

SESSION OF 2009

**SECOND CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 84**

As Agreed to April 2, 2009

Brief*

SB 84 would amend the current cash-basis law to create an exception for school districts when expenditures exceed current revenues due to the late payment of general or supplemental general state aid. The bill would allow the state to make the balance of its fiscal year 2008-2009 state aid payments to a school district after June 30 without the school districts violating current cash-basis law. Under current law, school districts would be out of compliance with the state's cash-basis law, requiring financial reports to note the violation. The provision does not identify a school year in which it would sunset, allowing it to be on-going in nature.

The bill also would provide an alternative formula for the calculation of the local option budget of a school district. The bill would authorize a school district to calculate its local option budget using a base state aid per pupil (BSAPP) of \$4,433 (the amount of BSAPP for the current school year) in any school year in which the BSAPP is less than that amount. The bill also would authorize a school district to calculate its local option budget using an amount equal to the amount appropriated for state aid for special education and related services in school year 2008-2009. (A school district may enact a local option budget up to a maximum of 31 percent of the district's state financial aid, which includes the BSAPP multiplied by a district's adjusted enrollment, and state aid for special education.) This provision would expire on June 30, 2012.

*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. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

Conference Committee Action

The Conference Committee placed the provisions of SB 84 into another bill, then placed the provisions of Senate Bills 73 and 74 into SB 84. A second Conference Committee added a sunset provision to the bill.

Background

Proponents of SB 73, as introduced, included: Senator Vratil; representatives of the Kansas Association of School Boards, United School Administrators of Kansas, Schools for Quality Education; and Seaman, Sabetha, Shawnee Mission, Blue Valley, Kansas City, Kansas, Topeka, and Olathe school districts.

The Senate Committee on Education amended SB 73 by authorizing adoption of a local option budget for the 2008-2009 and future school years based on a BSAPP of \$4,433. The Senate Committee on Education also amended the bill to authorize a local option budget based on the appropriated amount for the school district for state aid for special education and related services in school year 2008-2009.

SB 74 was introduced by the Senate Ways and Means Committee.

The Division of Budget fiscal note on the introduced version of SB 73 indicated there would be no requirement for any additional state appropriations. In addition, the fiscal note stated that the Department of Education indicated that freezing the BSAPP at \$4,433 would have negligible effects on school districts.

The fiscal note prepared by the Division of the Budget for SB 74 indicated the bill would have little or no fiscal effect. However, the note indicates that passage of the bill would rectify the current situation in which the state delayed payments \$191.5 million of general state aid and supplemental state aid to school districts for the 2008-2009 school year.

cash-basis law; school district expenditures