

February 11, 2014

The Honorable Ty Masterson, Chairperson  
Senate Committee on Ways and Means  
Statehouse, Room 545-S  
Topeka, Kansas 66612

Dear Senator Masterson:

**SUBJECT:** Fiscal Note for SB 305 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 305 is respectfully submitted to your committee.

SB 305 would prohibit payments from the School District Capital Improvements Fund in the Kansas Department of Education to eligible districts that have incurred contractual obligations of capital improvement bonds approved on or before June 30, 2014.

In addition, beginning with the 2014-2015 school year, the State Board would determine amounts that school districts would receive for capital improvement state aid projects for those projects approved by the electorate on or before June 30, 2014 and those projects approved on or after July 1, 2014. If in any one school year, the amount appropriated for supplemental general state aid payments is not less than the amount appropriated for the immediately preceding fiscal year, then the Director of Accounts and Reports would transfer the certified amount to the supplemental general state aid account. If the amount appropriated for supplemental general state aid is less than the amount appropriated for the immediately preceding fiscal year, then no transfer would be made by the Director.

According to the Kansas Department of Education, enactment of SB 305 would not affect capital improvement aid to school districts until FY 2017, as bonds issued usually take approximately two to three years after voter approval to receive capital improvement aid. In years when the amount appropriated for supplemental general state aid is not less than the amount appropriated for the immediately preceding fiscal year, capital improvement aid for bonds issued after July 1, 2014, would be transferred to the supplemental general state aid account. With this scenario, the same amount of state aid would be distributed to school districts; however, the type of aid received would depend on what type of aid a district is entitled. In years when the amount appropriated for supplemental general state aid is less than the amount appropriated for the immediately preceding fiscal year, no transfer would be made by the Director, and the aid that would have been distributed as capital improvement aid would

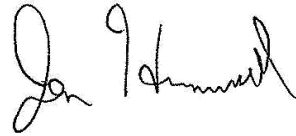
The Honorable Ty Masterson, Chairperson

February 11, 2014

Page 2—SB 305

remain in the State General Fund. With this scenario, the State General Fund would experience a reduction in “transfers out” and these funds would be available for other expenditures, or would remain as part of the ending balance for a particular year.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and a distinct "H".

Jon Hummell,  
Interim Director of the Budget

cc: Dale Dennis, Education