

*Corrected*  
*SESSION OF 2010*

**SUPPLEMENTAL NOTE ON  
HOUSE SUBSTITUTE FOR SENATE BILL NO. 313**

As Recommended by House Committee on  
Appropriations

**Brief\***

House Sub. for SB 313 would establish a limitation on the total amount of State General Fund backed bonds issued by the Kansas Development Finance Authority (KDFA). The bill would require KDFA to certify the amount of estimated outstanding principal balance for a fiscal year. If the outstanding principal balance of State General Fund bonded debt exceeds 25.0 percent of estimated State General Fund revenue for the fiscal year, the bill would restrict KDFA from issuing bonds backed by the State General Fund during that fiscal year.

The bill also would restrict state aid to school districts on bonds issued after the Secretary of Administration has determined that the amount of estimated outstanding principal balance for the fiscal year exceeds 25.0 percent of estimated State General Fund revenue.

**Background**

The House Committee deleted all the contents of SB 313 and inserted the provisions of HB 2355 into the substitute bill. The Committee also included provisions related to state aid on newly issued bonds for school districts. The Committee heard testimony from staff that the current outstanding principal balance of State General Fund bond debt is \$1,084,395,000 for

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

FY 2011, which is approximately 18.6 percent of the November 2009 Consensus State General Fund revenue estimate of \$5,830,628,000 for FY 2011. The Committee also heard testimony that additional State General Fund backed bonds have been authorized, but not yet issued, including \$105.0 million for the National Bio Agro-Defense Facility (NBAF), and \$38.0 million for the Capitol Renovations. The original provisions of HB 2355 set the limitation for bonds at 20.0 percent of estimate revenue. The Committee adjusted the percentage to 25.0 percent in order to ensure that authorized but unissued bonds for projects would not be prohibited.

The original SB 313 would have removed the limitation on the balance maintained in the school district's contingency reserve fund beginning in the current school year and extending through the 2011-2012 school year. The bill was introduced by the Committee on Ways and Means at the request of Senator John Vratil.

A fiscal note was prepared by the Division of the Budget on the original bill, and reflected no fiscal effect on state aid to school districts.