

SESSION OF 2009

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2095**

As Amended by House Committee on  
Appropriations

**Brief\***

HB 2095 would authorize school districts to create a Special Capital Outlay Fund and levy up to two mills annually to pay the costs associated with insurance and utility services. This authority would be in addition to the existing capital outlay authority of school districts under KSA 72-8801 *et seq.* If a school district would choose to impose a special capital outlay levy, the resolution would be subject to a 10 percent protest petition and election. The special capital outlay revenue would be equalized.

The bill would authorize school districts to issue no-fund warrants to pay teacher salaries and benefits if the local board determines there are insufficient revenues in the general fund to pay these salaries and benefits. School districts would be required to levy a tax in the next tax levying period to repay the warrants, and this tax levy would be equalized. In addition, the bill would impose a limitation on the amount of the tax levy to repay no-fund warrants to the amount necessary to pay for teacher salaries and benefits as provided in the 2008-2009 school year budget and any amendment to the budget adopted prior to the effective date of this bill.

The bill would authorize school districts to adopt local option budgets in each of the school years 2009 - 2010 through 2011 - 2012 using a base state aid per pupil (BSAPP) of \$4,433 (the amount of BSAPP for the current school year) and an amount equal to the amount appropriated for state aid for special education and related services in school year 2008-2009.

---

\*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>

The bill also would amend a provision in the cash-basis law to make permanent an exception for school districts for expenditures in excess of current revenues if the deficit or shortage in revenues is caused by the late payment of general or supplemental state aid. (The current exception expired in 2007.)

## **Background**

The House Appropriations Committee recommended the introduction of the bill. The bill was supported by Blue Valley USD 229. The bill was opposed by representatives from the Kansas National Education Association and Schools for Fair Funding. A representative of the Kansas Association of School Board's presented neutral testimony. A representative of the Wichita Public Schools opposed portions of the original bill and supported other provisions.

The House Appropriations Committee amended the bill by removing a provision that would have allowed a school district to increase the maximum amount of its capital outlay levy under current law from 8 mills to 10 mills (KSA 72-8801 *et seq.*). The Committee also amended the bill by equalizing the authority for the special capital outlay levy and the tax levy to repay the no-fund warrants. In addition, the Committee amended the bill to clarify that the special capital outlay levy could be renewed. Another Committee amendment included a limitation on the amount of the tax levy to repay no-fund warrants to the amount necessary to pay for teacher salaries and benefits as provided in the 2008-2009 school year budget and any amendment to the budget adopted prior to the effective date of this bill. The Committee also amended the bill allowing school districts to use the state aid for special education and related services from school year 2008-2009 on which to base the district's local option budget. Finally, one technical amendment was made to the bill correcting the name of the State Court of Tax Appeals.

The fiscal note prepared by the Division of the Budget indicates that passage of the original bill would cost the state an additional \$250,000 in additional capital outlay aid, all from the State General Fund. The bill could have additional costs at the local level, specifically on taxpayers, if no-fund warrants are issued resulting in the local boards of education authorizing to levy an additional property tax to pay for the warrants. There was no fiscal note for the amended bill.