

## HOUSE BILL No. 2203

By Education Budget Committee

2-2

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1 AN ACT concerning school districts; relating to agreements for  
2 administrative services and analysis of such services.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. As used in sections 1 through 5, and amendments thereto:

6 (a) "Administrative services" means the following:

7 (1) Bulk purchasing of textbooks, supplies and equipment, furniture  
8 and other items;

9 (2) administration and supervision of student transportation and  
10 scheduling thereof;

11 (3) purchasing, preparation and delivery of food service to each  
12 attendance center within a school district;

13 (4) administration, purchasing and coordination of custodial services;

14 (5) provision of maintenance support and specialty services to  
15 attendance centers or other school buildings located within a school  
16 district;

17 (6) payroll processing, benefits administration, accounting and  
18 reporting;

19 (7) group health insurance negotiation, administration and reporting;

20 (8) administration and coordination of human resources for licensed  
21 and nonlicensed personnel;

22 (9) purchasing and providing for the sharing of specialty equipment  
23 between attendance centers;

24 (10) administration, coordination and support of career and technical  
25 education, computer networking and website services; or

26 (11) any other powers, duties and functions of an administrative  
27 nature as prescribed by the state board of education.

28 (b) "Department" means the state department of education.

29 (c) "Education service center" means an entity, whether publicly or  
30 privately owned and operated, that provides any administrative service for  
31 one or more school districts.

32 (d) "Interlocal agreement" means an agreement for the consolidation  
33 of administrative services as authorized by section 2, and amendments  
34 thereto.

35 (e) "School district" means a unified school district organized and  
36 operated under the laws of this state.

1 (f) "State board" means the state board of education.

2 Sec. 2. (a) The boards of education of two or more school districts  
3 may make and enter into agreements providing for the consolidation of  
4 administrative services. Any such agreement is subject to the following:

5 (1) The agreement may be for any term not exceeding a term of five  
6 years;

7 (2) the agreement shall be subject to change or termination by the  
8 legislature; and

9 (3) subject to the limitations provided by law, the agreement may be  
10 changed or terminated by mutual agreement of the participating boards of  
11 education.

12 (b) Any agreement entered into under the authority of this section  
13 shall specify:

14 (1) The education service center to be utilized, whether existing or  
15 newly created, for consolidating administrative services;

16 (2) the administrative services being consolidated;

17 (3) subject to the provisions of subsection (a)(1), the duration of the  
18 agreement; and

19 (4) the manner and method of performance of the responsibilities,  
20 duties and functions required of the participating boards of education.

21 (c) Prior to entering into any agreement under the authority of this  
22 section, a board of education shall adopt a resolution declaring that it has  
23 made a determination that such an agreement should be made and that the  
24 making and entering into of such an agreement would be in the best  
25 interests of the educational system of the school district.

26 Sec. 3. (a) On July 1, 2015, and each July 1 thereafter, or as soon after  
27 such date as such information is readily available, the department shall  
28 determine the median amount of expenditure for each administrative  
29 function category established and required for financial accounting  
30 purposes by the state board as published in the Kansas state department of  
31 education's Kansas accounting handbook for unified school districts, as  
32 published in August 2012, or later versions as established in rules and  
33 regulations adopted by the state board, as follows:

34 (1) The department shall classify each school district by total  
35 enrollment as reported by such school district for the current school year  
36 according to the following classifications:

37 (A) School districts with a total enrollment of less than at least 499;

38 (B) school districts with a total enrollment of at least 500, but not  
39 more than 999;

40 (C) school districts with a total enrollment of at least 1,000, but not  
41 more than 1,999;

42 (D) school districts with a total enrollment of at least 2,000, but not  
43 more than 4,999;

1 (E) school districts with a total enrollment of at least 5,000, but not  
2 more than 14,999; and

3 (F) school districts with a total enrollment of 15,000 or more;

4 (2) the department shall rank those school districts within each  
5 enrollment classification according to the amount such school district  
6 reports as expenditures under administrative functions. Rankings shall be  
7 provided for each administrative function; and

8 (3) the department shall determine the median amount of expenditure  
9 for each administrative function within each enrollment classification.

10 (b) Upon determination of the rankings and median amounts of  
11 expenditures pursuant to subsection (a), the department shall provide such  
12 rankings and median amounts to each school district for the enrollment  
13 classification of such school district.

14 (c) Commencing in school year 2015-2016, at least once every five  
15 years the board of education of each school district shall conduct a study  
16 of those administrative expenditures for which such school district is  
17 ranked above the median amount for its enrollment classification, as  
18 determined by the department, on the potential financial and operational  
19 benefits of consolidating such administrative expenditures through  
20 agreements with education service centers. Such study shall include the  
21 following:

22 (1) An analysis of the financial and operational benefits and  
23 disadvantages in any existing agreement with an education service center;  
24 and

25 (2) an analysis of the financial and operational benefits and  
26 disadvantages of consolidating those administrative services that are not  
27 currently subject to an agreement with an education service center.

28 (d) Upon conclusion of a study required by subsection (a), the board  
29 of education of a school district shall submit a report to the state board, in  
30 such form and manner as prescribed by the state board, that includes:

31 (1) A description of the agreements with education service centers  
32 that the school district has entered into;

33 (2) a description of the agreements with education service centers that  
34 the school district intends to enter into and the financial and operational  
35 benefits of entering into such agreements; and

36 (3) a description of those administrative services that the school  
37 district does not intend to make subject to an agreement with an education  
38 service center, including the specific reasons for not consolidating such  
39 services.

40 Sec. 4. (a) On or before January 15, 2017, and each January 15  
41 thereafter, the state board shall submit a report to the governor and the  
42 legislature on all agreements with education service centers. The report  
43 shall include the following:

1 (1) The aggregate number of such agreements entered into by school  
2 districts;

3 (2) the aggregate number of such agreements that school districts  
4 intend to enter into; and

5 (3) a compilation of the reasons provided as to why school districts  
6 do not intend to consolidate certain administrative services.

7 (b) The state board shall publish and maintain a list of existing  
8 education service centers. Such list shall be provided by the state board to  
9 each school district and shall be published with an easily identifiable link  
10 located on the department's website homepage.

11 Sec. 5. The state board shall adopt rules and regulations necessary to  
12 implement and carry out the provisions of sections 1 through 4, and  
13 amendments thereto.

14 Sec. 6. This act shall take effect and be in force from and after its  
15 publication in the statute book.