

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION K-12.

The meeting was called to order by Chairperson Ralph Tanner at 9:00 a.m. on March 21, 2002 in Room 313-S of the Capitol.

Committee staff present: Ben Barrett, Legislative Research Department  
Carolyn Rampey, Legislative Research Department  
Jill Wolters, Revisor of Statutes  
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Representative Bob Bethell

**HB 2777 - School districts; power to execute contracts, paying dues and claims.**

The Chair addressed the Committee in regard to **HB 2777** saying there were those who felt the vote for passage should be reconsidered.

A motion was put forward by Vice-Chair Kathe Lloyd that **HB 2777** be reconsidered for passage. Representative Loganbill seconded the motion which passed on a voice vote.

**SB 531 - USD 431, adjustment in school term and determination of enrollment due to disaster.**

Representative Bethell appeared before the Committee in support of **SB 531**. (Attachment 1).

It was moved by Representative Phelps and seconded by Representative Ostmeyer to pass **SB 531** favorably out of Committee.

Prior to a vote, questions of Dale Dennis regarding **SB 531** arose. Pending Mr. Dennis' answer, the hearing on this bill was suspended.

**SB 409 - Schools; contingency reserve fund; no-fund warrants; local option budgets.**

**HB 3020 - Allowing school districts to transfer unencumbered funds to the general fund; funds not considered local effort.**

The Chair asked if the Committee would be more comfortable working **SB 409 and HB 3020** separately. If so, they would proceed with **SB 409**.

Representative Crow made the motion to amend all of sections 1 and 3 of **HB 2777** into **SB 409**. The motion was seconded by Representative Peterson and passed on a voice vote.

A motion to pass **SB 409** favorably as amended was made by Representative Flaharty and seconded by Representative Storm. The motion passed on a voice vote.

Dale Dennis provided the information requested by the Committee on **SB 531**.

The motion to pass **SB 531** favorably out of Committee passed on a voice vote.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION K-12 at on March 21, 2002 in Room 313-S of the Capitol.

The Committee's attention was called to information that had been provided by Citizens for Responsible Growth. (Attachment 2).

He suggested perhaps they should declare a moratorium on any new bond issue for capital improvements, that has not already been made as of March 21, 2002. The Chair asked that they look it over and at a later date, they could possibly amend it into **SB 551** unless there's a question of germaneness that prevails.

Chairman Tanner said if in the final analysis it is the Committee's decision not to do anything with this moratorium then he will attempt to do something on the floor or by proviso in the appropriations process.

An invitation was issued to the members of the sub-committee on charter schools to meet with the Chair at 2:30 p.m.

The meeting was adjourned at 10:40 a.m. The next meeting is scheduled for Friday, March 22, 2002.

ST. REPRESENTATIVE, 113TH DISTRICT  
 104 E. THIRD, P.O. BOX 186  
 ALDEN, KS 67512  
 (316) 534-3085  
 FAX 316-534-3086  
 bethell@ink.org



COMMITTEE ASSIGNMENT  
 VICE-CHAIR: KANSAS FUTURES  
 MEMBER: APPROPRIATIONS  
 SOCIAL SERVICES BUDGET

STATE CAPITOL—ROOM 175-W  
 TOPEKA, KS 66612-1504  
 785-296-7693

TOPEKA

### Testimony on Senate Bill 531

Chairman Tanner and members of the House Education Committee, I appreciate the opportunity to be here today and request your support for Senate Bill 531.

On April 21, 2001 a tornado hit Hoisington, Kansas totally destroying 138 homes, damaging 185-200 that could be repaired. Approximately one hundred ninety eight (198) students and fourteen (14) employees lost their homes. Some were able to return but the majority are permanently displaced.

The FTE on 9/20/2000 was 706.3 and on 9/20/2001 629.3 a difference of 77 students. This reduction in enrollment is projected to affect the USD 431 budget for 2002-2003 by \$300,000.00.

The district is also being affected because of the repairs necessary due to the tornado. Some items are covered by insurance and others such as sidewalks, dirt, grass, concrete barriers are not covered items. FEMA will pay 85% of the non-covered repairs however the district will still have a substantial commitment.

Currently the audited budget is \$4,145,157 compared to \$4,271,906, for the 2000-2001 school year, a decline of \$126,749.

House Education Committee

Date: 3/21/02

Attachment # 1-1

February 22, 2002

**To:** Senator Janis Lee**Office No.:** 402-S**From:** Ben F. Barrett, Director *BFB***Re:** School Finance—Special Enrollment Adjustments

This responds to your inquiry regarding instances in which the Legislature has enacted special provisions to address specific events likely to have a significant detrimental impact on the district's enrollment.

### **SCHOOL FINANCE: HISTORY OF USE OF SPECIAL SCHOOL DISTRICT ENROLLMENT ADJUSTMENT PROVISIONS**

#### **School District Equalization Act (1973-1991)**

**1973.** Legislation was enacted, applicable only to the 1973-74 school year, which fixed the enrollment of Auburn-Washburn (USD 437) at 2,900 for the purpose of determining the district's budget control and general state aid entitlement. (USD 437 experienced an extraordinary decrease in enrollment due to the closing of Forbes Air Force Base.)

**1980.** In 1980, legislation was enacted, applicable only to the 1980-81 school year, which fixed the enrollments at specified numbers for the purpose of determining the budget control and general state aid entitlements of the following six school districts: Liberal (USD 480), Goodland (USD 352), Pratt (USD 382), Phillipsburg (USD 325), Belleville (USD 427), and Herington (USD 487). These enrollments were to be used only if the enrollment decline in 1980-81 from 1979-80 exceeded the applicable percentage set forth in KSA 1979 Supp. 72-7055(g). The legislation was designed to provide some relief to certain school districts that might be adversely affected, in terms of enrollment, by the demise of the Rock Island Railroad.

**1982.** Legislation, applicable only in the 1982-83 school year, fixed enrollments at specified numbers for the purpose of determining the budget control and general state aid entitlements of the Arkansas City (USD 470) and Phillipsburg (USD 325) school districts. These enrollments were to be used only if the enrollment decline in 1982-83 from 1981-82 exceeded the applicable percentage set forth in KSA 72-7055(g), as amended. The legislation was designed to provide some relief to Arkansas City as the result of the closure

of the Rodeo Meat Packing Plant and to Phillipsburg as a result of the closure of the C petroleum refinery.

1991. Legislation provided that in determining for the Andover (USD 385) and Darcy (USD 260) school districts the budget limitations and state aid entitlements under the SDEA in the 1991-92 school year, the enrollment on September 20, 1990, or September 20, 1991, whichever is greater, would be used. This special provision was prompted by extensive tornado damage to these school districts in May of 1991. Concern was expressed that many children who attended school in these districts and whose residences were destroyed by that storm might not have returned to the district in time to be counted in the September 20, 1991 enrollment.

**SCHOOL DISTRICT FINANCE AND QUALITY PERFORMANCE ACT  
1992—PRESENT**

1994. Legislation provided that for the purpose of determining "enrollment" and "adjusted enrollment" of the Elwood (USD 486), Wathena (USD 406), and Kaw Valley (USD 321) school districts in the 1993-94 school year, the greater of such enrollments determined on September 20, 1992, or September 20, 1993, would be used. This provision responded to the devastating impact of the flooding in these communities during the summer of 1993. The notion was that, because of the temporary relocation of a number of children due to the floods, there would be a reduction in the September 20, 1993, enrollment count. The estimated fiscal note of this provision in FY 1994 was \$272,880.

1995 and 1996. Legislation enacted in 1995 for the 1995-96 school year provided that in the following school districts the terms "enrollment" and "adjusted enrollment" were the enrollment count on September 20, 1995, unless the enrollment was lower than on September 20, 1994. If the September 20, 1995, count was lower than the September 20, 1994, count, 90 percent of the difference between the two counts was added to the actual September 20, 1995 count. The school districts to which this provision applied were: Wamego (USD 320); Pottawatomie West (USD 323), Riley County (USD 378), Clay Center (USD 379), Manhattan (USD 383), Blue Valley (USD 384), Morris County (USD 417), Abilene (USD 435), Chapman (USD 473), Geary County (USD 475), Rural Vista (USD 481), Herington (USD 487), Mill Creek Valley (USD 329), and Wabaunsee East (USD 330). This provision was prompted by concerns about the effects the downsizing of the Fort Riley Military Reservation might have on the school districts most directly affected. 1996 legislation extended the foregoing concept to the 1996-97 school year.

1996. Legislation provided that for the 1997-98 school year in the following school districts the terms "enrollment" and "adjusted enrollment" meant the enrollment count on September 20 of the current school year, unless the enrollment was lower than on September 20 of the preceding school year. If the September 20 count of the preceding school year greater than the September 20 count of the current school year, 90 percent of the difference between the two counts was added to the actual September 20 count. The

school districts to which this provision applied were Winfield (USD 465), Arkansas City (USD 470), Topeka (USD 501), Auburn-Washburn (USD 437), Seaman (USD 345), Shawnee Heights (USD 450), and Silver Lake (USD 372). The action was related to the closure of the Topeka State Hospital and Winfield State Hospital and Training Center. This provision was repealed in 1997 as it was considered that 1997 legislation applicable to school districts experiencing enrollment declines was sufficient for this purpose.

I hope this information is useful to you. Please let me know if I can be of further assistance.

BFB/aem

Press Release, immediate  
To: Miami County Herald

3-3-02

From: Citizens for Responsible Growth  
Contact Person: Charlotte O'Hara  
913-592-2301

Friday, March 1, 2002 a new organization, Citizens for Responsible Growth, was formed in response to the proposed Blue River 12 Sewer District, set for a vote by the Johnson County Commissioners, April 4<sup>th</sup>. This sewer district, boundaries extend from Ridgeview to Pflumm and 159<sup>th</sup> to 175<sup>th</sup>, will bring development of 6,000 houses and 18,000 new residents. 98% of this development will be in the Spring Hill School District. This new development will require the building of 3 elementary schools, 1 middle school, and 1 high school all at the expense of the patrons of the Spring Hill School District. "This community of 8,000 people cannot absorb the \$80,000,000.00 price tag required to build the necessary infrastructure for this Olathe development. Even with the help of the new residents our per capita debt will increase 265%. There is something inherently unfair for Olathe to promote this type of development at the expense of the Spring Hill School District taxpayer", explains Charlotte O'Hara spokesperson for Citizens for Responsible Growth. "Every other taxing authority connected with this development will have their infrastructure costs covered, except one, the Spring Hill School District. Why, because they have no taxing authority to assess impact fees for new development. All the school district can do is propose bond issues to pay for the new schools required and that puts a tremendous burden on the present residents within the district. That is why our group has organized."

USD 230 has issued a financial analysis which projects current property's assessed valuation will have to double by 2011 and bond and interest mill levy will increase from 13 to 20 in order to pay for the projected \$80,000,000.00 infrastructure costs.

House Education Committee  
Date: 3/21/02  
Attachment # 2-1



**SPRING HILL U.S.D. 230**

101 E. South Street, Spring Hill, KS 66083-8514  
Phone: 913-592-7200 Fax: 913-592-7270  
e-mail address: goering@usd230.ks12.ks.us  
Web site: www.usd230.k12.ks.us

January 25, 2002

Douglas E. Wood  
Commissioner, Fifth District  
Johnson County Board of County Commissioners  
111 South Cherry Street, Suite 3300  
Olathe, KS 66061-3441

Dear Doug,

Thank you for your letter dated January 11, 2002. The Spring Hill Board of Education has been following the discussion of the Blue River #12 Sewer Project for several years. Information regarding the sewer project was shared with our facility committee and our patrons. In April of 2001, USD 230 attempted to pass a bond issue that included money to purchase land in the Blue River #12 service area to meet the needs of future students. Unfortunately, the area has not developed yet and I think there was still some skepticism regarding whether the sewer project would really move forward. Consequently, with the majority of the voters located south of 175<sup>th</sup> Street, that bond issue did not pass. The district is currently developing a long-range facilities plan that will include some short-term solutions to handle growth until a bond issue is passed.

Below are answers to your questions.

1. *Question "Should this project be approved and work begun, what impacts would this have on growth in your school district?"*

Approximately 98% of the Blue River # 12 Sewer Project is located in USD 230 Spring Hill. City of Olathe planning staff has estimated the sewer district could produce 4,400 dwellings. The dwellings could produce 2,100 additional school age students in USD 230 by 2014.

2. *Question "Do you or members of your staff have concerns about this project?"*

The district staff has known for years that the Spring Hill School District was located in an area where future residential growth would take place. Hilltop Elementary School's boundary would be made significantly smaller as the population would expand. Maximum capacity at Hilltop Elementary School is 140 students. Children moving into Blue River #12 would attend schools in Spring Hill until enough growth would take place to justify a new school in the proposed sewer district. Modular classrooms have already been approved for schools in the City of Spring Hill in case additional classrooms are needed to serve the students. The Spring Hill School District will provide an excellent education to all students who move into our district.

3. *Question "In your estimation, should this project proceed, would your district be able to meet the demands of new residents?"*

Absolutely. First and foremost our mission is to provide an excellent academic education for all students. Our staff and our Board of Education will make sure that mission is realized for all our current and future residents. The voters of the district will determine the location and type of additional classrooms and schools.

4. *Question "How many additional students would you anticipate moving into the area?"*

2,100 students by the year 2014 is a reasonable estimate.

Sincerely,

Barton L. Goering, Ph.D.  
Superintendent of Schools

**Dr. Barton L. Goering, Superintendent**

*Board of Education Office*

**Dr. Joseph G. Meyers,**  
*Director of Human Resources*

**Dr. Verneda Edwards,**  
*Director of Curriculum & Instruction*

**Mrs. Joan Robbins,**  
*Interim Director of Special Services*

**Mrs. Myrna Morrison,**  
*Treasurer of the Board*

**Ms. Sue Luttrell,**  
*Clerk of the Board*

**Board of Education**

Bill Meek, President ● Joann Harry, Vice-President  
David Bolton ● Eric Boyle ● Craig Drummond ● Carmen Ellis ● Paul Sowers



## FACT SHEET ON IMPACT OF BLUE RIVER 12 SEWER DISTRICT

The Johnson County Board of Commissioners will hold a public hearing 7:00: p.m., Feb. 25, 2002 at the Waste Water office 7311 W. 130<sup>th</sup> St. to consider the formation of the Blue River 12 sewer district. Boundaries are approximately from Ridgeview to Pflumm and 159<sup>th</sup> to 175<sup>th</sup>. 98% of this sewer district is in the Spring Hill School District. 4,400 homes with 13,000 + residents is forecasted to be built within a 10 year time frame. (6000)

1. The student population of the Spring Hill School District will increase 150% from the present enrollment of 1502 to a projected enrollment of 3702. The ability of the Spring Hill School District school to provide for this huge influx of students will be greatly challenged. Already mobile classrooms have been approved to address present overcrowding.
2. With the construction of three elementary schools, (\$10,000,000 each) one middle school, (\$12,000,000.00) and the estimated 500 secondary students which will greatly contribute to the need of a second high school (\$29,000,000.00) bonded indebtedness, principle only, will increase from the present level of \$11,785,000 to over \$82,000,000.00. This will increase the per capita debt load an estimated 265% with the additional 13,000 residents included.\*
3. Naturally, growth will occur in this area, but the when and how must be structured so the residents of this school district do not have to pay for this development. Demand for this sewer district is being driven by developers, not the needs of our community. Presently over 8 square miles (plus Cedar Creek) of land, already annexed by Olathe, is ready for development. Olathe is focusing its resources (all CIP budget committed until at least 2008) in these areas which are mainly on the north and west sides.
4. Because of the above budget constraints, benefit districts are being considered to finance arterial streets such as Lackman, Ridgeview, Renner and 167<sup>th</sup> St. instead of city at large and paid for by excise tax collected as development occurs. This will put a large financial burden of \$150.00 per front foot on present residents of this area.
5. This will not be a gravity sewer. Blue River 12 will tie into lift station designed as a temporary fix when Blue River 8 was created.

There is a question asked in the conclusion of the City of Olathe Infrastructure Report, "What, if any, is the city's responsibility to ensuring that children from the sewer district do not overwhelm the Spring Hill School District?" This points out the extreme level of problems Blue River 12 presents to our community.

Questions? Call Charlotte O'Hara at 913-592-2301

\*All information taken from City of Olathe Draft Infrastructure Report for the Blue River No. 12 Sewer District, the Spring Hill School District and Horst Terrill & Karst Architects' projected cost estimates (cost subject to 4-6% annual increase) prepared for the unsuccessful 2001 Spring Hill bond election.



KANSAS

BOARD OF COMMISSIONERS

DOUGLAS B. WOOD, FIFTH DISTRICT COMMISSIONER

January 11, 2002

Superintendent Barton Coering  
101 E. South Street  
Spring Hill, Kansas 66083-8514

RE: Blue River #12 Sewer Project

Dear Superintendent Coering:

This letter is to advise you that Johnson County Board of Commissioners is planning a public hearing on Monday, February 25, 2002, on the above referenced project.

Should this project be approved and work begun what impacts would this have on growth to your school district? Do you or members of your staff have concerns about this project? In your estimation, should this project proceed, would your district be able to meet the demands of new residents? How many additional students would you anticipate moving into the area?

I would appreciate it if you could get me answers to these questions and an outline of your concerns before February 25, 2002.

Thank you,

Douglas B. Wood  
Commissioner, Fifth District

DEW:akd

ESTIMATED FINANCIAL ANALYSIS OF IMPACT OF PROPOSED SEWER DISTRICT ON SPRING HILL UNIFIED SCHOOL DISTRICT 230

Unified School District No. 230  
Johnson & Miami Counties, Kansas (Spring Hill)  
Mill Levy Impact Analysis

Calendar Year	Assessed Value (1)	Additional Assessed Valuation Residential (2)	Additional Assessed Valuation Commercial (2)	Total Assessed Value	Series 1993 GO Bonds	Series 1999 GO Bonds	\$25,000,000 Series 2005 GO Bonds	\$25,000,000 Series 2008 GO Bonds	\$30,000,000 Series 2011 GO Bonds	Total Debt Service	State Aid Reimbursement (3)	Motor Vehicle Revenue (4)	Net Debt Service After State Aid & MV	Deposit To Debt Service Fund Balance	Total \$ Covered By Levy	Total Mill Levy (5)	Fund Balance
2002	60,239,515			60,239,515	770,025	490,958				1,260,983	315,245.63	100,334	845,403	\$ (77,951)	\$ 767,451	13.000	530,049
2003	65,058,677	4,200,000	1,750,000	71,008,677	774,588	493,553				1,268,140	317,035.00	108,052	843,053	131,186	974,239	14.000	661,235
2004	70,263,371	8,400,000	3,500,000	82,163,371	442,050	820,893				1,262,943	315,735.63	108,052	839,155	288,127	1,127,281	14.000	949,361
2005	75,884,440	17,136,000	7,140,000	100,160,440		1,270,493				1,270,493	317,623.13	108,052	844,817	329,384	1,374,201	14.000	1,478,745
2006	81,955,196	26,221,440	10,925,600	119,102,236		1,276,758	\$ 2,210,000			3,486,758	871,689.38	146,642	2,468,426	(250,742)	2,217,684	19.000	1,228,003
2007	88,511,611	35,670,298	14,862,624	139,044,533		1,275,558	2,209,900			3,485,458	871,364.38	146,642	2,467,451	121,558	2,589,009	19.000	1,349,561
2008	95,592,540	45,497,110	18,957,129	160,046,779		1,282,488	2,211,100			3,493,588	873,396.88	146,642	2,473,549	506,522	2,980,071	19.000	1,856,083
2009	103,239,943	55,716,994	23,215,414	182,172,351		1,287,103	2,209,600	\$ 2,210,000		5,706,703	1,426,675.63	154,360	4,125,667	(555,089)	3,570,578	20.000	1,300,994
2010	111,499,139	66,345,674	27,644,031	205,488,843		1,298,028	2,210,400	2,209,900		5,718,328	1,429,581.88	154,360	4,134,386	(106,804)	4,027,581	20.000	1,194,190
2011	120,419,070	77,399,501	32,249,792	230,068,362		1,307,585	2,213,200	2,211,100		5,731,885	1,432,971.25	154,360	4,144,554	364,786	4,509,340	20.000	1,558,976
2012	130,052,595	88,895,481	37,039,784	255,987,860		1,313,710	2,212,700	2,209,600	\$ 2,655,000	8,391,010	2,097,752.50	169,796	6,123,462	(604,363)	5,519,098	22.000	954,613
2013	140,456,803	100,851,300	42,021,375	283,329,478		1,321,293	2,208,900	2,210,400	2,650,700	8,391,293	2,097,823.13	169,796	6,123,673	(15,090)	6,108,584	22.000	939,523
2014	151,693,347	113,285,352	47,202,230	312,180,929			2,211,800	2,213,200	2,653,200	7,078,200	1,769,550.00	131,206	5,177,444	23,490	5,200,934	17.000	963,013
2015	163,828,815	117,816,765.90	49,090,319.12	330,735,900			2,210,800	2,212,700	2,652,400	7,075,900	1,768,975.00	115,770	5,191,155	(329,337)	4,861,818	15.000	633,676
2016	176,935,120	122,529,436.54	51,053,931.89	350,518,489			2,210,900	2,208,900	2,653,300	7,073,100	1,768,275.00	115,770	5,189,055	(36,433)	5,152,622	15.000	597,243
2017	191,089,930	127,430,614.00	53,096,089.17	371,616,633			2,211,800	2,211,800	2,650,600	7,074,200	1,768,550.00	115,770	5,189,880	272,885	5,462,765	15.000	870,127
2018	206,377,124	132,527,838.56	55,219,932.73	394,124,896			2,208,200	2,210,800	2,654,300	7,073,300	1,768,325.00	100,334	5,204,641	(183,490)	5,021,151	13.000	686,637
2019	222,887,294	137,828,952.10	57,428,730.04	418,144,976			2,210,100	2,210,900	2,653,800	7,074,800	1,768,700.00	92,616	5,213,484	(296,099)	4,917,385	12.000	390,530
2020	240,718,278	143,342,110.18	59,725,879.24	443,786,267			2,211,900	2,211,800	2,654,100	7,077,800	1,769,450.00	92,616	5,215,734	3,193	5,218,927	12.000	393,731
2021	259,975,740	149,075,794.59	62,114,914.41	471,166,449			2,208,300	2,208,200	2,649,900	7,066,400	1,766,600.00	92,616	5,207,184	333,733	5,540,917	12.000	727,464
2022	280,773,799	155,038,826.37	64,599,510.99	500,412,137			2,209,300	2,210,100	2,651,200	7,070,600	1,767,650.00	84,898	5,218,052	176,391	5,394,443	11.000	903,855
2023	303,235,703	161,240,379.43	67,183,491.43	531,659,574			2,209,300	2,211,900	2,652,400	7,073,600	1,768,400.00	77,180	5,228,020	(17,756)	5,210,264	10.000	886,099
2024	327,494,559	167,689,994.61	69,870,831.09	565,055,385			2,208,000	2,208,300	2,653,200	7,069,500	1,767,375.00	69,462	5,232,663	(248,875)	4,983,788	9.000	637,224
2025	353,694,124	174,397,594.39	72,665,664.33	600,757,383			2,210,100	2,209,300	2,653,300	7,072,700	1,768,175.00	69,462	5,235,063	63,617	5,298,680	9.000	700,842
2026	381,989,654	181,373,498.17	75,572,290.90	638,935,443			2,209,300	2,652,400	2,652,400	4,861,700	1,215,425.00	46,308	3,599,967	156,973	3,756,940	6.000	857,815
2027	412,548,827	188,628,438.09	78,595,182.54	679,772,447			2,208,000	2,650,200	2,650,200	4,858,200	1,214,550.00	38,590	3,605,060	(274,175)	3,330,885	5.000	583,640
2028	445,552,733	196,173,575.62	81,738,989.84	723,465,298			2,210,100	2,651,400	2,651,400	4,861,500	1,215,375.00	38,590	3,607,535	(62,555)	3,544,980	5.000	521,085
2029	481,196,951	204,020,518.64	85,008,549.43	770,226,019				2,650,400	2,650,400	2,650,400	662,600.00	23,154	1,964,646	299,818	2,264,464	3.000	820,903
2030	519,692,707	212,181,339.39	88,408,891.41	820,282,938				2,651,900	2,651,900	2,651,900	662,975.00	15,436	1,973,489	(365,734)	1,607,755	2.000	455,169
2031	561,268,124	220,668,592.96	91,945,247.07	873,881,964				2,653,300	2,653,300	2,653,300	663,825.00	15,436	1,976,039	(263,230)	1,712,809	2.000	191,939
					\$ 1,986,663	\$ 13,438,415	\$ 44,206,300	\$ 44,206,300	\$ 53,049,000	\$ 156,886,673	\$ 39,221,669	\$ 3,002,302	\$ 114,662,706	\$ (416,061)	\$ 114,246,645		

Assumptions:

- (1) Assessed value growth of existing tax base equals 8% annually.
- (2) Assessed value growth of new residential and commercial property equals 4% in 2006 and thereafter.
- (3) State Aid Reimbursement on all Bonds equals 25%.
- (4) Motor Vehicle Revenue equals \$7,718 per mill.
- (5) Tax Collections = 98%

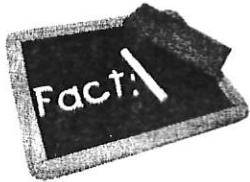
\* The above figures are based on adding a new high school, a new middle school and three elementary schools to the current bonded indebtedness.

USD 230 HAS NO LEGAL AUTHORITY TO TAKE ACTION REGARDING THE SEWER DISTRICT. SCHOOL BOARDS DO NOT HAVE HOME RULE AND CAN ONLY TAKE ACTION ON MATTERS SPECIFICALLY PROVIDED IN LAW.

Financial Analysis Prepared By:  
Greg Vahrenberg  
US Bancorp Piper Jaffray

# An Important Message for Spring Hill School District Taxpayers!

*What will the Blue River 12 Sewer District bring to the Spring Hill School District?*

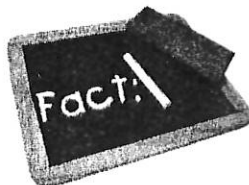


**6,000 homes will be built and 18,000 residents will move into our school district.**



**2,200 new students will require 3 new elementary schools, 1 middle school and 1 high school. USD 230's projected cost:**

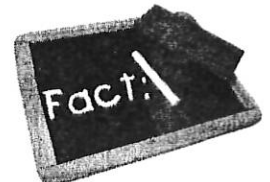
**80 Million Dollars**



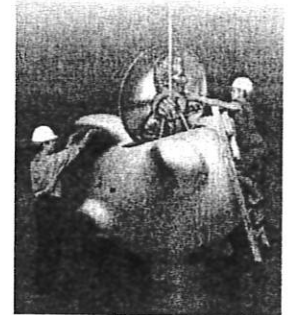
**ALL TAXPAYERS** in the Spring Hill School District will see their taxes increase dramatically. USD 230 projects that a current property's (that means your home) assessed valuation will double by 2011 and our bond and interest mill levy will increase from 13 to 20 mills.



**SCHOOL DISTRICT BOUNDARIES NEVER CHANGE!!** Spring Hill School District patrons will have to pay all of the educational costs for this Olathe Development.



Developers and the City of Olathe receive all the benefits and we, the Spring Hill School District patrons, have to pick up the tab with higher taxes.



April 4th at 9:30 a.m. the Johnson County Commissioners will vote on the Blue River 12 Sewer District which is in the far northeast corner of our school district (USD 230). We, the patrons of the Spring Hill School District, will have to provide the schools necessary for this development. **WHAT CAN YOU DO???** Call all of the Johnson County Commissioners, Spring Hill School Board members, and Spring Hill City Council members. Tell your elected officials loud and clear **NO TO BLUE RIVER 12** and **NO TO HIGHER TAXES**.

Spring Hill School District	Spring Hill City Council Members	Johnson County Commissioners
<b>District Number:</b> 592-7200	<b>City Number:</b> 592-3624	<b>Main Number:</b> 782-5000
<b>Bill Meek:</b> (President) 592-2246	<b>Mayor Mark Squire:</b> 592-2540	<b>Suzie Wolf:</b> (Chair) 715-0432
<b>Carmen Ellis:</b> 592-3649	<b>Kenny Hamm:</b> 592-2436	<b>Annabeth Surbaugh:</b> 715-0433
<b>David Bolton:</b> 592-2595	<b>David Guardino:</b> 592-4131	<b>Doug Wood:</b> 715-0435
<b>Craig Drummond:</b> 592-4222	<b>Steve Sebasto:</b> 592-5032	<b>George Gross:</b> 715-0434
<b>Joanne Harry:</b> 592-4328	<b>Tanner Fortney:</b> 592-2873	<b>George Anderson:</b> 715-0431
<b>Eric Boyle:</b> 592-4350	<b>Linda Konitzer:</b> 592-2400	
<b>Paul Sowers:</b> 592-3981		

*This mailing is being paid for by The Citizens for Responsible Growth. We are a group of Spring Hill area residents concerned about development occurring without responsible and prudent planning. Growth will continue in our area, but it must be done without increasing taxes and destroying the rural character that is our way of life and a tremendous asset to Johnson County.*

*Questions? Call Gary Whittaker at 592-3229, Charlotte O'Hara at 592-2301, or Brenda LaMar at 764-3778.*

Requested information about existing Blue River No. 8 Pump Station

Foremain diameter: 14 inch ductile iron pipe

Foremain length: 11,180 feet

Max. flow rate:

With current pumps: 1,650 gallons per minute

With larger impellers: 2,200 gallons per minute (Larger impellers can be installed)

Lift (static head): 132 feet

Three identical pumps, with one pump as standby. Two pumps operate under peak flow.

Each pump:

Now: 130 horsepower, rated at 825 gal per min. at 170 ft. of head (two pumps on)  
1,125 gal per min. at 157ft. of head (one pump on)

W/ larger impellers: rated at 1,100 gal per min. at 197 ft. of head (two pumps on)

Design basis: 100 gallons per day, per person with a peaking factor of 6 (2.9 persons per home)

Current pumps would serve 3,960 persons or 1,366 homes

Larger impeller pumps would serve 5,280 persons or 1,820 homes

Future pumps: Using the present foremain, higher capacity pumps could be installed to serve 10,900 persons or 3,754 homes. We have not determined the horsepower and head needed for this flow rate. The pump station is temporary, and it is planned that a gravity sewer will be installed from Plumm to Metcalf along Coffee Creek and Blue River to take pump station out of service. This is preferred over adding a parallel foremain and larger pump station.

February 21, 2002

Doug Wood, Fifth District  
Johnson County Board of County Commissioners  
111 S. Cherry, Suite 3300  
Olathe, KS 66061

Dear Doug:

Thank you for your recent letter concerning the Blue River 12 expansion area. I am supportive of the Blue River 12 sewer project, as the city has developed a framework by which our concerns can be addressed. The construction of sewers will obviously lead to development pressure from property owners. The City of Olathe has no approved Capital Improvement Projects scheduled in the next five-year plan for the southern part of the City.

One of the primary objectives of the City Council has been an on-going commitment that development pay its own way. To this end, City of Olathe staff have been working for several months with property owners in the Blue River 12 area to identify needs that would have to be met should development occur and how those needs would be paid for. We know that road improvements, parks, public safety facilities, etc. are going to be needed.

It is anticipated at this time that approximately 6,000 homes could ultimately be built (based upon 3 units per acre for the 2000 acre expansion area). This could mean as many as 18,000 new residents (approximately 3 persons per household). Both City of Olathe staff and several area property owners have agreed that a study should be completed to determine appropriate land uses, densities, infrastructure, and public facilities, including fire stations, parks, and schools, in the expansion area. City staff and representatives of the area property owners are in the process of approving an agreement whereby the cost of the study preparation is shared. In addition, a model annexation agreement is being considered to evaluate how needs resulting from development will be met.

Doug Wood  
February 21, 2002  
Page 2

It is anticipated that this study will be completed by the end of this year. It will serve as a basis for development analysis when sewers are constructed and projects are submitted for approval.

In summary, the City of Olathe is committed to providing adequate services to any new development that results from this proposed sewer expansion. It is very important that a mechanism be in place to both identify service needs and the ability to pay for those needs as that development occurs.

Paul Curtis, Development Services Director for the City of Olathe, has taken the lead in the preparation of the study and in identifying needs assessments. Paul is available to further discuss the preparation of the study and the process being undertaken by the City. Please do not hesitate to call Paul at (913) 393-6416 if you have any additional questions.

Sincerely,

Michael Copeland  
Mayor

ko

pc: J. Michael Wilkes, City Manager  
Paul Curtis, Development Services Director