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

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

Section 1. As used in sections 1 through 5, and amendments thereto:
(a) "Administrative services" means the following:
(1) Bulk purchasing of textbooks, supplies and equipment, furniture and other items;
(2) administration and supervision of student transportation and scheduling thereof;
(3) purchasing, preparation and delivery of food service to each attendance center within a school district;
(4) administration, purchasing and coordination of custodial services;
(5) provision of maintenance support and specialty services to attendance centers or other school buildings located within a school district;
(6) payroll processing, benefits administration, accounting and reporting;
(7) group health insurance negotiation, administration and reporting;
(8) administration and coordination of human resources for licensed and nonlicensed personnel;
(9) purchasing and providing for the sharing of specialty equipment between attendance centers;
(10) administration, coordination and support of career and technical education, computer networking and website services; or
(11) any other powers, duties and functions of an administrative nature as prescribed by the state board of education.
(b) "Department" means the state department of education.
(c) "Education service center" means an entity, whether publicly or privately owned and operated, that provides any administrative service for one or more school districts.
(d) "Interlocal agreement" means an agreement for the consolidation of administrative services as authorized by section 2, and amendments thereto.
(e) "School district" means a unified school district organized and operated under the laws of this state.
Sec. 2. (a) The boards of education of two or more school districts may make and enter into agreements providing for the consolidation of administrative services. Any such agreement is subject to the following:

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

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

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

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

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

(2) the administrative services being consolidated;

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

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

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

Sec. 3. (a) On July 1, 2014, and each July 1 thereafter, or as soon after such date as such information is readily available, the department shall determine the median amount of expenditure for each administrative function category established and required for financial accounting purposes by the state board as published in the Kansas state department of education's Kansas accounting handbook for unified school districts, as published in August 2012, or later versions as established in rules and regulations adopted by the state board, as follows:

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

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

(B) school districts with a total enrollment of at least 500, but less than 999;

(C) school districts with a total enrollment of at least 1,000, but less than 1,999;

(D) school districts with a total enrollment of at least 2,000, but less than 4,999;
(E) school districts with a total enrollment of at least 5,000, but less than 14,999; and

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

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

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

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

(c) Commencing in school year 2014-2015, at least once every five years the board of education of each school district shall conduct a study of those administrative expenditures for which such school district is ranked above the median amount for its enrollment classification, as determined by the department, on the potential financial and operational benefits of consolidating such administrative expenditures through agreements with education service centers. Such study shall include the following:

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

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

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

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

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

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

Sec. 4. (a) On or before January 15, 2016, and each January 15 thereafter, the state board shall submit a report to the governor and the legislature on all agreements with education service centers. The report shall include the following:
(1) The aggregate number of such agreements entered into by school districts;
(2) the aggregate number of such agreements that school districts intend to enter into; and
(3) a compilation of the reasons provided as to why school districts do not intend to consolidate certain administrative services.

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

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

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