

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 1:40 p.m. on April 28, 2003, in Room 123-S of the Capitol.

All members were present except: Senator Bill Bunten - excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department  
Leah Robinson, Kansas Legislative Research Department  
Nicoletta Buonasera, Kansas Legislative Research Department  
Melissa Calderwood, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Martha Dorsey, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Debra Hollon, Kansas Legislative Research Department  
Becky Krahl, Kansas Legislative Research Department  
Carolyn Rampey, Kansas Legislative Research Department  
Audrey Nogle, Kansas Legislative Research Department  
Amy VanHouse, Kansas Legislative Research Department  
Robert Waller, Kansas Legislative Research Department  
Paul West, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Assistant Revisor of Statutes  
Theresa Kiernan, Assistant Revisor of Statutes  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Senator Stan Clark  
Jim Edwards, Governmental Relations Director, Kansas Association of School Boards  
Dr. Lee Tarrant, Superintendent, United School District No. 318, Atwood, Kansas  
Mark Desetti, representing the Kansas National Education Association

Others attending: See attached list

Chairman Morris called the committee's attention to discussion of:

**HB 2399--Authorizing the Kansas water office to borrow funds for certain purposes**

Staff briefed the committee on the bill and distributed the following information:

- Proposed Plan to Delay School District General State Aid Payment (Attachment 1)
- USD Projected Payment Dates and State Aid Distribution, 2002-2003 School Year, Kansas Board of Education (Attachment 2)

Senator Stan Clark testified in favor of **HB 2399** and he expressed support of provisions relating to school consolidation (Attachment 3).

Jim Edwards, Governmental Relations Director, Kansas Association of School Boards, testified in favor of **HB 2399** (Attachment 4). Mr. Edwards proposed including language in the bill that provides that payments that legally must be made in June (lump-sum salary payment for employees) shall be made in July if revenues are insufficient in June. Mr. Edwards introduced Dr. Lee Tarrant.

CONTINUATION SHEET

Dr. Lee Tarrant, Superintendent, USD #318, Atwood, Kansas, testified in support of **HB 2399** (Attachment 5). Dr. Tarrant mentioned in his written testimony that he believed the language in the proposed change to K.S.A. 72-8702 will allow school districts consolidating to transition to the new district in a more efficient manner.

Mark Desetti, representing the Kansas National Education Association, testified in favor of **HB 2399** (Attachment 6). Mr. Desetti proposed including language in the bill providing that payments that legally must be made in June (lump-sum salary payment for employees) shall be made in July if revenues are insufficient in June. Mr. Desetti also asked to amend the provisions relating to the consolidation of school districts to allow the temporary board to recognize bargaining units.

There being no further conferees to come before the meeting, the Chairman closed the public hearing on **HB 2399**.

Senator Feleciano moved, with a second by Senator Barone, to amend **HB 2399** by substituting a new bill to be designated as "**Substitute for HB 2399**" and to delay the school payment to include supplemental state aid, to allow the new board to have powers for 90 days and that the new board be allowed to recognize bargaining units. Motion carried on a voice vote.

Senator Adkins moved, with a second by Senator Jordan, to amend **HB 2399** with a provision to provide flexibility for capital outlay fund expenditures that would apply those flexibility measures only to those school districts whose operating expenses during the school year 2001-2002 were equal to or less than the median amount of operating expenses per pupil as determined by the State Board of Education (Attachment 7). Committee questions and discussion followed. A voice vote was taken and division requested. Motion carried by a show of hands (tally was 5 votes in favor and 3 against).

Senator Jordan moved, with a second by Senator Adkins, to recommend **Substitute for HB 2399** favorable for passage as amended. Motion carried on a roll call vote.

Senator Jordan moved, with a second by Senator Barone, to reconsider the action just taken on **Substitute for HB 2399**. Motion carried on a voice vote.

Senator Barone moved, with a second by Senator Jordan, to amend the contents of **SB 162** into **Substitute for HB 2399** to allow for the extension of the statewide 20-Mill School District Levy. Motion carried on a voice vote.

Senator Barone moved, with a second by Senator Jordan, to recommend **Substitute for HB 2399** favorable for passage as amended. Motion carried on a roll call vote.

The meeting adjourned at 2:50 p.m. The next meeting is scheduled for May 1, 2003.



April 16, 2003

## PROPOSED PLAN TO DELAY SCHOOL DISTRICT GENERAL STATE AID PAYMENT

The proposal made by the Republican Leadership would delay the June payment of general state aid until July 1 or as soon thereafter as money is available. Current law provides that general state aid must be distributed to school districts once each month, from July through June. Payment dates, which are not statutory, generally fall around the first of each month and are intended to accommodate cash flow needs of both school districts and the state.

The June payment is the largest payment made for several reasons: First, KSA 74-4940 allows a school employee who is subject to the continuing contract law to request to be paid salary that is due in July and August "upon completion of all contractual obligations," which usually is the end of the school year in June. This means that school districts must have enough money encumbered at the end of the fiscal year to pay a larger-than-usual payroll. Second, the June payment is the "clean up" payment that is intended to give districts the total amount of money they are due. Historically, making the largest payment in June was considered beneficial to the state in terms of cash flow, since revenues to the State General Fund tend to be more substantial at the end of the fiscal year than at the beginning.

Under the proposal, which would be implemented by HB 2468 (introduced in the House), if any amount of general state aid that is due to be paid in June is not paid on or before June 30, that payment would be made on or after the ensuing July 1, or as soon thereafter as money is available. Because of the state's revenue situation, the Republican Leadership proposes that the payment due June 16, 2003, will not be made until July. Assuming that money is available immediately at the start of the new fiscal year, school districts probably would get their payments the first week in July. (This is when they got their June payment last year, when a partial payment of approximately \$100,000,000 due at the end of FY 2002 was delayed under similar circumstances.) The effect would be that, for state accounting purposes, 11 monthly school aid payments would be paid in FY 2003 and 12 in FY 2004 and thereafter. The 12 monthly payments in FY 2004 would include 11 payments for the then-current fiscal year and one month's payment (June) for the prior fiscal year.

Assuming that the state's revenue situation does not improve significantly in the next two years, general state aid payments to school districts would be as follows:

*Senate Ways and Means  
4-28-03  
Attachment 1*

FY 2003		FY 2004		FY 2005	
	↗	July 1 (or as soon as money is available)	↗	July 1 (or as soon as money is available)	↗
July 10	↑	July 10	↑	July 10	↑
August 1	↑	August 1	↑	August 1	↑
September 3	↑	September 3	↑	September 3	↑
October 1	↑	October 1	↑	October 1	↑
November 1	↑	November 1	↑	November 1	↑
December 2	↑	December 2	↑	December 2	↑
January 2	↑	January 2	↑	January 2	↑
February 3	↑	February 3	↑	February 3	↑
March 3	↑	March 3	↑	March 3	↑
April 1	↑	April 1	↑	April 1	↑
May 1	↑	May 1	↑	May 1	↑
June 16	→ → → ↑	June 16	→ → → ↑	June 16	→ → → ↑

Number of Monthly State Aid Payments (Based on HB 2468)			
	FY 2003	FY 2004	FY 2005
State Accounting Purposes	11	12	12
School District Accounting Purposes	12	12	12

If the state revenue situation were to improve, rather than making two payments in July, the regular June payment could be made on time and the 12-month cycle of payments made from July through June could be resumed.

For purposes of calculating State General Fund expenditures, delaying the June payment means that the estimated \$200,000,000 in general state aid to schools will not be counted as an expenditure by the state in FY 2003. For school districts, which have their budgets set and will have incurred obligations, failure to receive the money in the year for which it is due would have serious consequences. For that reason, HB 2468 provides that any payment of general state aid that is due to be paid in June of a school year that is not paid until the next fiscal year will be recorded and accounted for by districts as a receipt for the school year ending on June 30. For school district accounting purposes (assuming the enactment of HB 2468), 12 monthly payments will be recorded for FY 2003—11 payments actually received in FY 2003 and one payment received during the first week of FY 2004, but, for accounting purposes, counted in FY 2003. The concern of school districts that late

receipt of general state aid payments would cause them to violate the Cash Basis Law (which happened last year) has been addressed in SB 4 (signed by the Governor), which exempts school districts from provisions of the Cash Basis Law when they experience a shortage of revenue due to late payments of general state aid. The exemption is retroactive and applies to school year 2001-02 and to school years 2002-03 through 2006-07, inclusive.

The State Department of Education has kept school districts informed about the possibility that state aid payments could be disrupted. Local boards of education have been advised to hold board meetings the last week in June, at which time they would approve payment of bills, subject to the availability of funds. Immediately upon receipt of the general state aid payment on July 1 or thereafter, bills that are pending would be paid.

According to the State Department, payment of employee salaries is the highest priority. The State Department believes the June payroll can be met from funds remaining from the May general state payment and local resources, although it is possible that employees who request a lump-sum payment in June for their July and August salaries may have to wait until July for the entire amount. Next in priority would be other bills, which might have to be delayed until July. School districts also are being advised to delay transfers from the general fund to other funds. According to the State Department, the districts most likely to be affected by the delayed payment would be those with the higher proportion of state aid to total operating expenditures.

# State Aid Distribution

2002-03 School Year

Listed below are the proposed distribution dates for state aid under the School District Finance and Quality Performance Act.

- 
- July 10, 2002 ..... Requested amounts from local unified school districts
  - August 1, 2002..... Requested amounts from local unified school districts
  - September 3, 2002 ..... 8.5 percent of the prior year's general state aid entitlement
  - October 1, 2002 ..... 9 percent of the current year's general state aid entitlement
  - November 1, 2002..... 9 percent of the current year's general state aid entitlement
  - December 2, 2002 ..... 9 percent of the current year's general state aid entitlement
  - January 2, 2003 ..... 10 percent of the current year's general state aid entitlement
  - February 3, 2003 ..... 18 percent of the remaining amount of current year's  
general state aid entitlement
  - March 3, 2003 ..... 20 percent of the remaining amount of current year's  
general state aid entitlement
  - April 1, 2003..... 25 percent of the remaining amount of current year's  
general state aid entitlement
  - May 1, 2003 ..... 50 percent of the remaining amount of current year's  
general state aid entitlement
  - June 16, 2003 ..... Final payment (total entitlement less payments to date)



Senate Ways and means  
4-28-03  
Attachment 2

# USD Projected Payment Dates

2002-03

<u>Date</u>	<u>Payment</u>
Jul 10, 2002	General State Aid*, Bond & Interest State Aid*, Selected Federal Payments**
Aug 1, 2002.....	General State Aid*, Bond & Interest State Aid*, Selected Federal Payments**
Aug 15, 2002.....	Parents as Teachers
Sep 3, 2002.....	General State Aid, Bond & Interest State Aid, Selected Federal Payments**
Oct 1, 2002.....	General State Aid, Supplemental State Aid, Bond & Interest State Aid, Selected Federal Payments**
Oct 15, 2002.....	Special Education
Nov 1, 2002.....	General State Aid, Bond & Interest State Aid, Selected Federal Payments**, State Safety Fund (Drivers Ed), Motorcycle Safety Fund
Dec 2, 2002.....	General State Aid, Bond & Interest State Aid, Selected Federal Payments**
Dec 16, 2002.....	Special Education, Juvenile Detention Center Grant
Jan 2, 2003 .....	General State Aid, Bond & Interest State Aid, Selected Federal Payments**
Feb 3, 2003 .....	General State Aid, Supplemental State Aid, Bond & Interest State Aid, Selected Federal Payments**, Inservice Education
Mar 3, 2003 .....	General State Aid, Bond & Interest State Aid, Selected Federal Payments**
Mar 17, 2003.....	Special Education, Parents as Teachers
Apr 1, 2003.....	General State Aid, Bond & Interest State Aid, Selected Federal Payments**
Apr 15, 2003.....	Special Education
May 1, 2003 .....	General State Aid, Bond & Interest State Aid, Selected Federal Payments**
May 23, 2003 .....	Reading Recovery
Jun 2, 2003 .....	Special Education
June 2, 2003 .....	Selected Federal Payments**
June 16, 2003 .....	General State Aid, Supplemental State Aid, Bond & Interest State Aid, Juvenile Detention Center Grant, National Board Certified Teachers
June 20, 2003 .....	Parents as Teachers
June 25, 2003 .....	Inservice Education

For questions on **State Aid Payments:** (785) 296-3871  
Veryl Peter, Michelle Hein, Sara Barnes, or Dale Dennis

For questions on  
**Special Education Teachers:**  
(785) 296-2425  
Student Support Services Team



The **School Nutrition Programs**  
are paid each week.

The **Summer Food Service Program**  
will be paid approximately the  
15<sup>th</sup> of each month as claims warrant.

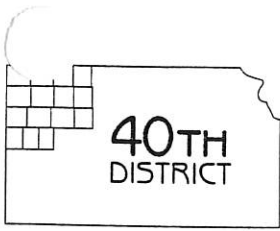
For questions about these payments, call:

- Jennifer Garrett (785) 296-4965
- Shawna Peterson (785) 296-2021

\* General State Aid payments will be made upon request of districts in July and August.

\*\* Federal fund payments will be made monthly upon request of the school district. Please refer to **Form 240** (Federal Aid Payment request form) for the list of federal program funds. For questions on **federal payments**, contact Rose Ireland at (785) 296-2020.





**Stan Clark**

COMMITTEE ASSIGNMENTS

CHAIR: UTILITIES  
MEMBER: ASSESSMENT & TAXATION  
ELECTIONS & LOCAL GOVERNMENT  
ORGANIZATIONS, CALENDAR, & RULES  
RULES & REGULATIONS

**BEFORE THE SENATE WAYS AND MEANS COMMITTEE  
APRIL 28, 2003**

Chairman Morris and members of the Committee:

Over the past few years, the Legislature has passed some incentives to encourage neighboring school districts to discuss combining resources and consider consolidation. In my legislative district various forms of cooperation have emerged:

1. In 2001 Lenora signed a contract with the Norton school district to educate their students in grades 7 – 12. The contract provides that Lenora will pay Norton the based state aid per year plus a negotiated fee. The students are then counted for enrollment purposes as enrolling in Lenora.
2. Last year Morland School District “dissolved and attached” itself to the Hill City School District. Part of the language in the legislation passed last year provided that the same funding would be available for schools that “dissolve and attach” as those that “consolidate”.
3. Earlier this month the Herndon and Atwood school districts voted to “consolidate” on July 1, 2003 and the Bazine and Ransom school districts voted to “consolidate” on July 1, 2004. Essentially under a consolidation two independent school districts cease to exist on June 30 and a new school district is formed on July 1. Current Kansas law provides a mechanism for the creation of the new school board but this board has no power until July 1.

In last week’s Rawlin’s County Square Deal the headline below the fold (attachment 1) was “USD 318 board votes to non-renew all staff.” Because of the “consolidation” the two existing school districts have to non-renew all staff, but the new school district board of education has no power to issue contracts until July 1. Similarly, the new board cannot hire anyone, nor apply for a federal identification number, nor publish capital outlay or local option

budget resolutions, nor a multitude of house-keeping duties necessary to start a new school district because there are no statutes in place to allow any authority prior to the date the school district officially is formed.

Over the passed couple of weeks, the superintendents of the current impacted schools have worked with the State Board of Education, the Kansas Association of School Boards, Senate Leadership and Theresa Kiernan in the Revisor's Office to ask that you consider the following amendment to this bill:

New Sec. 4. (a) If the proposition to consolidate is approved as provided in K.S.A. 72-8704, and amendments thereto, the temporary board of education specified in the agreement pursuant to K.S.A. 72-8702, and amendments thereto, shall have the power to enter into contracts, adopt resolutions, and take such other action as it deems necessary to provide for the maintenance, finance and operation of the consolidated unified school district. The temporary board is granted specific power to enter into contracts of employment for all personnel it deems necessary for operation of the consolidated unified school district. (b) No powers granted pursuant to this section shall be exercised sooner than 90 days prior to the effective date of the consolidation of such school districts.

We believe that this amendment will allow the newly formed school district sufficient time so that staff can be offered contracts from the former school districts and necessary new staff hired; resolutions can be adopted so that the timelines can be met in adopting a budget at the August board meeting; if necessary, elections called to vote on capital outlay and LOB levies; and the "house-keeping" matters addressed. My attachments 2, 3 and 4 are copies of emails that I received from the current superintendents from Atwood, Herndon and Bazine to aid in laying the groundwork for this hearing today and your consideration of this amendment.

Another item that I ask you to adopt, which I hope you already have before you would: when a final scheduled payment from the State to a local school district is delayed in any fiscal year, the appropriation due any school district(s) that ceases to exist on June 30 would be transferred to the newly formed school district in cases of "consolidation" and the "attached" school district in cases of "dissolve and attached" school districts on July 1.

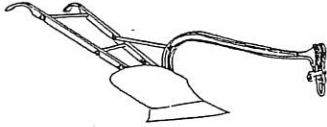
I would ask that you adopt these amendment(s) to the legislation before you and would gladly attempt to answer your questions.

#1

4/04  
CLARK STAN  
205 US 83  
OAKLEY  
KANSAS 67748

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# RAWLINS COUNTY SQUARE DEAL



email: squaredeal@atwoodkansas.com

"A Voice for New Frontiers"

VOL. 11, NO. 31

ATWOOD, KS 67730

THURSDAY, APRIL 24, 2003

## Rotary invites public to benefit auction

Atwood Rotary Club members will be flipping pancakes and turning sausages Saturday morning as a 7:30 a.m. breakfast kicks off their benefit auction April 26 at the Rawlins County 4-H building.

"People have been generous with their donations," Rotary president LeRoy Luadders said. "We have a wide variety of items and services for Rocky to auction off. Really, I think there's something for everyone."

The auction begins at 9:30 a.m. and will last until everything is sold. A list of many of the items to be sold is in an ad in this newspaper. An update will be posted on the [www.decision-weather.com](http://www.decision-weather.com) website. Donations can be made until 4 p.m. April 25 with home-baked goods accepted Saturday morning.

Even the building space

See 'Auction,' Page 2



Photo by Kathy Davis-Vrba

## Bunnies 'n baskets

Saturday was a day for friendly bunnies and baskets to fill with goodies, as the county communities held Easter egg hunts for the children. The Easter Bunny, appearing at the Atwood hunt with the help of Morgan Higley, visits with (from left) Lauran Terry, Sidney Hillman and Madison Hawkins. The Atwood hunt was sponsored by the Atwood High School National Honor Society, Chamber of Commerce and Atwood PRIDE.

## SPECIAL



ALUMNI  
EDITION

### News at a Glance

#### Lunch to benefit Beims baby

There will be a benefit pasta lunch for Braden Beims of Colby, infant son of Atwood native Mitch Beims and his wife, Cortney, from noon to 2 p.m., Sunday, April 27 at the Colby United Methodist Church. The freewill donations will help defray costs for the family of the infant, who has just undergone his second open heart surgery.

## USD 318 board votes to non-renew all staff

By Kathy Davis-Vrba

In unanimous action Monday night, the USD 318 school board voted to non-renew all the district's staff.

The board noted in their motion that the action to non-renew all employees was necessary due to the state law regarding consolidation. The Atwood board was acting on the under-

standing that the interim board that will govern the new consolidated USD 105 will follow up with a letter to staff indicating that board's intent to offer contracts.

The Atwood and Herndon school boards face an unusual dilemma as they prepare to merge. The most pressing challenge at this time, noted Superintendent

Lee Tarrant at the Atwood board's regular meeting April 21, is that the interim board will not be able to take any official action until it takes power July 1. There are many items of business that have to be taken care of before that time, the superintendent said.

Tarrant has been working with State Senator Stan Clark on an amendment

that would allow an interim board to take action 90 days before official consolidation in order to facilitate the transition. Tarrant will be testifying in Topeka Monday on behalf of this amendment.

"There doesn't seem to be any resistance [to the amendment]," Tarrant told the board. "From what I hear, there will be no oppo-

sition to it."

In regular school business Monday evening, the Atwood board approved giving \$1,000 toward Consort Show Choir students' attendance at show choir camp this summer and providing transportation. Kayla Tiemeyer, Consort director, noted the show choir has raised several thousand dollars toward expenses for

this camp.

In personnel action, the board accepted the notice of retirement from Nita Finn. Due to timing of tryouts, the board voted to offer contracts to Patty Horinek and Teresa Lowry as cheerleader sponsors, Linda Glad as intramural volleyball coach and Aaron Sramek

See 'Auction,' Page 2

## Interim director 'hanging in there'

By Mary Holle

In his first report to the Rawlins County Commissioners, Mitch Miller, interim ambulance director, said he was receiving a lot of

The EMTs were working together and had straightened up and organized the ambulance barn, he reported. Miller has also been working with the county clerk's office and Becker to

course could get started soon, with Jerry [Molstad PA-C] not being deployed."

Commissioner Chuck Unger asked Miller if he was familiar with the Good Samaritan Hospital EMS

## County declares May 1 'Yellow Ribbon Day'

By Rosalie Ross

Citizens across the county are encouraged to wear a yellow ribbon May 1 as a way of thanking members of the armed forces for their efforts in the present conflict and pledging to remember them until all



**RECOMMENDATIONS FOR ADDITIONAL CHANGES IN  
CURRENT CONSOLIDATION LAW**

Following is a list of items that need to be in place prior to July 1<sup>st</sup>. The Interim Board needs to have the authority to:

- Publish and establish the Local Option Budget
- Publish and establish the Capital Outlay Levy
- Election of Officers
- Appointment of Administrative Personnel (i.e. superintendent, clerk, treasurer)
- Specify bank of deposit (so checks can be ordered and available on July 1<sup>st</sup>)
- Forms completed for new ID numbers (Federal – State – KPERs – etc.)
- Staff contracts and assignments
- School calendar
- Cooperative Agreements

**OR**

At a minimum authorize the continuation of the current LOB and Capital Outlay levies for both districts for the first year of consolidation.

Lee R. Tarrant  
Superintendent  
Atwood USD #318

**Sen. Stan Clark**

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**From:** Kim Juenemann [kjuenemann@kweb.net]  
**Sent:** Wednesday, April 09, 2003 11:01 AM  
**To:** sclark@ink.org  
**Subject:** Consolidation Issue

Senator Clark:

I want to begin by thanking you for your help and support during the consolidation process of Herndon USD 317 and Atwood USD 318. I'm sure you know the issue passed, but the vote was overwhelmingly in favor of the proposition, in Atwood as well as in Herndon.

In order for our new district to get off on a good start and, in fact, to survive, we need your help once again. I know that Dr. Tarrant, current superintendent from Atwood and the new superintendent of USD 105, has been in contact with you to express some of the financial concerns we have. I would like to echo his thoughts and encourage you to continue with your efforts to pass legislation which will help not only this new district but also with others in the future.

As we have been studying the plan of action we would encourage the new interim board to take, we have found several stumbling blocks which impedes our progress. As you can imagine, our staffs are very concerned about their jobs and their futures, and without some sort of legislation to protect existing LOB and capital outlay sources, they would not know their employment status until well into August.

I am not too sure what items Dr. Tarrant listed as our chief concerns, but they include the authority to do the following: publish and establish the LOB and capital outlay levy elect interim board officers before July 1 to offer contracts to central office personnel specify the bank of deposit complete forms for new identification for state and federal programs offer contracts to certified and classified staff establish the school calendar enter into cooperative sports agreements

At a minimum, it would be most beneficial to a newly organized school district to have, for the first year consolidation, the authority to continue with the existing LOB and capital outlay levy.

Thank you, Senator, for your time and effort on our behalf. Dr. Tarrant and I have been able to work very well together and that positive relationship has been a saving factor in this whole process. If I can ever be of any assistance to other school districts going through consolidation, I would be more than glad to help and advise.

Kim Juenemann, Superintendent  
USD 317, Herndon

Attachment 4

Sen. Stan Clark

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**From:** Valerie Kepple [usd304@gbta.net]  
**Sent:** Wednesday, April 09, 2003 9:57 AM  
**To:** sclark@ink.org  
**Subject:** consolidation

USD #304, Bazine Schools  
P.O. Box 218  
Bazine, KS 67516-0218  
(785) 398-2535

April 9, 2003

Stan Clark

Following is the information you requested as per our phone conversation today in order to prepare for the legislature.

That the interim board be given the authority to make legal and binding decisions for the newly consolidated school district. This authority is needed at least ninety days before July 1 of the first year of existence (April, May, June). The need for this authority is as follows:

1. The ability to offer contracts to teachers, administrators and other staff.
2. Time to discuss, print, set levies, allow for a protest and adopt a LOB resolution.
3. Time to prepare, print and adopt a budget.
4. Time to discuss, print, set levies, allow for a protest and adopt a Capital Outlay resolution and Recreation Commission.
5. Time for negotiations to be discussed and adopted.
6. Time to have the ability to acquire materials for the new school year.

James Frank  
Superintendent  
Bazine Schools



**Testimony on  
Consolidation and School District State Aid Payment Delay Related Issues  
Before the  
Senate Ways and Means**

by

**Jim Edwards, Governmental Relations Director**  
Kansas Association of School Boards

**April 29, 2003**

Chairman Morris and members of the Committee:

I appreciate the opportunity to appear before you on behalf of the members of the Kansas Association of School Boards. My appearance today is to request that this Committee consider providing local boards of education the tools necessary to deal with emerging issues. The first would allow school districts to better handle the delay in school district state aid payments, which is an element of all of the revenue packages that have been introduced to date. The second would give those districts that are in the process of consolidating the ability to better prepare for the actual consolidation.

The first issue we are asking to be addressed, is due to the fact that it has been recommended that in order to assist with the state's critical economic condition that the approximately \$200 million in June, 2003 (FY 2003), local state aid payments to schools be delayed and made instead in July, 2003 (FY 2004). In order to give local districts the protection they need if they can not make certain payments required by law due to the state delayed payment, we are asking the legislature to strongly consider adopting language to help in this area. One payment that in some districts could be quite large is that of the lump-sum wage payment, offered by statute, to Kansas teachers. In short, the language we are suggesting would simply tell districts that they would not be required to make those payments required by law until they receive the state aid payments or until they have the sufficient funds.

The second issue we bring to you is one that arose out of an existing Kansas unified school district consolidation. It was originally brought to our attention in conversations with the superintendent of the Atwood Unified School District. The Atwood Unified School District will be consolidating with the Herndon Unified School District with the effective date of July 1, 2003. The board of the new consolidated district will be comprised of three members from one of the existing districts and four from the other district. Unfortunately, the board of the new consolidated district has no legal authority to take any action until July 1. This includes, among others, the offering of professional teaching contracts, providing for capital outlay fund or local option budget levies.

Senate Ways and Means  
4-28-03  
Attachment 4

The language we are suggesting would simply provide that the temporary board be granted specific authority for up to 90 days before the effective date of the consolidation. This would include the authority to enter into contracts for employment as well as other contracts, resolutions and all other actions necessary for the operation of the new consolidated district.

The legislature has done a tremendous job this year in giving local school districts the tools necessary to deal with the unique problems facing them. We hope that these two requests are met with the same level of interest and support by you and that they be acted upon prior to the end of this session.

Thank you and I would be happy to stand for questions.



# Atwood Unified School District

## No. 318

205 N. 4th Street, Suite 1  
Atwood, Kansas 67730-1799  
FAX # 785-626-1011

### ADMINISTRATION

Dr. Lee R. Tarrant, Jr.  
Superintendent  
785-626-3236

Janice M. Knapp  
Clerk

Debra W. Sivori  
Principal  
Atwood High School  
100 N. 8th  
785-626-3289

Dr. Lee R. Tarrant, Jr.  
Principal  
Atwood Grade School  
205 N. 4th  
785-626-3217

Mark A. Wolters  
K-12 Assistant Principal  
Technology Coordinator  
205 N. 4th  
785-626-3217

### BOARD OF EDUCATION

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Marvin Green

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Chris Schmidt

I would like to thank you for the opportunity to address this committee and to thank you for your willingness to consider this very important matter to assist in school consolidation. Let me start by giving an example of what will happen if changes are not made to the current law.

The new Rawlins County USD #105 board becomes legal July 1, 2003. The first order of business will be to pass an LOB resolution. We cannot offer contract to teachers and staff without the money from the Local Option Budget. The first publication date in Rawlins County would be July 3, 2003. After the required 30 day period, we could offer contracts on August 4, 2003, providing there is not a protest filed. If protested and an election is required the date contracts could be provided would be after school starts in the fall.

The LOB is just one of the many decisions that need to be made prior to July 1<sup>st</sup>. Others are:

- Capital Outlay levy
- Teaching, administrative and staff contracts
- Specify bank of deposit
- New federal, state and KPERS ID numbers
- School calendar
- Cooperative agreements
- Etc.

I believe the wording in the proposed change to K.S.A. 72-8702 will allow school districts consolidating to transition to the new district in a more efficient manner. Even with quick passage USD #105 will, at best, have 45 additional days but the value of these additional days is critical.

Thank you for allowing me to address this committee.

Dr. Lee Tarrant  
Superintendent  
USD #318

Member of



North Central Association  
of Colleges and Schools

Equal Opportunity/Educational Agency

Senate Ways and Means  
4-28-03  
Attachment 5



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

Mr. Chairman, members of the committee, thank you for allowing me the opportunity to come before you today. My name is Mark Desetti and I represent Kansas NEA.

First I would like to address the proposal to allow school districts to delay payments when the June state aid payment is late. We understand why this proposal might seem like a good idea although it frustrates us. We are willing to let this happen provided that the lump sum salary payment requirement is not eliminated. Providing that employees are paid their regular monthly amount in June, it seems appropriate to allow school districts to wait until they receive their state aid early in July before making the final lump sum payment. We agree that this should happen only when the state delays the payment and the district has no other alternative way of making the payment.

We support the proposal to grant powers to the new board when two districts are consolidating. Our concern in consolidations where two school districts are merged into one new entity is that the employees in the dissolved districts ought not to suffer a diminution of their working conditions, salaries and benefits. We believe additionally that such boards ought to be granted the authority to recognize a bargaining agent. This authority would allow the board and the employee's agent to enter into negotiations for this new entity. Employees would have a guaranteed base until a new agreement is in place.

New Sec. (a) For school year 2003-04, in addition to the authority granted by K.S.A. 72-8801 *et seq.*, and amendments thereto, the board of education of any school district may adopt a resolution to levy a tax for the purpose of providing revenue for the capital outlay fund to finance expenditures authorized by this section and for the purpose of paying a portion of the principal and interest on bonds issued by cities under K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. The provisions of K.S.A. 72-8801, and amendments thereto, shall apply to any resolution and tax levied pursuant thereto. Any tax levied pursuant to this section shall be in addition to the levy authorized by K.S.A. 72-8801 *et seq.*, and amendments thereto. Any moneys derived from a tax levied pursuant to a resolution adopted under this section shall be deposited in the capital outlay fund of the school district. Unless otherwise provided in the resolution adopted by the board under this section, any existing resolution adopted under K.S.A. 72-8801, and amendments thereto, shall remain in force and effect.

(b) If the resolution adopted under this section so specifies, any moneys derived from a tax levied pursuant to such resolution may be used for:

(1) The acquisition of computer software and other technology expenses.

(2) Cost of utility services provided to school facilities including, but not limited to, gas, electric, water, telephone, sewage and solid waste disposal.

(3) Insurance premiums for property, fire, casualty or liability insurance.

(c) As used in this section:

(1) "School district" means any school district whose operating expenses during school year 2001-2002 were equal to or less than the median amount of operating expenses per pupil as determined by the state board of education.

(2) "Operating expenses" mean the total expenditures of a school district during school year 2001-2002, except lawful transfers, capital outlay expenditures and bond and interest expenditures.

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Attachment 7