

February 19, 2025

The Honorable Renee Erickson, Chairperson
Senate Committee on Education
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 140 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 140 is respectfully submitted to your committee.

On and after January 1, 2026, SB 140 would require school district budgets to include the following at the object level of expenditure: (1) actual expenditures for the preceding and second preceding years; (2) budgeted expenditures for the current year, along with amounts that were originally budgeted; and (3) expenditures for the ensuing budget year.

For each budget year of the above information, if the estimated or actual expenditures for any item would exceed \$100,000 and the estimated or actual expenditures would deviate by 10.0 percent or more from the amount that was originally budgeted, the local board of education would be required to explain the deviation. A separate report would be required to be prepared for each applicable budget year for the deviations.

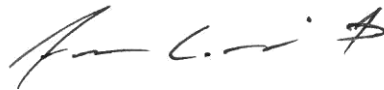
Finally, the bill would require a local board of education to prepare a report for any budget item would deviate by 10.0 percent or more from the current year for the ensuing year. This provision would only apply for items in which the estimated expenditures in the current year would exceed \$50,000.

According to the Department of Education, the enactment of the bill would require a significant change in the platform the agency uses to collect school district budget data. Historically, the Department has relied on a budget submission process for all school districts that has been developed "in-house." However, this bill would fundamentally change the system in which the data would be collected and the current Microsoft Excel-based system could not support

this change. The agency would have to contract the work required on a new system, as the Department does not have enough staff to facilitate this update.

The Department estimates that expenditures between \$3.0 million and \$5.0 million in one-time costs would be required for a new system, based upon that the new system would have to be operational by January 1, 2026. In addition, subsequent fiscal years would require approximately \$500,000 for on-going maintenance for the new system. However, until a request for proposal would be issued by the agency, actual costs for a system are not known. For local school districts, the bill's enactment would require a significant shift in how schools would account for expenditures. Internal school district budgeting systems would have to be modified as well; however, a fiscal effect cannot be estimated. Any fiscal effect associated with SB 140 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Gabrielle Hull, Department of Education
Angie Stallbaumer, Kansas Association of School Boards