

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION K-12.

The meeting was called to order by Chairperson Kathe Decker at 9:00 a.m. on March 21, 2003 in Room 313-S of the Capitol.

All members were present except: Representative Jim Yonally – Excused Absence

Committee staff present: Kathie Sparks, Legislative Research Department  
Jill Wolters, Office of the Revisor of Statutes  
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Representative Rocky Nichols  
Jim Edwards, KSAB  
Diane Gjerstad

Minutes of the meetings of March 6, 10, 11, 12, 14, 17 and 18 were distributed to members of the committee with instructions from the Chair that they read them and offer any corrections at the next meeting

**SB 83 - Relating to certain funds; enacting the school budgeting best practices reform act.**

It was moved by Representative DeCastro and seconded by Representative Williams to work SB 83.

Copies of **Senate Sub Bill 83/HB 2408** merger (Attachment 1), and **Substitute for SB 83** (Attachment 2) were distributed.

Representative Williams moved to amend SB 83 with the balloon presented on the provision of HB 2408 and also make the changes to that were intended.. Representative Morrison seconded the motion which passed on a voice vote.

A conceptual motion was made by Representative Crow and seconded by Representative Horst to amend new Section HB 2408 on Page 2, Line 1, changing “14 day notice” to “10 days notice.” The motion passed on a voice vote.

A motion was made by Representative DeCastro and seconded by Representative Mason to amend SB 82 by deleting Section C. The motion passed on a voice vote.

Representative Crow moved for an amendment to SB 83 stating that all districts shall follow the best practices and standards set forth by the State Board. The State Department of Education shall provide technical assistance and promulgate rules and regulations to insure compliance with best practices and standards. All districts shall comply by no later than school year 2006-2007. The motion was seconded by Representative Peterson and passed on a voice vote.

It was moved by Representative DeCastro and seconded by Representative Loganbill to pass SB 83 favorably out of committee. The motion passed on a voice vote.

The meeting was adjourned at 10:15 a.m. The next meeting is scheduled for Monday, March 24, 2003.

Senate Sub Bill 83/HB2408 merger

SB83 page one line 10 change in the name, lines 11 & 12, change in statute numbers.

No other changes on page 1

Pages 2-13 no changes

Page 14, line 2 renumber section, change 19 to 20.

Delete lines 7 through 38.

INSERT LANGUAGE FROM HB2408 which is in balloon.

HB2408 PROPOSED LANGUAGE:

Page 1 line 14 renumber section from 1 through 5, to 19 through 22

New Section 1 becomes New Section 19

New Section 2 becomes New Section 20

New Section 3 becomes New Section 21

New Section 4 (page 2, line 7) becomes New Section 22

Strike section 5 in original bill on page 2 lines 11 through 30

Section 6 becomes Section 23 retains language of original bill until (b) (underlined in balloon).

Original language in bill on line 43 the word "the" changed to "all", strike from and add "including, but not limited to,"

Section 7 becomes Section 24

Section 8 becomes Section 25

All of the language from HB2408 will then be added to Sub SB83 on page 14 delete lines 7 through 38 insert section 19 through 25, renumbering accordingly.

SB83 page 14 change on lines 39 & 40, Statute numbers

3  
4 **Substitute for SENATE BILL No. 83**

5  
6 By Committee on Education

7  
8 2-25

9  
10 AN ACT concerning school districts; relating to certain funds; amending  
11 K.S.A. 12-2615, 44-505c, 72-4141, 72-5390, 72-6409, 72-6425, 72-  
12 6428, 72-8209, 72-8302, 72-8316, 72-8317, 72-8415a, 72-8415b, 75-  
13 6110 and 79-2927 and repealing the existing sections; also repealing  
14 K.S.A. 72-3703, 12-1663,  
15 72-8223,

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

17 New Section 1. (a) There is hereby established in every school dis-  
18 trict a special liability expense fund. Moneys in such fund shall be used  
19 to:

20 (1) Pay the cost of providing for its defense and the defense of em-  
21 ployees pursuant to the Kansas tort claims act and for the payment of  
22 claims and other direct and indirect costs resulting from the implemen-  
23 tation of such act; and

24 (2) pay judgments rendered against the district.

25 (b) The district shall credit to the special liability expense fund any  
26 moneys received by the district from any source which may be lawfully  
27 utilized for the purposes specified by this section including the proceeds  
28 of tax levies hereinafter authorized and provided. Any balance remaining  
29 in the special liability expense fund at the end of the budget year shall  
30 be carried forward into that fund for succeeding budget years. Such fund  
31 shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937,  
32 and amendments thereto. In making the budget of the district, the  
33 amounts credited to and the amount on hand in such special fund, and  
34 the amount expended therefrom, shall be included in the annual budget  
35 for the information of the residents of the district. Interest earned on the  
36 investment of moneys in any such fund shall be credited to that fund.

37 (c) Whenever the governing body of any school district determines  
38 that moneys from other sources will be insufficient to pay such costs, the  
39 governing body is hereby authorized to levy an annual tax upon all taxable  
40 tangible property within the district in an amount determined by the  
41 governing body to be necessary for such purpose and to pay a portion of  
42 the principal and interest on bonds issued by cities under the authority  
43 of K.S.A. 12-1774, and amendments thereto, for the financing of rede-

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Attachment # 2-1

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1 estimated to be received from each source separately stated. *Except as*  
2 *provided by section [19] and amendments thereto*, the budget of expend- 20  
3 itures for each fund shall balance with the budget of revenues for such  
4 fund and that portion of the budget of revenues to be derived from ad  
5 valorem property taxation shall not exceed the amount of tax which can  
6 be raised by any fund limit or aggregate limit placed upon such fund.

7 ~~New Sec. 19. (a) When preparing the budget for a school district,~~  
8 ~~the board of education of the district shall budget to expend only the~~  
9 ~~amount estimated to be spent from each fund of the school district.~~

10 (b) Except as provided by this subsection, any unexpended moneys  
11 remaining in a fund of a school district at the end of the budget year may  
12 be carried forward into such fund for succeeding budget years. The pro-  
13 visions of this subsection shall not apply to the general fund or the sup-  
14 plemental general fund of the school district.

15 (c) Whenever unexpended moneys in a school district fund are car-  
16 ried forward into such fund for the succeeding budget year, the budget  
17 of the school district shall reflect the ending balance in such fund which  
18 the school district estimates will be carried forward to the succeeding  
19 budget year.

20 (d) If the board of education determines it is necessary to expend  
21 moneys which had been budgeted to be carried forward into the next  
22 succeeding budget year, the board shall amend its previously adopted  
23 budget. Any amended budget shall be subject to the same publication,  
24 notice and public hearing requirements as is required by K.S.A. 79-2929,  
25 and amendments thereto, for the adoption of the original budget.

26 ~~New Sec. 20. (a) Each year the board of education of a school district~~  
27 ~~shall prepare a profile of the school district. The profile shall include any~~  
28 ~~information specified by the state board of education to be included in~~  
29 ~~such profile, including but not limited to, information relating to the gov-~~  
30 ~~erning body of the school district, an overview of the budget of the school~~  
31 ~~district and the budgetary process.~~

32 (b) ~~The profile of the school district shall be on file at the adminis-~~  
33 ~~trative offices of the school district. Copies of the profile of the school~~  
34 ~~district shall be available upon request.~~

35 (c) ~~The notice required to be published by K.S.A. 79-2929, and~~  
36 ~~amendments thereto, shall include a statement that a profile of the school~~  
37 ~~district is on file at the administrative offices of the district and that copies~~  
38 ~~are available upon request.~~

Insert attached Sections 19 through 23  
Renummer remaining sections accordingly.

39 ~~Sec. 21. K.S.A. 12-2615, 44-505c, 72-3703, 72-4141, 72-5390, 72-~~  
40 ~~6409, 72-6425, 72-6428, 72-8209, 72-8302, 72-8316, 72-8317, 72-8415a,~~ 12-1663,  
41 ~~72-8415b, 75-6110 and 79-2927 are hereby repealed.~~

42 ~~Sec. 22. This act shall take effect and be in force from and after its~~  
43 ~~publication in the statute book.~~ 72-8223,

New Section 19. Sections 19, 20 and 21, and amendments thereto, shall be known and may be cited as the school budgeting best practices reform act.

New Sec. 20. (a) When preparing the budget for the ensuing budget year of the school district, the board shall budget to expend only the amount estimated to be spent from each fund of the school district.

(b) Whenever it is otherwise authorized by law that unexpended moneys in a fund of a school district may be carried forward into such fund for the next budget year, the budget of the school district shall reflect any ending balance in such fund which the school district estimates will be carried forward to the next budget year.

(c) Nothing in this section shall be construed as prohibiting school districts from spending amounts in excess of the amount estimated for expenditure.

New Sec. 21. (a) By the 2004-2005 school year, the department of education shall create a budget format document that conforms to the budget award standards and criteria of the government finance officers association and the association of school business officers. When establishing this budget format, the department of education shall directly incorporate the compatible features of the government finance officers association and association of school business officials budget award criteria and establish new criteria based on government finance officers association and association of school business officials standards whenever the individual criteria is different. As part of such budget format, the department of education shall establish checklists of additional criteria and standards of the government finance officers association and association of school business officials that are needed for schools to have a best practices budget that conforms to the requirements of this section.

(b) In addition to the government finance officers association and association of school business officials budget award standards and criteria, such budget format shall include, but not be limited to, a separate table outlining the salary and wage expenditures for all district personnel divided into the following categories: (1) certified and non-certified administrators; (2) teachers and other certified employees; (3) classified employees; (4) substitutes and other temporary employees. For categories (1), (2) and (3), the school districts shall report full-time employee positions and average salaries.

(c) For the 2006-2007 school year, and any succeeding school year, all school districts shall comply with the budget format and standards established by the state department of education pursuant to subsection (a). The department of education shall provide technical advice and assistance to school districts concerning the budget format and related standards and criteria.

(d) The state board of education shall develop and adopt rules and regulations to insure that all school districts will comply with the required budget format, standards and criteria and to implement the provisions of this section.

(e) Nothing in this act shall be construed to limit the ability of school districts to develop and publish additional budget materials and documents that go above and beyond the standards, criteria and budget format required by the department of education.

(f) For the purposes of complying with such budget format, in any year that a school district obtains a budget award from either the government finance officers association or association of school business officials, that school district's budget shall be considered in compliance with the requirements of this section.

Sec. 22. K.S.A. 12-1663 is hereby amended to read as follows: 12-1663. (a) Where any public agency receives federal aid through any federal agency for any purpose to be used alone or with funds of the public agency, such federal aid may be expended without regard to budget



limitations and over, above or outside the budget, and such expenditures shall not be charged against the budget of the current or any other budget year of the public agency; ~~and~~. Where a public agency spends from budgeted funds and later is reimbursed by federal aid, such expenditure from budgeted funds shall be a reimbursed expense and if received after the budget year, shall increase the current budget to the same amount unless the budget had anticipated and included the reimbursement as income.

(b) In addition to the requirements of subsection (a), a school district shall include all revenues and expenditures, including, but not limited to, federal aid and other grants, gifts and miscellaneous income, in all budget documents prepared by the school district, including documents submitted to the department of education. In order to account for such revenues and expenditures separately, each school district shall budget for federal aid and other grants and gifts, other than scholarships, received, which funds shall not be subject to limitations on the expenditure of moneys in such funds.

Sec. 23. K.S.A. 72-8223 is hereby amended to read as follows: 72-8223. (a) The secretary of social and rehabilitation services shall pay tuition to the board of education of any school district for children in any institution under the jurisdiction of the secretary who attend any of the schools of such school district. The amount of tuition shall be determined on the basis of the average operating cost per pupil of the school district, less the proportionate amount of state aid received by such school district as determined by the state board of education. Whenever feasible, the board of education of such school district shall work with the department of social and rehabilitation services to maximize federal matching funds.

(b) Payments of tuition received under this section by the board of education of any school district for attendance of children at school in regular educational programs shall be deposited in the ~~general fund of the school district and considered as reimbursements of the district for the purpose of the school district finance and quality performance act.~~ tuition reimbursement fund.

(c) There is hereby established in every district a fund which shall be called the tuition reimbursement fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district attributable to the costs of providing educational services to a child in an institution under the jurisdiction of the secretary who attends the school shall be paid from the tuition reimbursement fund.

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