

SESSION OF 2011

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2269**

As Amended by House Committee on Education

**Brief\***

HB 2269, as amended, would create a new foundation funding obligation for K-12 school districts made up of the components described below, which would increase the foundation obligation funding for Kansas school districts. It would be comprised of the state-level obligation and local foundation budget.

***State-Level Foundation Obligation***

The bill would define the “state-level foundation obligation” as that portion of the district’s general fund budget which is not financed from any other source provided by law. The tax required under this section of the bill would be levied at a rate of 20 mills.

The bill also would change the definition of “state financial aid” to be 90.0 percent of the result obtained by multiplying the Base State Aid Per Pupil (BSAPP) by the adjusted enrollment of a district, rather than 100.0 percent. Base State Aid Per Pupil in the bill would be \$4,991, subject to appropriation. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive, the amount of BSAPP would be reduced commensurate with the amount of the insufficiency.

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\*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>

### ***Local Foundation Budget***

As part of the foundation funding obligation, the bill would create a local foundation budget which would be financed via a district levying an *ad valorem* tax upon the taxable tangible property of the district during the 2011-2012 school year. The tax would be levied at a rate that would generate revenue equal to 10.0 percent of the result obtained by multiplying the BSAPP by a district's adjusted enrollment. (This provision would make a portion of the current local option budget of a school district a mandatory part of a district's foundation obligation funding.)

Each district would be eligible for state aid under this new levy in the same manner that school districts currently receive supplemental general state aid for the local option budget. If the amount of the appropriation is less than the amount each district is entitled to receive for a school year, the State Board of Education would prorate the aid among the districts in proportion to the amount each district is entitled to receive.

### ***Local Option Budget***

The bill would change the local option budget by calculating the state prescribed percentage as 18.0 percent of the foundation funding, rather than 31.0 percent in the current law. However, any resolution by a school district authorizing the adoption of a local option budget in excess of 17.0 percent of the foundation funding could not take effect unless the resolution has been submitted to and approved by a majority of qualified electors.

### **Background**

HB 2269 was introduced by Representative Clay Aurand. At the hearing on the bill, there were no listed proponents. Opponents included representatives of the

Kansas Association of School Boards and Kansas United School Administrators.

The House Committee on Education made a technical amendment to the bill.

The Division of the Budget fiscal note indicated that the Department of Education estimated that enactment of the bill would require additional state aid expenditures totaling \$498,706,823 all from the State General Fund. This estimate included an additional \$474,192,000 for general state aid to increase base state aid per pupil to \$4,492 (the statutory BSAPP), a reduction of \$108,818,493 for supplemental general state aid, and a new appropriation totaling \$131,333,316 for local foundation budget state aid. Any fiscal effect association with the bill is not reflected in *The FY 2012 Governor's Budget Report*.