Gjerstad, Wichita Public Schools; and Robert VanCrum, Blue Valley School District. Those testifying as neutral were Scott Frank, Legislative Post Audit and Jim Edwards, Kansas Association of School Boards.

The House Education Budget Committee also included two amendments to SB 21. The first amendment would require the Department of Education to annually publish a copy of Budget Form 150 for each school district, the estimated legal maximum general fund budget, or any successor document containing the same, or similar information, submitted by each district. School districts also would be required to annually publish the same information.

The second amendment would require the Department of Education to annually publish the following expenditures for each school district on a per pupil basis: (1) total expenditures; (2) capital outlay expenditures; (3) bond and interest expenditures; and (4) all other expenditures not included in (2) or (3).

The fiscal note on the original SB 21 stated that there would be no fiscal impact. The fiscal note on HB 2360 – the uniform accounting bill – stated an additional \$111,011, all from the State General Fund, would be necessary for the first year of the new reporting system. The estimate includes funding for 1.0 FTE Accountant III and .50 FTE Application Development Programmer II. In addition, the agency anticipates additional costs associated with a back-up system and hardware upgrades, as well as other minor expenses.

The House Committee of the Whole made one adjustment by amending part of SB 11 into SB 21. The amendment would allow Fort Leavenworth Unified School District 207 to transport grades 10 through 12 students who reside at Fort Leavenworth to Leavenworth High School in Unified School District 453. The bill would require related transportation weighting to be calculated using only students counted on September 20.

The original SB 11, related to the Fort Leavenworth School District, was introduced by Senator Kelly Kultula. Supporting the original SB 11 was Jack E. Walker, Deputy to the Garrison Commander, Fort Leavenworth, Kansas, who testified that this bill is important to students who reside on

Fort Leavenworth, in Unified School District 453 (Unified School District 207 only has grades K through 9). This legislation will fill a gap in funding that will be created at the end of the 2010-2011 school year when the Department of Defense Education Activity will discontinue funding for this transportation. The superintendent of the Fort Leavenworth School District also testified in support of the bill. There was no opponent testimony.

The House Committee on Education amended SB 11 by adding the contents of HB 2004 which would redefine nonresident pupils. The original HB 2004, which would eliminate all mileage limitations regarding non-resident pupils desiring to attend an attendance center other than the district in which the pupil resides, was introduced by Representative Richard Carlson. Concerned citizens were proponents of the original bill. Representatives of the Kansas Association of School Boards and Cherokee School District, USD 247, were opponents of the original bill. The House Committee on Education also amended the bill limiting the transportation weighting to be received by the Fort Leavenworth School District to be based only on the September 20 student count.

According to the Kansas Department of Education's original SB 11 fiscal note, there are approximately 100 students who live on the Fort Leavenworth military reservation who are eligible for transportation to Unified School District 453. Since these students currently are not counted in the enrollment of Unified School District 207, these students would be added to the transportation weighting to Unified School District 207, which would result in approximately \$550 state aid per student in FY 2012. As a result, enactment of SB 11 would result in additional transportation aid from the State General Fund totaling \$55,000 (100 students x \$550). Any fiscal effect associated with SB 11 is not reflected in *The FY 2012 Governor's Budget Report*.

ancillary school facilities, receipts and expenditure reports