

January 31, 2022

The Honorable Kristey Williams, Chairperson
House Committee on K-12 Education Budget
Statehouse, Room 546-S
Topeka, Kansas 66612

Dear Representative Williams:

SUBJECT: Fiscal Note for HB 2553 by House Committee on K-12 Education Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2553 is respectfully submitted to your committee.

HB 2553 would allow students on or after July 1, 2022, to transfer and attend at any time during the school year in any school district in the state. The bill would require school districts to set transfer capacity and to adopt student transfer policies. School districts would not be able to charge tuition or fees to nonresident students, other than fees charged to every enrolled student. Except for children in the custody of the Department for Children and Families, nonresident students could not transfer more than twice per school year.

Before January 1, 2023, each local board of education would be required to have a policy to determine the number of nonresident students that the district has the capacity to accept in each grade level for each school and reasons for denying a transfer student. Reasons for denial may include high absenteeism and repeated suspensions or expulsions. Each district would be required to post the policy on the district's website.

If a student transfer request is denied by a district, the parent of the nonresident student may appeal the denial to the receiving school district board of education within ten calendar days. If the local board of education denies the transfer, the parent would have ten days to appeal to the State Board of Education. The State Board of Education would be required to promulgate rules and regulations on the appeal process.

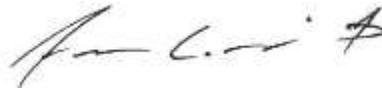
Each school district would be required to submit to the Department of Education the number of student transfers approved and denied and any reason for a denial. The Department would be required to collect this data, post the data to the Department's website, and make the data

available to the Legislative Division of Post Audit. Each year, the Legislative Division of Post audit would be required to select 10.0 percent of school districts at random in the state to conduct an audit of nonresident student transfers. If the audit would find that a school district inaccurately reported capacity levels, the Department of Education would be required to determine capacity levels for that school district. The transportation weighting in the school finance formula would not be used in the computation of nonresident students enrolled in a receiving school.

The Department of Education indicates that the bill would require administrative time from school district for reporting requirements. However, a fiscal effect cannot be estimated. Any costs to the State Board of Education and the Department of Education would be negligible. The Division of the Budget notes that if a student would transfer before the designated student count date, this could potentially affect amount of state aid received for both school districts involved. However, the amount would depend on the school finance formula weighting of the student.

The Legislative Division of Post Audit indicates the enactment of the bill would have no fiscal effect. The cost of the required audit would be included through the annual appropriation for the agency's operation. The agency notes that performing the required audit in the bill would result in one to two other audits being postponed. Any fiscal effect associated with HB 2553 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

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

Adam Proffitt
Director of the Budget

cc: Craig Neuenswander, Education