

# KANSAS STATE DEPARTMENT OF EDUCATION

## Budget Committee Report

**KLRD Analyst:** Light  
**KLRD Summary:** Vol. 2, Pg. 79  
**Bill Number:** Sub. for HB 2007

**DOB Analyst:** Arpin  
**GBR Analysis:** Vol. 2, Pg. 320  
**Committee:** Senate Committee on Education

### Summary, FY 2023 – FY 2026

#### Expenditures by Fund Type

	Actual FY 2023	Actual FY 2024	Senate FY 2025	Senate FY 2026
<b>State Operations</b>	\$ 90,733,149	\$ 86,682,201	\$ 80,373,695	\$ 77,869,972
State General Fund	17,624,437	20,117,617	20,704,081	20,994,997
Federal Funds	66,620,026	59,000,149	51,028,913	48,997,029
All Other Funds	6,488,686	7,564,435	8,640,701	7,877,946
<b>State Aid and Assistance</b>	<b>\$ 6,506,626,637</b>	<b>\$ 6,584,027,500</b>	<b>\$ 6,481,199,456</b>	<b>\$ 6,589,437,857</b>
State General Fund	4,355,032,770	4,531,715,339	4,764,664,113	4,947,415,768
Federal Funds	1,019,308,391	1,025,180,957	641,948,181	545,880,419
All Other Funds	1,132,285,476	1,027,131,204	1,074,587,162	1,096,141,670
<b>Capital Budget and Debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
State General Fund	-	-	-	-
Federal Funds	-	-	-	-
All Other Funds	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,597,359,786</b>	<b>\$ 6,670,709,701</b>	<b>\$ 6,561,573,151</b>	<b>\$ 6,667,307,829</b>

#### Financing by Expenditure Group

	Actual FY 2023	Actual FY 2024	Senate FY 2025	Senate FY 2026
<b>State General Fund</b>	<b>\$ 4,372,657,207</b>	<b>\$ 4,551,832,956</b>	<b>\$ 4,785,368,194</b>	<b>\$ 4,968,410,765</b>
State Operations	17,624,437	20,117,617	20,704,081	20,994,997
State Aid and Assistance	4,355,032,770	4,531,715,339	4,764,664,113	4,947,415,768
Capital Budget and Debt	-	-	-	-
<b>Federal Funds</b>	<b>\$ 1,085,928,417</b>	<b>\$ 1,084,181,106</b>	<b>\$ 692,977,094</b>	<b>\$ 594,877,448</b>
State Operations	66,620,026	59,000,149	51,028,913	48,997,029
State Aid and Assistance	1,019,308,391	1,025,180,957	641,948,181	545,880,419
Capital Budget and Debt	-	-	-	-
<b>All Other Funds</b>	<b>\$ 1,138,774,162</b>	<b>\$ 1,034,695,639</b>	<b>\$ 1,083,227,863</b>	<b>\$ 1,104,019,616</b>
State Operations	6,488,686	7,564,435	8,640,701	7,877,946
State Aid and Assistance	1,132,285,476	1,027,131,204	1,074,587,162	1,096,141,670
Capital Budget and Debt	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,597,359,786</b>	<b>\$ 6,670,709,701</b>	<b>\$ 6,561,573,151</b>	<b>\$ 6,667,307,829</b>

FTE Positions	258.3	267.9	270.9	270.9
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# KANSAS STATE DEPARTMENT OF EDUCATION

## Budget Committee Report

### FY 2025

	Agency	LBC	House	Senate	Conference
<b>State Operations</b>	\$ 80,373,695	\$ 79,973,554	\$ 80,373,695	\$ 80,373,695	\$ -
State General Fund	20,704,081	20,704,081	20,704,081	20,704,081	-
Federal Funds	51,028,913	50,628,772	51,028,913	51,028,913	-
All Other Funds	8,640,701	8,640,701	8,640,701	8,640,701	-
<b>State Aid and Assistance</b>	<b>\$ 6,494,705,723</b>	<b>\$ 6,492,138,612</b>	<b>\$ 6,492,162,487</b>	<b>\$ 6,481,199,456</b>	<b>\$ -</b>
State General Fund	4,795,908,591	4,775,553,269	4,775,577,144	4,764,664,113	-
Federal Funds	641,948,181	641,948,181	641,948,181	641,948,181	-
All Other Funds	1,056,848,951	1,074,637,162	1,074,637,162	1,074,587,162	-
<b>Capital Budget and Debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,575,079,418</b>	<b>\$ 6,572,112,166</b>	<b>\$ 6,572,536,182</b>	<b>\$ 6,561,573,151</b>	<b>\$ -</b>
FTE Positions	270.9	262.9	270.9	270.9	--

### Agency

The agency requests a revised estimate of \$6.6 billion, including \$4.8 billion SGF, and 270.9 FTE positions in FY 2025. The revised estimate is an all funds decrease of \$17.1 million, or 0.3 percent, and a SGF decrease of \$112.9 million, or 2.3 percent, below the FY 2025 approved amount. The SGF decrease is mainly due to the agency's adjustment returning to the Spring 2024 Education Consensus numbers. The agency did not include any supplemental requests in FY 2025. There is a net increase of 3.0 FTE positions due to a federal grant for Statewide Longitudinal Data Systems in FY 2025.

### Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate in FY 2025, with the following adjustments:

1. Delete \$2.1 million SGF to remove the reappropriation for state aid to juvenile detention facilities and Flint Hills Job Corps Center grants (\$2,078,502) and Special Education State Aid (\$23,875) in FY 2025. All reappropriation lapses will be reconsidered during the 2025 Legislative Session.
2. Delete \$400,141, all from federal funds, as part of for salaries and wages and delete 8.0 FTE positions in FY 2025. (The agency request included a deletion of 5.0 FTE positions and an addition of 8.0 FTE positions, for a net increase of 3.0 FTE positions.)
3. Delete \$464,734, including a deletion of \$18.3 million SGF, to fully adopt the Fall 2024 Consensus numbers in FY 2025. (The total adjustment is a decrease of \$171.1 million, including \$121.4 million SGF, from the amount approved by the 2024 Legislature.)
4. Delete language for the authority to transfer the cash balance in the School District Capital Improvements Fund to the SGF in FY 2025.

### House Committee on K-12 Education Budget

The **Budget Committee** concurs with the LBC's recommendation in FY 2025, with the following adjustments:

1. Add \$23,875 SGF to not lapse the reappropriation for Special Education State Aid in FY 2025.
2. Add \$400,141, all from federal funds, for salaries and wages and add 8.0 FTE positions in FY 2025. (The agency request included a deletion of 5.0 FTE positions and an addition of 8.0 FTE positions, for a net increase of 3.0 FTE positions. This returns the agency to a net increase of 3.0 FTE positions.)

## KANSAS STATE DEPARTMENT OF EDUCATION

### Budget Committee Report

3. Add language to transfer the cash balance of \$328 from the School District Capital Improvement fund (652 00 2880 2880) to the State General Fund in FY 2025.

### House Committee on Appropriations

The **House Committee** concurs with the House Committee on K-12 Education Budget's recommendation in FY 2025.

### House Committee of the Whole

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2025.

### Senate Committee on Education

The **Senate Committee on Education** concurs with the House Committee of the Whole's recommendation in FY 2025, with the following adjustments:

1. Delete \$5.0 million SGF for School Safety and Security Grants in FY 2025.
2. Delete \$1.8 million SGF for Professional Development in FY 2025.
3. Delete \$1.5 million SGF for CTE Transportation in FY 2025.
4. Delete \$1.3 million SGF for the Mentor Teacher Program in FY 2025.
5. Delete \$1.0 million SGF for Computer Science Advancement Grants (PACK Grants) in FY 2025.
6. Delete \$360,693 SGF for Teacher Excellence in FY 2025.
7. Delete \$50,000, all from special revenue funds, for SparkWheel in FY 2025.

# KANSAS STATE DEPARTMENT OF EDUCATION

## Budget Committee Report

### FY 2026

	Agency	LBC	House	Senate	Conference
<b>State Operations</b>	\$ 78,481,972	\$ 77,285,331	\$ 77,869,972	\$ 77,869,972	\$ -
State General Fund	21,702,917	20,810,497	20,994,997	20,994,997	-
Federal Funds	48,997,029	48,596,888	48,997,029	48,997,029	-
All Other Funds	7,782,026	7,877,946	7,877,946	7,877,946	-
<b>State Aid and Assistance</b>	\$ 6,726,282,012	\$ 6,600,400,888	\$ 6,607,900,888	\$ 6,589,437,857	\$ -
State General Fund	5,116,287,923	4,958,328,799	4,963,828,799	4,947,415,768	-
Federal Funds	545,880,419	545,880,419	547,880,419	545,880,419	-
All Other Funds	1,064,113,670	1,096,191,670	1,096,191,670	1,096,141,670	-
<b>Capital Budget and Debt</b>	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	\$ 6,804,763,984	\$ 6,677,686,219	\$ 6,685,770,860	\$ 6,667,307,829	\$ -
FTE Positions	276.9	262.2	270.9	270.9	--

### Agency

The agency requests \$6.8 billion, including \$5.1 billion SGF, and 276.9 FTE positions for FY 2026. This is an all funds increase of \$236.7 million, or 3.6 percent, and an SGF increase of \$230.1 million, or 4.7 percent, above the FY 2025 approved amount, excluding reappropriations. This is also an increase of 6.0 FTE positions above the amount requested for FY 2025.

The agency submits nine enhancement requests, totaling \$105.4 million, including \$105.5 million SGF. The enhancements include a three-year plan to **increase Special Education State Aid** (an additional \$87.6 million SGF per year), increase **Safe and Secure Schools Grants** funding (an additional \$10.0 million SGF), fully fund **Professional Development** (an additional \$4.5 million SGF), fully fund the **Mentor-Teacher program** (an additional \$1.0 million SGF), **replace State Fiscal Recovery Fund funding to the E-Rate program** (\$1.0 million SGF), **implement 2024 House Sub. for SB 387** (\$626,500 SGF and 6.0 FTE positions), increase **State Board of Education members compensation** (an additional \$170,000 SGF), increase funding for the **Career and Technical Education Transportation** program (an additional \$517,662 SGF), and replace a transfer from the Kansas Board of Regents (\$95,920 SGF) to the **E-Rate program**.

The agency also submitted several language only requests which have been in previous budget bills, including continued authority to transfer funds between the agency's SGF accounts, distribute state aid from the State Safety Fund when the funds are available, and distribute donations of income tax refunds made by Kansas taxpayers to school districts if there is no school designated or if the school number is incorrect for FY 2026.

### Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate for FY 2026, with the following adjustments:

1. Delete \$105.4 million, including \$105.5 million SGF and delete 6.0 FTE positions for all nine enhancement requests for FY 2026.
2. Delete \$400,141, all from federal funds, as part of for salaries and wages and delete 8.0 FTE positions for FY 2026. (The agency request included a deletion of 5.0 FTE positions and an addition of 8.0 FTE positions, for a net increase of 3.0 FTE positions.)
3. Delete \$21.3 million, including \$53.4 million SGF, to fully adopt the Fall 2024 Education Consensus for FY 2026. (The total adjustment is a decrease of \$187.5 million, including \$151.6 million SGF, from the amount approved by the 2024 Legislature.)

## KANSAS STATE DEPARTMENT OF EDUCATION

### Budget Committee Report

4. Do not add language reauthorizing the 20-mills property tax levy for K-12 education for FY 2026 and FY 2027.
5. Do not add language allowing the agency to do the following for FY 2026:
  - Transfer money within SGF accounts,
  - Distribute State Safety Fund aid when available, and
  - Distribute donations of income tax refunds to all schools.

### House Committee on K-12 Education Budget

The **Budget Committee** concurs with the LBC's recommendation for FY 2026, with the following adjustments:

1. Add \$30.0 million SGF for Special Education State Aid and distribute in accordance with KSA 72-3422 for FY 2026.
2. Add \$2.0 million SGF for the Safe and Secure Schools Grants program and add language regarding how the money from the fund may be expended for FY 2026.
3. Add \$2.0 million SGF to help cover copay costs for breakfast and lunch for at-risk students for FY 2026.
4. Add \$1.3 million SGF for SparkWheel for FY 2026.
5. Add \$700,000 SGF for the Mentor Teacher Program for FY 2026.
6. Add \$500,000 SGF for the E-Rate program state match for FY 2026.
7. Add \$400,141, all from federal funds, for salaries and wages and add 8.0 FTE positions for FY 2026. (The agency request included a deletion of 5.0 FTE positions and an addition of 8.0 FTE positions, for a net increase of 3.0 FTE positions. This returns the agency to a net increase of 3.0 FTE positions.)
8. Add \$300,000 SGF for the Career and Technical Education Transportation program for FY 2026.
9. Add \$250,000 SGF for a CPR and AED instruction grant fund and add language regarding how the money from the fund may be expended for FY 2026.
10. Add \$184,500 SGF to implement provisions of 2024 House Sub. for SB 387 for FY 2026.
11. Add \$170,000 SGF for the State Board of Education members' compensation for FY 2026. Additionally, the Budget Committee recommends a statutory change to effectuate such intent in future fiscal years.
12. Retain language in HB 2007 which allows the agency to do the following for FY 2026:
  - Transfer money within SGF accounts,
  - Distribute State Safety Fund aid when available, and
  - Distribute donations of income tax refunds to all schools.
13. The Budget Committee also requests that the House Committee on Appropriations consider adding \$10.0 million SGF for childcare accelerator grants run by the Children's Cabinet for FY 2026.

### House Committee on Appropriations

The **Budget Committee** concurs with the House Committee on Higher Education Budget's recommendation for FY 2026, with the following adjustments:

1. Add \$2.0 million, all from ARPA funds, for a public-private partnership, under the purview of the Children's Cabinet, for childcare facility operations in southwestern Kansas for FY 2026.

# KANSAS STATE DEPARTMENT OF EDUCATION

## Budget Committee Report

2. Delete \$20.0 million SGF for Special Education State for FY 2026.
3. Add language that the district-level excess costs document reported to the districts and the legislature and published by the agency will include excess costs percentages for FY 2026.
4. Add language directing that no less than \$320,000 SGF, all from existing resources, be used to develop and implement a youth career program for grades 6-8 and add language that expenditures from such account for the pilot program shall require a match of nonstate or private moneys on the basis of \$1 nonstate or private funding to \$2 of state funding for FY 2026.
5. Delete \$7.0 million SGF for the Safe and Secure Schools Grants program for FY 2026 and delete language regarding how the money from the fund may be expended for FY 2026.
6. Delete \$2.0 million SGF to help cover copay costs for breakfast and lunch for at-risk students for FY 2026.
7. Delete \$1.3 million SGF for SparkWheel for FY 2026.
8. Add language that allows the agency to use \$1.3 million SGF within existing resources for the SparkWheel program for FY 2026.
9. Delete \$700,000 SGF for the Mentor Teacher Program for FY 2026.
10. Delete \$300,000 SGF for the Career and Technical Education Transportation program for FY 2026.
11. Delete \$250,000 SGF for a CPR and AED instruction grant fund and delete language regarding how the money from the fund may be expended for FY 2026.
12. Delete \$170,000 SGF for the State Board of Education members' compensation for FY 2026.

## House Committee of the Whole

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2026.

## Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** made the following adjustments before the budget was discussed in the Senate Committee on Education:

1. Delete \$2.0 million, all from ARPA interest, for a public-private partnership, under the purview of the Children's Cabinet, for childcare facility operations in southwestern Kansas for FY 2026.

## Senate Committee on Education

The **Senate Committee on Education** concurs with the Senate Committee on Ways and Means' recommendation for FY 2026, with the following adjustments:

1. Delete \$10.0 million SGF for Special Education State Aid for FY 2026.
2. Delete \$5.0 million SGF for School Safety and Security Grants for FY 2026.
3. Delete \$1.8 million SGF for Professional Development for FY 2026.
4. Delete \$1.5 million SGF for CTE Transportation for FY 2026.
5. Delete \$1.3 million SGF for the Mentor Teacher Program for FY 2026.
6. Delete \$1.0 million SGF for Computer Science Advancement Grants (PACK Grants) for FY 2026.
7. Delete \$500,000 SGF for Education SuperHighway (state match for E-Rate program) for FY 2026.
8. Delete \$360,693 SGF for Teacher Excellence for FY 2026.
9. Delete \$50,000, all from special revenue funds, for SparkWheel for FY 2026.

# KANSAS STATE DEPARTMENT OF EDUCATION

## Budget Committee Report

10. Move language regarding the youth career program from a proviso under the Operating Expenditures account to its own subsection for FY 2026. This language directs no less than \$320,000 SGF, all from existing resources, be used to develop and implement a youth career program for grades 6-8 and directs that expenditures from such account for the pilot program shall require a match of nonstate or private moneys on the basis of \$1 nonstate or private funding to \$2 of state funding. Also add language which allows the agency to use SGF or special revenue funds for this purpose.

# KANSAS STATE DEPARTMENT OF EDUCATION

## Budget Committee Report

### FY 2027

	Agency	LBC	House	Senate	Conference
<b>State Operations</b>	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>State Aid and Assistance</b>	\$ -	\$ 6,119,223,579	\$ 6,129,223,579	\$ 6,119,223,579	\$ -
State General Fund	-	5,039,971,800	5,049,971,800	5,039,971,800	-
Federal Funds	-	-	-	-	-
All Other Funds	-	1,079,251,779	1,079,251,779	1,079,251,779	-
<b>Capital Budget and Debt</b>	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	\$ -	\$ 6,119,223,579	\$ 6,129,223,579	\$ 6,119,223,579	\$ -
FTE Positions	--	--	--	--	--

### Agency

The agency did not submit a FY 2027 request. The 2024 Fall Education Consensus was the first time FY 2027 was included in the estimating process.

### Special Committee on Legislative Budget

The **LBC** included the following in HB 2007:

1. Add \$6.1 billion, including \$5.0 billion, for appropriations for State Foundation Aid and Special Education State Aid for FY 2027.

### Committee on K-12 Education Budget

The **Budget Committee** concurs with the LBC's recommendation for FY 2026, with the following adjustment:

1. Add \$30.0 million SGF for Special Education State Aid and distribute in accordance with KSA 72-3422 for FY 2027. This funding is maintenance of effort, not a \$30.0 million SGF increase from FY 2026.

### House Committee on Appropriations

The **Budget Committee** concurs with the House Committee on Higher Education Budget's recommendation for FY 2027, with the following adjustment:

1. Delete \$20.0 million SGF for Special Education State Aid, leaving a total of \$10.0 million SGF for maintenance of effort for FY 2027.
2. Add language that the district-level excess costs document reported to the districts and the legislature and published by the agency will include excess costs percentages for FY 2027.

### House Committee of the Whole

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2027.

### Senate Committee on Education

The **Senate Committee on Education** concurs with the House Committee of the Whole's recommendation for FY 2026, with the following adjustments:

1. Delete \$10.0 million SGF for Special Education State Aid for FY 2027. This retains the same maintenance of effort in FY 2027 as in FY 2026.



**MINORITY REPORT**  
**Kansas Department of Education**  
**FY 2025 – FY 2027**

We do not agree with the Senate Committee on Education's recommendations for the Kansas State Department of Education for FY 2025-2027. The recommendations proposed by the Committee were made hastily and inadequately fund our schools.

The Chair made a motion to "fully fund *Gannon* with CPI-U adjustments, no more, no less." The details of that motion were never clearly defined during the Committee meeting, although a vote on the motion occurred. By the time the Committee was presented with the information the following day, the motion had changed. The recommendation to "fully fund *Gannon*" only deals with the funding within the funding formula.

To fully fund *Gannon* and meet our court-imposed obligation, the comprehensive approach and funding of the crafted remedy must also occur. The District Court Panel's Memorandum Opinion and Order in *Gannon* in December of 2014 stated that:

While we found the BSAPP figure set by the school finance formula was the driver of educational funding to its weighted resulting total, **other funding sources provided independently by the legislature were also important**, much of which, were eliminated or reduced, requiring those programs if they were to be maintained, to be funded from the diminished BSAPP dollars, e.g., *Gannon* District Court Opinion, pps. 79-80 at Findings Nos. 253-257, 259. These programs **such as teacher mentoring, parents as teachers, and the professional development of educators all dovetail into those endeavors which import quality and breadth of effort and involvement into a successful, constitutional K-12 system**, all of which programs, like the Emerson school example demonstrates, have the capacity to increase the likelihood of achieving better individual student learning and performance. **Thus, when eliminated, cut, or otherwise put in competition for dollars intended elsewhere, as has been done, the K-12 school system's forward progress is stalled and remains inadequate to the task and diminishes the required learning experience.**

Further:

**The same principle of robbing Peter to pay Paul applies to any other necessary but independently paid program or expense that is underfunded and not accommodated elsewhere.**

*Gannon v. State*, No. 2010-CV-1569, at 42-44 (Shawnee Co. Dist. Ct. Dec. 30, 2014) (emphasis added).

Although the Chair referred to her motion as the "starting place," time was not afforded to the committee to go through the motions other members wanted to make. Consequently, we are filing a Minority Report for Senate Education for consideration by the Senate Ways and Means Committee.

It would appear that a total amount of \$10.9 million has been removed from the Sub. for HB 2007 KSDE budget in FY 2025 and \$16.4 million for FY 2026 as presented in the Chair's Recommendation. Of significant concern is the removal of funding from the current FY 2025 budget, as these are items already paid out by KSDE or are under existing contracts.

We acknowledge the Chair's Recommendation includes full funding of the State Foundation Aid, including full funding of the CPI-U Midwest inflation adjustment as prescribed by

law. The *Gannon* settlement (as outlined in the attached memo), proposed by the Kansas Legislature and ultimately accepted by the Kansas Supreme Court, used the theory of the “*Montoy* Safe Harbor” to guide funding calculations. Essentially, the point was to restore funding cuts made during the Great Recession and beyond that which kept the Legislature from fully funding the *Montoy* remedy, adjust that amount of restored funds for inflation, and use the three-year rolling average of the CPI-U Midwest to adjust for inflation each year thereafter. The three-year rolling average smooths out the highs for the Legislature and the lows for the school districts.

This inflation adjustment was the heart of the *Gannon* adequacy remedy found to be constitutional by the Court. While inflation funds are routinely referred to as new money, the more accurate reference is upkeep or maintenance money. Schools are not receiving a pot of gold from which to fund new initiatives, but an inflation adjustment to ensure their budgets retain the same purchasing power from year to year. The CPI-U adjustment is a direct reflection of increased costs related to inflation. Rising costs for fixed services such as food, fuel, insurance, utilities, and for competitive wages affect school districts in the same way they do for families. The CPI-U adjustment simply allows our public schools to keep up with inflationary costs and to ensure our students’ opportunities for success are no longer diminished by this oversight.

The *Montoy* settlement was reached at a time when special education excess costs were fully funded at 92 percent in accordance with state statute. For this reason, special education was not included in the trial court proceedings in the *Gannon* case. The District Court Panel’s Memorandum Opinion and Order in *Gannon* in December of 2014 concluded:

At the beginning of FY 2009 (July 1, 2008), the evidence established that the Kansas K-12 school system was functioning as a K-12 school system should in order to provide a constitutionally adequate education to Kansas children. It was supported by, and based upon, a consensus of expert opinion, both as to need and expense. At that time, the Kansas K-12 school system had the apparent necessary fiscal capacity and statutorily set funding in the future to plan to meet, and meet, the *Rose factors* if the LOB was considered, as well, a financial resource to some greater or lesser extent. At that time, the BSAPP was \$4433, capital outlay was fully funded to its statutory measure, special State supplemental aid was fully funded, special education was funded above the federal “maintenance level”, other programs such as Teacher Mentoring and Parents as Teachers were funded, Title I federal funds were being used, and a measure of LOB funds were still available for local enhancements or innovations. There was no cannibalization evident that would sacrifice essential staffing or programs to even still more essential staffing and programs. **At that point the K-12 system was constitutionally functioning and moving, in our view, toward improving students’ progress and opportunities as identified by the *Rose factors*.** There were, in that period, resources available that gave school districts the fiscal capacity to provide a constitutionally adequate K-12 school education in light of the *Rose factors* to each student in Kansas willing to grasp it. **The removal of any one of these financial pillars, whether separately funded or not – this total funding – was, is, and would be, a negative and demonstrably, in the recent past, turned, and still turns, the K-12 system on itself harming its students.**

*Gannon v. State*, No. 2010-CV-1569, at 93-95 (Shawnee Co. Dist. Ct. Dec. 30, 2014) (emphasis added).

The impact of continued underfunding of special education cannot be overlooked. These services are not discretionary, they are mandatory and are based on both federal and state requirements. The special education funding formula requires every school district to provide 8

percent of excess costs as local effort, and most school districts already transfer much more than that from their local option budget (LOB) to make up for state and federal shortfalls. Adding a statutory requirement to transfer dollars generated by the LOB calculation does nothing to address the effect of the State's funding shortfall of the 92 percent requirement. The local fund transfers necessary to comply with IDEA and to deliver the services required by law for students with IEPs serve to cannibalize the general operating funds of our districts and undermines the value of the *Gannon* remedy, including the annual CPI-U adjustments. Costs for special education services are not immune to the effects of inflation. For that reason, the Legislature should include an \$87.0 million increase for special education in the FY 2026 budget. A compromise position would be to at least fund the original House Budget Committee's recommendation of \$30.0 million, plus the \$2.5 million we are losing in ARPA dollars, for a total of \$32.5 million.

Therefore, the recommendation that should be considered by the Senate Ways and Means Committee is as follows:

The Minority Report for Senate Education concurs with the House's recommendation in Sub. for HB 2007 with the following adjustments:

### **Special Education**

- Add \$32.5 million SGF for Special Education State Aid for FY 2026 and include that same amount for FY 2027 as maintenance of effort and distribute in accordance with KSA 72-3422 for FY 2027.
- Also add the following proviso language on page 188 section 93 under the 2027 Special Education services state aid appropriation:

*Provided, That an unencumbered balance in the special education services aid account in excess of \$100 as of June 30, 2026, is hereby reappropriated for fiscal year 2027: Provided further, That expenditures shall not be made from the special education services aid account for the provision of instruction for any homebound or hospitalized child, unless the categorization of such child as exceptional is conjoined with the categorization of the child within one or more of the other categories of exceptionality: And provided further, That expenditures shall be made from this account for grants to school districts in the amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-3425, and amendments thereto: And provided further, That expenditures shall be made from the amount remaining in this account, after deduction of the expenditures specified in the foregoing provisos, for payments to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-3422, and amendments thereto.*

This language has routinely been part of the budget bill and gives directions to the statute that governs special education funding distribution. The reappropriation language is important to ensure the state meets its maintenance of fiscal support.

### **Capital Improvement State Aid Transfer**

- Delete language directing a transfer of \$328 from a special revenue fund to a specific SGF fund and instead transfer to the SGF.

This would remove line 16 on page 180 of Sub. for HB 2007.

### **Youth Programs**

- Delete the proviso language relating to the Youth Program from under the agency's operating expenditures account and to instead include language that would require and

authorize such expenditures to be made from any moneys appropriated to the agency from the state general fund or any special revenue fund.

This would remove lines 26 through 38 on page 180 of Sub. for HB 2007 as passed by the House Committee of the Whole and add the following language in a new subsection on page 187 (Section 92) of the bill:

(l) During the fiscal year ending June 30, 2026, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2026, as authorized by this or any other appropriation act of the 2025 regular session of the legislature, expenditures shall be made by the above agency from such moneys in the amount of not less than \$320,000 to provide for the development and implementation of a pilot program that uses virtual reality technology to introduce youth in grades 6 through 8 to career opportunities and assists them with career planning, including support for developing individual plans of study that guide their high school curriculum: *Provided*, That the pilot program shall be administered through the department of education and implemented by the Kansas youth career discovery partners: *Provided further*, That expenditures for the pilot program shall require a match of nonstate or private moneys on the basis of \$1 of nonstate or private moneys to \$2 of state moneys.

This was passed by the Senate Committee on Education. There is no new appropriation, just more flexibility in the funding used.

#### **SparkWheel**


- Delete the proviso language relating to SparkWheel from under the agency's operating expenditures account and to instead include language that would require and authorize such expenditures to be made from any moneys appropriated to the agency from the state general fund or any special revenue fund.

This would remove lines 38 through 41 on page 180 of Sub. for HB 2007 as passed by the House Committee of the Whole and add the following language in a new subsection on page 187 (Section 92) of the bill:

(m) During the fiscal year ending June 30, 2026, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2026, as authorized by this or any other appropriation act of the 2025 regular session of the legislature, expenditures shall be made by the above agency from such moneys in the amount of not less than \$1,258,000 to provide for student success through the SparkWheel program

This will do the same thing as the motion that was approved. No new appropriation, just more flexibility in the funding used.

  
\_\_\_\_\_  
Senator Dinah Sykes

  
\_\_\_\_\_  
Senator Pat Pettey

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May 1, 2018

**To:** Curtis Tideman, Legislative Counsel

**From:** Edward Penner, Principal Research Analyst

**Re:** Combined Fiscal Effects of 2017 SB 19, 2018 Sub. for SB 423, and 2018 House Sub. for SB 61

This memorandum describes the total amount of increased aid to schools for a six-year time frame beginning in state fiscal year (FY) 2018 attributable to 2017 SB 19, 2018 Sub. for SB 423, and 2018 House Sub. for SB 61. The combined effects of all three bills over that time frame total an increase of approximately \$1.007 billion in aid to schools. Approximately \$485.5 million of the increase is attributable to 2017 SB 19 for FY 2018 through FY 2023. Approximately \$368.0 million of the increase is attributable to both bills from the 2018 Session for FY 2019 through FY 2023. An additional \$153.3 million is attributable to increases in local aid for local option budgets (LOB) and increased employer contributions for the Kansas Public Employees Retirement System attributable to the increased aid provided by the three bills combined.

The largest single contributor to the increased aid is the increases in Base Aid for Student Excellence (BASE, formerly Base State Aid Per Pupil). SB 19 (2017) provided for a BASE of \$4,006 in FY 2018, \$4,128 in FY 2019, and inflationary increases for all years thereafter. The 2018 bills provided for scheduled BASE increases up to \$4,713 in FY 2023 and inflationary increases for all years thereafter. For purposes of this memorandum, increases attributable to estimated inflation levels are included in the amount for 2017 SB 19, and the difference between those inflationary increases and the increases scheduled into the 2018 bills are included in the amount for the 2018 legislation in the attached table. Additional increases include special education, Pre-K At Risk, funding for all-day kindergarten, and various changes to other weightings and education programs.

Additionally, for purposes of this memorandum, the state equalization aid for LOBs is included in the section for the bill to which the change of authority was attributable, but the local tax revenue used to finance LOBs is included in the table section labeled "Other Items," regardless of which year's bill the authority was attributable. Accordingly, the total amount of additional LOB authority would be the sum of the supplemental general state aid lines for each year and the LOB local authority line in the Other Items section.

For detailed information of all increases in all three bills, please see the attached table.

EFP/kal

Attachment

**Combined Aid to Schools Effects by School Years – 2017 SB 19, 2018 Sub. for SB 423 and 2018 H. Sub. for SB 61**

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Totals</u>
<b><u>2017 SB 19</u></b>							
BASE Increases	\$ 113,820,619	\$ 84,790,000	\$ 23,066,438	\$ 37,971,740	\$ 44,605,038	\$ 45,500,484	\$ 349,754,320
Special Education Increases	12,000,000	12,000,000	0	0	0	0	24,000,000
Pre-K At Risk Increases	2,000,000	2,000,000	0	0	0	0	4,000,000
All Day Kindergarten	60,090,000	0	0	0	0	0	60,090,000
At Risk Weighting Increase	21,023,488	0	0	0	0	0	21,023,488
Bilingual Weighting Change	4,687,421	0	0	0	0	0	4,687,421
High Density At-Risk Change	4,170,246	0	0	0	0	0	4,170,246
At Risk 10% Floor	2,511,762	0	0	0	0	0	2,511,762
Professional Development	1,700,000	0	0	0	0	0	1,700,000
Teacher Mentoring	800,000	0	0	0	0	0	800,000
Declining Enrollment Weighting Phaseout	(1,835,149)	(1,835,149)	0	0	0	0	(3,670,297)
Transportation Weighting Change	0	0	0	0	(5,000,000)	0	(5,000,000)
Supp. Gen. State Aid Effects	(2,372,551)	1,642,255	3,387,045	5,575,720	6,549,744	6,681,230	21,463,443
<i>Subtotals — 2017 SB 19</i>	<i>\$ 218,595,835</i>	<i>\$ 98,597,106</i>	<i>\$ 26,453,483</i>	<i>\$ 43,547,460</i>	<i>\$ 46,154,782</i>	<i>\$ 52,181,715</i>	<i>\$ 485,530,382</i>
<b><u>2018 Sub. for SB 423 &amp; H. Sub. for SB 61</u></b>							
BASE Increases	\$ 0	\$ 25,715,000	\$ 72,044,312	\$ 57,614,564	\$ 52,055,869	\$ 51,044,072	\$ 258,473,817
Special Education Increases	0	32,400,000	7,500,000	7,500,000	7,500,000	7,500,000	62,400,000
Pre-K At Risk Increases	0	0	2,000,000	2,000,000	2,000,000	0	6,000,000
At Risk 10% Floor Elimination	0	(2,511,762)	0	0	0	0	(2,511,762)
ACT and Workkeys	0	2,800,000	0	0	0	0	2,800,000
Teacher Mentoring	0	500,000	0	0	0	0	500,000
Mental Health and JAG-K Pilot Programs	0	7,515,000	0	0	0	0	7,515,000
Transportation Weighting Change	0	1,800,000	0	0	5,500,000	0	7,300,000
Supp. Gen. State Aid Effects	0	20,777,912	1,012,500	1,012,500	1,755,000	1,012,500	25,570,412
<i>Subtotals — 2018 Sub. for SB 423 &amp; H. Sub. for SB 61</i>	<i>\$ 0</i>	<i>\$ 88,996,150</i>	<i>\$ 82,556,812</i>	<i>\$ 68,127,064</i>	<i>\$ 68,810,869</i>	<i>\$ 59,556,572</i>	<i>\$ 368,047,467</i>
<b><u>Other Items (all bills combined)</u></b>							
Local Option Budget (Local Auth.)	\$ 33,766,882	\$ (9,264,240)	\$ 5,377,222	\$ 8,052,268	\$ 10,150,243	\$ 9,403,448	\$ 57,485,822
KPERS Attributable to Increased Aid	15,257,000	19,690,000	15,900,000	14,900,000	15,300,000	14,800,000	95,847,000
<i>Subtotals — Additional Items</i>	<i>\$ 49,023,882</i>	<i>\$ 10,425,760</i>	<i>\$ 21,277,222</i>	<i>\$ 22,952,268</i>	<i>\$ 25,450,243</i>	<i>\$ 24,203,448</i>	<i>\$ 153,332,822</i>
<b>Totals</b>	<b>\$ 267,619,717</b>	<b>\$ 198,019,016</b>	<b>\$ 130,287,517</b>	<b>\$ 134,626,792</b>	<b>\$ 140,415,895</b>	<b>\$ 135,941,735</b>	<b>\$ 1,006,910,671</b>