

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2704

As Amended by Senate Committee of the Whole

Brief*

HB 2704, as amended, would expand a statute authorizing discussions regarding school district consolidation so that the statute would allow the boards of education of any two or more districts to discuss issues relating to consolidation and enter into agreements to form one or more consolidated unified districts so long as the result is fewer school districts. This provision of the bill would take effect upon publication in the *Kansas Register*.

In addition, the bill would amend a provision in the special education law which provides for the payment of Medicaid replacement aid to school districts. Under current law, during the school years of 2007-2008, 2008-2009, and 2009-2010, the State Board of Education is required to designate a portion of special education state aid as Medicaid replacement. This funding cannot exceed \$9.0 million in any school year. The bill would remove the designated school years resulting in designation on a permanent basis.

The bill would define "taxable tangible property" as real property, personal property, state-assessed property, and motor vehicles in the school finance law regarding the tax levies for ancillary facilities weighting, cost of living, and declining enrollment. Under current law, motor vehicle taxes are not factored into these levies.

The bill would provide that any student transferring from a closed or discontinued school because of school district

*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>

consolidation would be eligible for interschool activities immediately upon enrollment at another school in the consolidated district. The student would be required to enroll in a school near the student's home allowing the student to reside at home and meet all other eligibility requirements.

Background

Currently, KSA 2009 Supp. 72-8701 authorizes any two or more school districts to discuss consolidation and enter into agreements to form one consolidated unified school district. As the bill has been amended, it would expand this statute so that any two or more districts could agree to form one or more districts, so long as the resulting number is fewer school districts.

Representative Aurand was the proponent of the original bill, which dealt with low enrollment weighting as well as consolidation.

Representatives of the Doniphan West, Wathena and Ellwood school districts appeared as neutral toward the original bill.

Opponents of the provision of the original bill that dealt with area and enrollment included Representative Lukert; representatives of the Kansas Association of School Boards, Schools for Quality Education, Solomon School District, Goessell School District, Chase/Raymond School District, Victoria School District, Pike Valley School District, Caldwell School District, South Haven School District, Oxford School District, Plainville School District, and Argonia School District. There were no opponents to the provision of the original bill that allowed three or more school districts to form two consolidated unified districts.

As introduced, the low enrollment provision would have applied to districts that are less than 200 square miles in area and which have an enrollment of less than 400 pupils. The Committee reduced the enrollment requirement to 200 pupils.

The Committee also amended the bill to make the provision allowing the consolidation of three or more districts effective upon publication in the *Kansas Register*.

The House Committee of the Whole amended the bill by deleting the provision that would have required any school district with less than 200 square miles in area and an enrollment of less than 200 pupils to have the same low enrollment weighting as those districts with 200 pupils.

The Senate Education Committee amended the bill allowing any two or more districts to consolidate into one or more districts as long as the result is fewer school districts.

The Senate Committee of the Whole added SB 512 to this bill. This amendment would remove the sunset on Medicaid replacement aid to school districts. SB 354 was added as an amendment which would define “taxable tangible property” as real property, personal property, state-assessed property, and motor vehicles in the school finance law regarding tax levies for ancillary facilities weighting, cost of living, and declining enrollment.

Finally, the Senate Committee of the Whole amended the bill by adding a provision requiring that students transferring to another school due to school district consolidation be eligible for interschool activities immediately upon enrollment in the consolidated school district.

The Division of Budget fiscal note on the original bill said that the bill would reduce state aid payments by \$3,260,968—all from the State General Fund—beginning in FY 2013. However, there was no fiscal note on the amended bill.