

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE

The meeting was called to order by Chairman Kathe Decker at 9:00 on February 9, 2005 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research
Theresa Kiernan, Revisor of Statutes Office
Art Griggs, Revisor of Statutes Office
Ann Deitcher, Committee Secretary

HB 2024 - an act concerning school districts; relating to special education.

The Chair called on Theresa Kiernan who spoke to the Committee regarding the excess cost of special education. (Attachment 1).

A motion was made by Chairperson Decker and seconded by Representative O'Neal to adopt an amendment to **HB 2024**. The amendment would strike the 88% and make it a three-year step of 85%/88%/90%.

Dale Dennis gave an explanation of how the appropriated funds would impact special ed.

Asked if **HB 2024** would stand alone, the answer was that it would be rolled into the full package.

The motion to adopt the amendment passed on a voice vote.

It was moved by representative O'Neal and seconded by Representative Larkin that **HB 2024** be adopted to be worked by the Committee. The motion passed on a voice vote.

Bi-lingual

The Chair asked that the Committee agree to having the weighting adjusted to add 11M into the bi-lingual program.

A motion was made by Representative O'Neal and seconded by Representative Merrick to have a bill drafted which would include appropriate language that would double the amount into bi-lingual. The motion passed on a voice vote.

The meeting was adjourned at 9:35 a.m. The next Select Committee meeting is scheduled for Friday, February 11, 2005.

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February 2, 2005

CORRECTED

School Finance Incremental Dollar Changes Per: Base State Aid Per Pupil, LOB, Weightings, Special Education, and Revenues

Base State Aid Per Pupil (BSAPP)

\$1 change would require \$581,427.
\$5 change would require \$2,907,135.
\$10 change would require \$5,814,270.

Local Option Budget (LOB) (BSAPP X.238X.286)

\$1 change would require \$39,577 of SGF
\$5 change would require \$197,885 of SGF
\$10 change would require \$395,770 of SGF

Local Option Budget (LOB) % Inc.* (Current Usage)

25% to 26% requires \$7.2 million SGF
25% to 27% requires \$14.4 million SGF
25% to 28% requires \$21.6 million SGF
25% to 29% requires \$28.8 million SGF
25% to 30% requires \$36.0 million SGF

At-Risk Weighting*

.01 change would require \$5.22 million
.05 change would require \$26.10 million
.10 change would require \$52.21 million

Bilingual Weighting*

.01 change would require \$ 504,411
.05 change would require \$2,522,055
.10 would require \$5,044,112
.20 change would require \$10,088,225

Transportation Weighting*

2.5 miles to 2.0 miles would require approximately	\$ 7.0 million
2.5 miles to 1.5 miles would require approximately	14.5 million
2.5 miles to 1.25 miles would require approximately	19.5 million
2.5 miles to 1.00 miles would require approximately	24.5 million

* Any change in the BSAPP coupled with a change in weightings would require additional steps to calculate the amount of increase. These amounts assume BSAPP of \$3,863.

Special Education Excess Costs**

	<u>Amount</u>	<u>Inc. Required</u>
100 percent	\$ 316,093,643	\$ 65,076,798
95 percent	300,288,961	49,272,116
90 percent	284,484,279	33,467,434
85 percent	268,679,597	17,662,752
80 percent	252,874,914	1,858,069
88 percent	278,162,406	27,145,561

** The Governor recommended \$251,016,845 for FY 2006 for Special Education

Select Comm. on School Finance
Date 2-9-05
Attachment # 1-1

Revenues

The following are based on consensus revenue estimates made in November 2004.

- 35 mills would raise an additional \$360.135 million in FY 2006
 - each 1 mill would produce \$24.009 million in local effort in FY 2006
- Repealing the \$20,000 residential exemption would produce \$41.613 million additional effort in FY 2006.
- Sales Tax
 - Effective June 1, 2005: 0.1 percent sales/use tax increase (up to and including 0.5 percent), raises \$38.356 million in FY 2006.
 - Effective June 1, 2005: 1.0 percent increase raises \$351.6 million for FY 2006.
 - Effective July 1, 2005: 0.1 percent sales/use tax increase (up to and including 0.5 percent) \$35.16 million in FY 2006 (due to the one month lag).
 - Effective July 1, 2005: 1.0 percent increase raises \$322.3 million for FY 2006.
- Income Tax
 - Individual Income Tax increase of 1.0 percent raises \$22.6 million in FY 2006. In FY 2007 = \$18.4 million, FY 2008 = \$19.6 million, FY 2009 = \$20.9 million, and in FY 2010 = \$22.2 million
 - Corporate Income Tax increase of 1.0 percent raises \$1.3 million in FY 2006. In FY 2007 thru FY 2010 is an additional \$1.3 million annually.