

MINUTES OF THE HOUSE EDUCATION COMMITTEE K-12.

The meeting was called to order by Chairperson Ralph Tanner at 9:00 a.m. on March 22, 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:

**SB 551 - School finance; consolidation and reorganization of districts.**

The hearing on **SB 551** was re-opened.

It was decided that on page 1, line 28 of **SB 551**, the phrase "succeeding three school years" would be replaced with "school year". On page 2, line 8 the phrase "succeeding three school years" would be replaced with "school year".

Representative Lloyd moved to make this amendment to **SB 551**. The motion was seconded by Representative Huebert and carried on a voice vote.

It was moved by Representative Lloyd and seconded by Representative Ostmeier that **SB 551** be passed as amended, favorably out of committee. The motion carried on a voice vote.

Copies of written testimony in support of **SB 551** were distributed. (Attachments 1 and 2).

**SB 488 - School buildings; closing of.**

**HB 2865 - Concerning school districts; relating to capital improvements; state aid.**

A balloon amendment was offered on **HB 2865**. (Attachment 3).

It was moved by Representative Lloyd and seconded by Representative Peterson that they use substitute for **SB 488** in which to place the contents of **HB 2865**, as amended in the balloon.

A substitute motion was made by Representative Ray and seconded by Representative Benlon to have a two-year sunset on substitute for **SB 488**. The substitute motion passed on a voice vote.

Information was distributed in regard to **HB 2865**. (Attachment 4).

A motion was made by Representative Lloyd and seconded by Representative Horst that **HB 2865**, as amended by balloon, be amended into substitute for **SB 488**, with the clarification that the state funds would be for elections approved but bonds not yet issued. The motion passed on a voice vote.

A motion was made by Representative Gordon and seconded by Representative Lloyd that the substitute bill for substitute for **SB 488** be passed. Following the voice vote a division was called for. The motion failed on a show of hands.

The meeting was adjourned at 10:05. The next meeting is scheduled for Tuesday, March 26, 2002.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION at on February 20, 2002 in Room 123-S of the Capitol.

enrollment due to a devastating tornado in April, 2001. This bill will allow Hoisington School District to use the 2000-01 enrollment for one more year, 2002-2003. The provisions of this bill will expire 7-1-2003.

Senator Vratil offered a motion to amend SB531 by deleting Section 1, and changing the date on Line 37 to September 20, 2000 and Section 2 would now be Section 1. Seconded by Senator Lee. Motion carried.

Senator Lee made a motion to pass SB531 favorably as amended. Seconded by Senator Teichman. Motion carried.

**SB551--School finance; consolidation and reorganization of districts**

Theresa Kieman, Legislative Research explained SB551. The bill will make two amendments to current law. Currently when two districts consolidate the state board computes their state aid for two years by adding the two together and the new district gets that amount of state aid. The first change would extend that provision from two years to five years and secondly, this would also apply to districts that disorganize and attach to another district.

Jacque Oakes submitted written testimony in support of SB551. This bill would allow five-year funding of the state financial aid for districts who have disorganized and unified. This will make a hard task less difficult for school districts involved. (Attachment 5)

This bill was introduced to give some incentives to school districts to consolidate on their own and to accommodate their needs if they do consolidate. After discussion, Senator Teichman made a motion on SB551 to reduce the time from five years to four years. The language would change on Line 43 and Line 27 to read "for the next succeeding three school years. Seconded by Senator Oleen. After more discussion, Senator Teichman offered to withdraw her motion. Chairman Umbarger asked Legislative Research to draw up new language for the Committee's consideration reducing the years from five to four and language for the amount of state aid the consolidated school would receive, which would be the total of the state aid both schools received based on the prior year. The consolidated school would get the total of both schools prior to the consolidation for the current fiscal year and they would not receive anything less that for the succeeding three years.

Senator Teichman made a motion to approve minutes for February 11, 12 and 13, 2002. Seconded by Senator Schodorf. Motion carried.

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Dwayne Umbarger at 1:30 p.m. on February 21, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Ben Barrett, Legislative Research  
Theresa Kiernan, Revisor of Statutes  
Dale Dennis, Deputy Commissioner of Education  
Judy Steinlicht, Secretary

Conferees appearing before the committee: Steve Nilhas, USD 281, Hill City

Others attending: See Attached List

Chairman Umbarger recognized Jim Weis, Wolfe River Leadership Academy, and his group of about twenty who were visiting the Senate Education Committee today.

**SB551--School finance; consolidation and reorganization of districts**

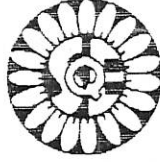
Hearings were continued on **SB551**. Steve Nilhas, USD 281, Hill City addressed the Committee on the consolidation of his district with USD 280, West Graham-Morland. The two districts have worked together for several years and have had cooperative sports teams and programs, with both boards working together trying to figure out how to best educate kids and serve the community. They came to the decision to consolidate and the process that USD 280 chose was to disorganize and to request that district be attached to another district which would be USD 281. They had a hearing and there was no opposition locally. They knew of the provision in the law that the remaining district would receive the total funding of the two schools involved for two years and that legislation would be required for them to receive this funding under disorganization. Steve feels that extending the provisions of **SB551** to five years will encourage districts to come together and do the right thing.

Chairman Umbarger explained a supplemental note on **SB551** with changes that were proposed in the Committee meeting on February 20, 2002. The current law provides for a consolidated school to receive the total amount of State Financial Aid to which both districts were entitled, for the current year and the following year. **SB551** originally extended the time to the current year plus four years. The proposed amendment would reduce the time to the current year plus the next three school years. The bill will include both consolidation and disorganization and attachment effective with the 2001-2002 school year to include the proceedings which have begun in USD280 and USD 281. (Attachment 1)

Senator Vratil made a motion to amend SB551 in accordance with the attached balloon, but in addition, on Line 26 and on Line 43 to strike the words and for the next succeeding school year. The balloon will read "For the next succeeding three school years, the state financial aid shall be the greater of: (1) The amount received in the preceding school year; or (2) The amount the district would receive under the school district finance and quality performance act prior to amendment by this section." (Attachment 1) Seconded by Senator Teichman. After discussion, it was determined that the motion would include that this provision would only apply when all of the territory of the district being disorganized is attached to one other district because of the problem of splitting the budget to more than one school. Motion carried. (Attachment 2)

Senator Teichman made a motion to recommend favorably SB551 as amended. Seconded by Senator Schodorf. Motion carried.

Use Ed  
#-2



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## Schools for Quality Education

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Bluemont Hall    Manhattan, KS 66506    (913) 532-5886

February 20, 2002

TO:            Senate Education Committee

FROM:        Schools for Quality Education – Jacque Oakes

SUBJECT:    SB 551 – School finance; consolidation and reorganization of districts

Mr. Chair and Members of the Committee:

Schools For Quality Education, an organization of 110 small school districts, is submitting written testimony in favor of SB 551. This bill would allow five-year funding of the state financial aid for districts who have disorganized and unified.

We have appreciated very much the two-year funding given to unifying districts, but five years would be even more helpful. Incentives as assistance to districts make a hard task less difficult than if sanctions are used against a district. Penalties could further harm what is already in a delicate balance.

Thank you for the introduction of this bill, and we ask for your serious attention in favor of SB 551.

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**"Rural is Quality"**

House Education Committee

Date: 3/21/02

Attachment # 2

## HOUSE BILL No. 2865

By Representative Tanner

2-13

Proposed amendment  
March 22-2002

House Education Committee  
Date: 3/22/02  
Attachment # 3-1

9 AN ACT concerning school districts; relating to capital improvements;  
10 state aid; amending K.S.A. 75-2319 and repealing the existing section.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 75-2319 is hereby amended to read as follows: 75-  
14 2319. (a) There is hereby established in the state treasury the school  
15 district capital improvements fund. The fund shall consist of all amounts  
16 transferred thereto under the provisions of subsection (c). *The school*  
17 *district capital improvements fund is abolished when all the obligations*  
18 *of the fund cease.*

19 (b) *Subject to the provisions of subsection (f),* in each school year,  
20 each school district which is obligated to make payments from its bond  
21 and interest fund shall be entitled to receive payment from the school  
22 district capital improvements fund in an amount determined by the state  
23 board of education as provided in this subsection. The state board of  
24 education shall:

25 (1) Determine the amount of the assessed valuation per pupil (AVPP)  
26 of each school district in the state and round such amount to the nearest  
27 \$1,000. The rounded amount is the AVPP of a school district for the  
28 purposes of this section;

29 (2) determine the median AVPP of all school districts;

30 (3) prepare a schedule of dollar amounts using the amount of the  
31 median AVPP of all school districts as the point of beginning. The sched-  
32 ular of dollar amounts shall range upward in equal \$1,000 intervals from  
33 the point of beginning to and including an amount that is equal to the  
34 amount of the AVPP of the school district with the highest AVPP of all  
35 school districts and shall range downward in equal \$1,000 intervals from  
36 the point of beginning to and including an amount that is equal to the  
37 amount of the AVPP of the school district with the lowest AVPP of all  
38 school districts;

39 (4) determine a state aid percentage factor for each school district by  
40 assigning a state aid computation percentage to the amount of the median  
41 AVPP shown on the schedule, decreasing the state aid computation per-  
42 centage assigned to the amount of the median AVPP by one percentage  
43 point for each \$1,000 interval above the amount of the median AVPP,

3-2

1 and increasing the state aid computation percentage assigned to the  
 2 amount of the median AVPP by one percentage point for each \$1,000  
 3 interval below the amount of the median AVPP. The state aid percentage  
 4 factor of a school district is the percentage assigned to the schedule  
 5 amount that is equal to the amount of the AVPP of the school district,  
 6 except that the state aid percentage factor of a school district shall not  
 7 exceed 100%. The state aid computation percentage is 5% for contractual  
 8 bond obligations incurred by a school district prior to ~~the effective date~~  
 9 ~~of this act July 1, 1992~~, and 25% for contractual bond obligations incurred  
 10 by a school district on or after ~~the effective date of this act July 1, 1992~~  
 11 ~~through June 30, 2002~~;

March 20, 2002

12 (5) determine the amount of payments in the aggregate that a school  
 13 district is obligated to make from its bond and interest fund and, of such  
 14 amount, compute the amount attributable to contractual bond obligations  
 15 incurred by the school district prior to ~~the effective date of this act July~~  
 16 ~~1, 1992~~ and the amount attributable to contractual bond obligations in-  
 17 curred by the school district on or after ~~the effective date of this act July~~  
 18 ~~1, 1992 through June 30, 2002~~;

19 (6) multiply each of the amounts computed under (5) by the appli-  
 20 cable state aid percentage factor; *and*

21 (7) add the products obtained under (6). The amount of the sum is  
 22 the amount of payment the school district is entitled to receive from the  
 23 school district capital improvements fund in the school year.

24 (c) The state board of education shall certify to the director of ac-  
 25 counts and reports the entitlements of school districts determined under  
 26 the provisions of subsection (b), and an amount equal thereto shall be  
 27 transferred by the director from the state general fund to the school  
 28 district capital improvements fund for distribution to school districts. All  
 29 transfers made in accordance with the provisions of this subsection shall  
 30 be considered to be demand transfers from the state general fund.

31 (d) Payments from the school district capital improvements fund shall  
 32 be distributed to school districts at times determined by the state board  
 33 of education to be necessary to assist school districts in making scheduled  
 34 payments pursuant to contractual bond obligations. The state board of  
 35 education shall certify to the director of accounts and reports the amount  
 36 due each school district entitled to payment from the fund, and the di-  
 37 rector of accounts and reports shall draw a warrant on the state treasurer  
 38 payable to the treasurer of the school district. Upon receipt of the warrant,  
 39 the treasurer of the school district shall credit the amount thereof to the  
 40 bond and interest fund of the school district to be used for the purposes  
 41 of such fund.

42 (e) The provisions of this section apply only to contractual obligations  
 43 incurred by school districts pursuant to general obligation bonds issued

1 upon approval of a majority of the qualified electors of the school district  
 2 voting at an election upon the question of the issuance of such bonds  
 3 which occurred prior to ~~July 1, 2002~~.

March 21, 2002

4 (f) On and after ~~July 1, 2002~~ school districts are not entitled to receive  
 5 payments from the school district capital improvements fund for any gen-  
 6 eral obligation bonds issued after ~~July 1, 2002~~. School districts are entitled  
 7 to receive annual payments from the school district capital improvements  
 8 fund for outstanding bonds on ~~June 30, 2002~~ in an amount determined  
 9 by the state board of education as provided in subsection (b) sufficient to  
 10 retire such bonds and to pay the interest thereon.

March 20, 2002

11 Sec. 2. K.S.A. 75-2319 is hereby repealed.

12 Sec. 3. This act shall take effect and be in force from and after its  
 13 publication in the statute book.

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 Pflumn 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: 3/22/02  
Attachment # 4-1





**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 AGRICULTURAL COMMISSIONERS

DOUGLAS B. WOOD, FIFTH DISTRICT COMMISSIONER

January 11, 2002

Superintendent Darton Goering  
101 E. South Street  
Spring Hill, Kansas 66083-8514

RE: Blue River #12 Sewer Project

Dear Superintendent Goering:

This letter is to advise you that the Board of Agricultural 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

4-5

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	844,317	529,384	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	1,429,581.38	154,360	4,134,386	(106,304)	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	390,538
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	2,209,300	2,652,400	7,071,700	1,768,175.00	46,308	5,235,063	156,973	5,392,036	6.000	857,815
2027	412,548,827	188,628,438.09	78,595,182.54	679,772,447			2,208,000	2,208,000	2,650,200	7,069,200	1,767,375.00	38,590	5,235,063	(274,175)	5,000,000	5.000	583,640
2028	445,552,733	196,173,575.62	81,738,989.84	723,465,298			2,210,100	2,210,100	2,651,400	7,068,200	1,767,375.00	38,590	5,235,063	(62,555)	5,200,000	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	6,620,000	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	6,620,000	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			2,655,300	2,655,300	2,655,300	6,620,000	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	\$ 156,886,678	\$ 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%

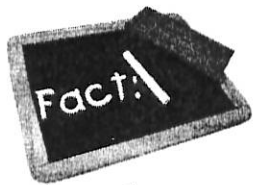
\* The above figures are based on adding a new high school, a new middle school and three elementary schools to the current bonded indebtedness.

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.

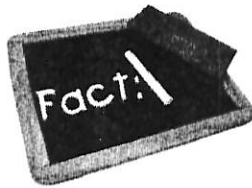
Financial Analysis Prepared By:  
Greg Vahrenberg  
US Bancorp Piper Jaffray

# An Important Message for Spring Hill School District Taxpayers!

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

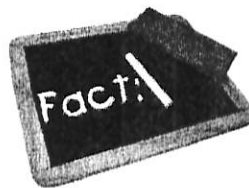


6,000 homes will be built and 18,000 residents will move into our school district.

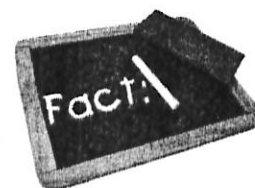


2,200 new students will require 3 new elementary schools, 1 middle school and 1 high school. USD 230's projected cost:

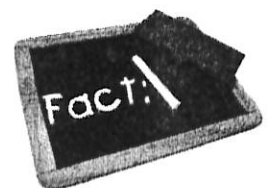
**80 Million Dollars**



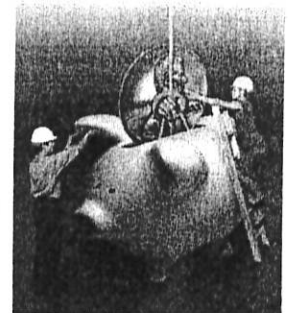
**ALL TAXPAYERS** in the Spring Hill School District will see their taxes increase dramatically. USD 230 projects that a current property's (that means your home) assessed valuation will double by 2011 and our bond and interest mill levy will increase from 13 to 20 mills.



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

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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 157 ft. 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 Pflumm 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

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