

SESSION OF 2003

**CONFERENCE COMMITTEE REPORT BRIEF  
SENATE SUBSTITUTE FOR HOUSE BILL NO. 2399**

As Agreed to May 5, 2003

**Brief \***

Senate Sub. for HB 2399 contains the following policies relating to schools: exceptions for school districts to the Cash Basis Law, delayed state aid payments, powers of temporary boards of education when school districts have consolidated, school district expenditures from the capital outlay fund, and renewal of the statewide 20-mill school district levy and \$20,000 residential exemption. Each of these policies is discussed below.

**Exceptions to the Cash Basis Law.** Senate Sub. for HB 2399 amends SB 4, which was enacted by the 2003 Legislature and has been signed by the Governor. Senate Sub. for HB 2399 would clarify the exception to the Cash Basis Law for school districts when state aid payments are late and would expand the scope of payments involved, by doing the following:

- Applying the exception to supplemental general state aid payments, in addition to general state aid payments; and
- Making it clear that a payment is late when it is made after the specific date prescribed by the State Board of Education, not just when it is not made in the month in which it is due.

**Delayed State Aid Payments.** Senate Sub. for HB 2399 would provide that, if any amount of general or supplemental general state aid that is due to be paid in June is not paid in June, the payment must be made on July 1, or as soon as money is available. Any payment of general or supplemental 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 school districts as a receipt for the school year ending on June 30.

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org/klrd>

The delayed state aid provision also would require that, if a district is legally required to make a payment during June and there is not enough money to do so because state aid payments are late, the school district must make the payment as soon as money is available.

**Powers of Temporary Boards of Education When School Districts Have Consolidated.** Senate Sub. for HB 2399 contains provisions that apply to school districts that have been approved to consolidate. In such a case, following the election to consolidate, the temporary board of education, which is required under current law to be in place until the new board has been elected, would be given power to enter into contracts, adopt resolutions, recognize bargaining units, and take other action necessary to provide for the maintenance, finance, and operation of the consolidated school districts. The temporary board would be granted the power to enter into contracts of employment for all personnel it considers necessary to operate the consolidated school district. The temporary board's power could not be exercised more than 90 days prior to the consolidation of the districts.

**Extension of the Statewide 20-Mill School District Levy.** Senate Sub. for HB 2399 would reenact for the 2003-04 and 2004-05 school years (property tax years 2003 and 2004) the 20-mill mandatory school district general fund property tax levy and the \$20,000 residential exemption therefrom.

**Expenditures for Capital Outlay.** Senate Sub. for HB 2399 would provide that, for school year 2003-04 only, school districts would be authorized to impose a tax levy for capital outlay and use revenues generated by the levy to purchase computer software and other technology expenses and make payments for utility services and property insurance premiums.

School districts that choose to impose the levy would have to adopt a resolution authorizing a capital outlay levy for the expanded purposes. This levy could be made under one of the following conditions:

- A school district that currently is making a capital outlay levy could adopt a resolution authorizing a capital outlay levy for the expanded purposes without the resolution being subject to protest and election if the aggregate amount the district is authorized to levy for capital outlay for purposes under existing

law and for expanded purposes and the amounts levied for bond and interest payments and the local option budget in the 2003-04 school year do not exceed the aggregate amount it was authorized to levy for capital outlay and the amounts levied for bond and interest payments and the local option budget in the 2002-03 school year.

- If adopting a resolution authorizing a capital outlay levy for the expanded purposes would cause a school district that currently is making a capital outlay levy to exceed the aggregate limit described above, the district could adopt the resolution subject to protest and election.
- If a school district is not making a capital outlay levy in school year 2002-03 (an estimated 60 districts), the district could adopt a resolution to make a levy of up to 4 mills in school year 2003-04 for the expanded purposes. The resolution would be subject to protest and election.

**Note:** In each of the cases described above, the amount of money derived from the capital outlay levy for expanded purposes could not exceed an amount equal to 1.5 percent of the school district's general fund for school year 2003-04. In addition, none of the three conditions described above would restrict a school district from making or increasing its capital outlay levy in the 2003-04 school year for capital outlay purposes that are authorized under current law.