February 10, 2012

The Honorable Clay Aurand, Chairperson
House Committee on Education
Statehouse, Room 174-W
Topeka, Kansas  66612

Dear Representative Aurand:

SUBJECT:  Fiscal Note for HB 2594 by House Committee on Vision 2020

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2594 is respectfully submitted to your committee.

HB 2594 would amend current school finance law effective for fiscal years 2014 through 2017:

1. For school years 2013-2014 through 2016-2017, school enrollments would include at-risk pupil weighting, program weighting, low enrollment weighting, high density at-risk pupil weighting, medium density at-risk pupil weighting, school facilities weighting, special education services weighting, and transportation weighting. The following weightings would be eliminated: non-proficient, ancillary facilities, declining enrollment, cost of living, and correlation;

2. Base state aid per pupil (BSAPP) would be $4,079 in the 2013-2014 school year, and for school years 2014-2015 through 2016-2017, the BSAPP would be 102.0 percent of the BSAPP for the preceding school year;

3. The low enrollment weighting would be capped at 0.9 for school years 2013-14 through 2016-17;

4. Any school district’s unencumbered balances could be expended for general operating expenses for school years 2013-14 through 2016-17;

5. During the 2013-2014 through 2016-2017 school years, a district’s contingency reserve fund could be increased to 30.0 percent of the general fund budget;

6. School districts could adopt a local option budget not to exceed 35.0 percent during the 2013-2014 through 2016-2017 school years;

7. School districts with local option budgets between 32.0 and 35.0 percent would not qualify for supplemental general state aid during the 2013-2014 through 2016-2017 school years; and
8. The statewide mill levy would be increased from 20 to 25 mills for the 2013-2014 and 2014-2015 school years.

According to the Kansas Department of Education, enactment of HB 2594 would result in additional revenues of $133.6 million to local school districts from the statewide five-mill levy increase for the 2013-2014 and 2014-2015 school years. Under the school finance formula, there would be a commensurate reduction in State General Fund spending. In addition, enactment of the bill would increase General State Aid by $123.5 million and Supplemental General State Aid by $56.0 million, all from the State General Fund, beginning with FY 2014. The agency notes that a 2.0 percent increase in BSAPP beginning with FY 2015 would require an additional $53.0 million in General State Aid expenditures, all from the State General Fund. Any fiscal effect associated with HB 2594 is not reflected in The FY 2013 Governor’s Budget Report.

Sincerely,

[Signature]

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Dale Dennis, Education