

SESSION OF 2004

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE
FOR HOUSE BILL NO. 2807**

As Amended by House Committee on
Education

Brief*

House Substitute for HB 2807 would establish the Kansas Equality for Youth Act. The bill would establish school finance based upon assessed property evaluation and the major components of the Act are as follows:

- A. For the 2004-2005 school year would be:** (1) the weighted full-time equivalent students during the 2003-2004 school year adjusted for changes in enrollment for the 2004-2005 school year multiplied by \$3,890; plus (2) the sum of the local option budget funds for the 2003-2004 school year less the amount of special education aid. The statewide 20 mill rate would remain for the 2004-2005 school year plus the local option budget levy for 2003-2004 school year.
- ! The assessed valuation is computed by excluding \$20,000 on the appraised value of each home for the first 20 mills. The bill is not clear if the exemption applies on any addition mills levied including the ones levied for the old supplement general aid. (If two assessed evaluations are to be used, based on one with and one without an exemption, the bill does not specify how the State Board of Education would address determining the combined assessed evaluation with regard to the 95th percentile requirement. In addition, the bill does not specify which year assessed valuation is to be used to compute the formula. Current law states prior year's assessed valuation.)
- ! Any balances in a district's supplemental general fund, bilingual education fund, vocational education fund, and professional

*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>

development fund would be transferred to the district's general fund. Ancillary facilities weighting has been excluded for the general fund; however, no provisions have been made to authorize expenditures from this fund. However, the ancillary facilities weighting is included in the initial base budget calculation.

- ! For the Flint Hills Job Corps Center or Juvenile Detention Facility pupils the amount is \$7,780 per pupil.
- ! An appropriation of \$1.5 million from the State General Fund is made for Bilingual education.
- ! An appropriation of \$5.5 million from the State General Fund is made for At-Risk education.

B. For subsequent years the base budget authority would be:

The state aid hold harmless amount, the amount provided by the state in school year 2004-2005; plus the budget authority hold harmless, plus the product of the state average assessed valuation per pupil factor, multiplied by the current levy, multiplied by enrollment, multiplied by the state assistance factor, plus the base budget enhancement. Until July 1, 2008, the budget authority of any school district cannot increase more than 10 percent above the prior year amount plus the percentage increase in enrollment.

" The budget authority hold harmless means a positive amount which is the initial budget, less the 2004-05 state average assessed valuation per pupil factor, multiplied by the initial levy, multiplied by enrollment for the 2004-2005 school year, and this amount shall be used for that year and all subsequent years.

" The state average assessed valuation per pupil factor means the resulting value based upon the 95th percentile of district assessed valuation per pupil amounts for each district in the state. The assessed valuation is computed by excluding \$20,000 on the appraised value of each home for the first 20 mills. (If two assessed evaluations are to be used, based on one with and one without an exemption, the bill does not specify how the State Board of Education would address determining the combined assessed evaluation with regard to

the 95th percentile requirement. The bill does not specify which year assessed valuation is to be used to compute the formula.)

" The state assistance factor means 100 percent minus the percentage derived by dividing the district average assessed valuation per pupil by the state average assessed valuation per pupil.

! If the state does not provide an appropriation equal to the 95th percentile on a four-year average for all districts minus local levy; then the distribution of the funds appropriated shall be distributed in the following manner:

" All school districts would receive general state aid based on the prior year mill levy rates and prior year assessed valuation per pupil and prorated if necessary;

" If the amount appropriated is more than sufficient to pay the full general state aid as outlined above, then school districts would receive general state aid based on the prior year mill levy rate and the current year's assessed valuation per pupil, and prorated if necessary; and

" If the amount appropriated is more than sufficient to pay the full general state aid as outlined above, then school districts would receive general state aid based on the current year mill levy rate and the current year's assessed valuation per pupil, and prorated if necessary. However, if proration is necessary, school districts would utilize the prior year mill levy plus the increase in the proposed current year mill levy rate times the proration percentage.

! A school district would be allowed to carryforward up to 10 percent in their general fund account.

! For the Flint Hills Job Corps Center or Juvenile Detention Facility pupils such amount shall be adjusted for changes in the consumer price index or a similar inflation index, as determined by the State Board of Education.

- ! A local board after June 30, 2004, may change their mill rate with majority approval of the school board.
- ! If the reading or math proficiency rate for the district are lower than the reading or math proficiency rate for the state, the district must maintain a levy equal to the initial levy plus the average statewide changes to the initial levy.
- ! Special Education funding would be provided outside of provisions of this bill.
- ! No special funding for bilingual education or at-risk education is provided.

Background

Proponents for the bill included two representatives of Blue Valley, USD 229. Opponents included Kansas Association of School Boards, Kansas National Education Association, and a representative of Hays USD 489 and Seaman USD 345.

At the time the bill was worked in Committee, no fiscal note was available.