February 10, 2012

The Honorable Jean Schodorf, Chairperson
Senate Committee on Education
Statehouse, Room 236-E
Topeka, Kansas  66612

Dear Senator Schodorf:

SUBJECT: Fiscal Note for SB 364 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 364 is respectfully submitted to your committee.

SB 364 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 SB 364 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 SB 364 is not reflected in The FY 2013 Governor’s Budget Report.

Sincerely,

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

cc: Dale Dennis, Education