

SESSION OF 2004

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 512**

As Amended by Senate Committee of the Whole

**Brief\***

SB 512 would implement the School-Based Budget Law applicable to school districts with an enrollment of more than 2,500 students in the 2002-03 school year. Under the provisions of SB 512, larger school districts would be required to show certain expenditures on an attendance center basis. The bill would expand the information that is required to be reported on school district budget forms to include a more detailed listing of categories of employees and, by category, aggregated expenditures for salaries, wages, and fringe benefits. The form also would have to show aggregated expenditures by revenue source, including federal funds. In addition, the number of employees for each employment category, except for substitute teacher, would have to be shown. However, districts affected by the bill would not have to comply unless the Legislature appropriates money to pay for expenditures associated with implementing the bill. Any such appropriation would be in addition to any other state aid the school district is entitled to receive.

SB 512 would distinguish between expenditures from funds that must be reported at the district level and those that must be reported at the attendance center level. District level expenditures include those that are difficult to assign to individual attendance centers or are for items that generally are provided on a district-wide basis, such as expenditures from funds for adult education, food service, capital outlay, summer school, transportation, data processing, bond and interest, and student activities. Expenditures that must be reported at the attendance center level are those from the general, supplemental general, bilingual education, professional development, and federal funds.

Because of the difficulty in showing special education expenditures on an attendance center basis, SB 512 provides that special

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

education expenditures for those districts that are affected by the bill be shown on a district-wide basis if the district provides its own special education services; as a transfer to a cooperative or an interlocal for a district that obtains special education services through a cooperative or an interlocal agreement; or as a separate budget for an interlocal or for a district that is the sponsoring district in a cooperative. In each case, the format of the special education budget would be the same used for the attendance center based budget.

The attendance center based budget, or sub-budget as defined in SB 512, would include an aggregate listing of expenditures for salaries, wages, and fringe benefits for the following categories of employees: administrators, teachers, teacher aides, special education teachers, special education paraprofessionals, other certified employees, classified employees, substitutes and other temporary employees, and other positions designated by the State Department of Education. The sub-budget also would show the number of special education and regular pupils, the pupil/teacher ratio, and the total square footage of the building.

School district-level budgets for the larger districts would be required to show expenditures and revenues to be received in the ensuing budget year by source of revenue, the total number of students in the district by classification, such as special education, bi-lingual, at-risk, minority, and sex, and other information, including that required by the State Department of Education. School districts also would be required to prepare a budget for central administrative costs of the district, using the same format as for an attendance center based budget.

Budget formats and coding systems for use by affected school districts at the district and attendance center level would be developed by the State Department of Education. School districts could develop additional material or information in addition to that required by the State Department of Education.

An amendment to current law expands the information that must be reported to a newspaper of general circulation in the district to show the fringe benefits of school district administrators, in addition to their salaries. This provision would apply to all school districts, not just those that would be required to prepare attendance center budgets.



## **Background**

SB 512 was introduced by Senator Bunten and incorporates policies dealt with by the 2003 School-Based Budget Working Group, which he chaired. The stated purpose of the bill is to require school districts to prepare a budget which provides taxpayers of the school district with information at the attendance center level within the district. Preliminary recommendations of the Working Group which are incorporated into SB 512 include the determination of which funds and expenditures should appropriately be reported at the district level and which at the attendance center level. For example, the decision not to show special education expenditures at the attendance center level is based on the Working Group's conclusion that, because of particular problems assigning special education expenditures to individual attendance centers, it would be more appropriate to account for those expenditures at the level of the district, cooperative, or interlocal, depending on the specific method by which special education services are delivered.

As introduced, the bill would have applied to all school districts. The Senate Committee of the Whole added an amendment to apply the legislation only to those school districts that have an enrollment of more than 2,500 pupils. That cut-off point would result in the bill applying to an estimated 32 districts, based on school year 2002-03 enrollments. The Senate Committee of the Whole also added an amendment stipulating that school districts do not need to comply with the requirement unless the Legislature makes an appropriation specifically to fund expenditures incurred as a result of the legislation. Any money appropriated by the Legislature to enable school districts to comply with the bill would have to be in addition to other state aid the districts are entitled to receive.

It is not known what the fiscal impact of SB 512 in its amended version would be. (The State Department of Education is in the process of developing an estimate.) The Division of the Budget estimated that costs to school districts to implement SB 512 in its original version would range from \$4.2 million to \$5.0 million. In addition, the State Department of Education indicated that it would need \$20,000 for staff and computer programming time.

