

February 10, 2012

The Honorable Clay Aurand, Chairperson  
House Committee on Education  
Statehouse, Room 174-W  
Topeka, Kansas 66612

Dear Representative Aurand:

**SUBJECT:** Fiscal Note for HB 2594 by House Committee on Vision 2020

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2594 is respectfully submitted to your committee.

HB 2594 would amend current school finance law effective for fiscal years 2014 through 2017:

1. For school years 2013-2014 through 2016-2017, school enrollments would include at-risk pupil weighting, program weighting, low enrollment weighting, high density at-risk pupil weighting, medium density at-risk pupil weighting, school facilities weighting, special education services weighting, and transportation weighting. The following weightings would be eliminated: non-proficient, ancillary facilities, declining enrollment, cost of living, and correlation;
2. Base state aid per pupil (BSAPP) would be \$4,079 in the 2013-2014 school year, and for school years 2014-2015 through 2016-2017, the BSAPP would be 102.0 percent of the BSAPP for the preceding school year;
3. The low enrollment weighting would be capped at 0.9 for school years 2013-14 through 2016-17;
4. Any school district's unencumbered balances could be expended for general operating expenses for school years 2013-14 through 2016-17;
5. During the 2013-2014 through 2016-2017 school years, a district's contingency reserve fund could be increased to 30.0 percent of the general fund budget;
6. School districts could adopt a local option budget not to exceed 35.0 percent during the 2013-2014 through 2016-2017 school years;
7. School districts with local option budgets between 32.0 and 35.0 percent would not qualify for supplemental general state aid during the 2013-2014 through 2016-2017 school years; and

The Honorable Clay Aurand, Chairperson

February 10, 2012

Page 2—2594

8. The statewide mill levy would be increased from 20 to 25 mills for the 2013-2014 and 2014-2015 school years.

According to the Kansas Department of Education, enactment of HB 2594 would result in additional revenues of \$133.6 million to local school districts from the statewide five-mill levy increase for the 2013-2014 and 2014-2015 school years. Under the school finance formula, there would be a commensurate reduction in State General Fund spending. In addition, enactment of the bill would increase General State Aid by \$123.5 million and Supplemental General State Aid by \$56.0 million, all from the State General Fund, beginning with FY 2014. The agency notes that a 2.0 percent increase in BSAPP beginning with FY 2015 would require an additional \$53.0 million in General State Aid expenditures, all from the State General Fund. Any fiscal effect associated with HB 2594 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Dale Dennis, Education