

SESSION OF 2012

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 257**

As Amended by House Committee on Education

**Brief\***

SB 257, as amended, would provide an alternative formula for calculation of the local option budget of a school district. The bill would allow a school district to choose the 2008-2009 special education state aid or the current year's special education state aid, whichever amount is greater, to calculate the amount of state aid that the district would receive for its local option budget. This provision of the bill would expire on June 30, 2014.

In addition, the bill 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 change the definition of "state financial aid" to be 90 percent of the result obtained by multiplying the base state aid per pupil (BSAPP) by the adjusted enrollment of a district, rather than 100 percent. The BSAPP in the bill would be \$4,200, 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 in each school district determined by multiplying a district's adjusted enrollment by \$4,433; then adding the amount of state aid for special education received by the school district in the 2008-2009 school year; then dividing the sum by 0.90; and finally, multiplying the sum by 0.10. (this provision would make a portion of the current local option budget of a school district a mandatory part of the district's foundation obligation funding, which would be transferred from the supplemental general fund of the school district to the general fund of the district.)

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 percent of the foundation funding, rather than 31 percent in the current law. However, any resolution by a school district authorizing the adoption of a local option budget in excess of 17 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**

This bill was introduced by the Legislative Educational Planning Committee. Proponents of the bill include representatives of the Kansas Association of School Boards,

the Kansas City School District, and Chautauqua and Elk County Special Education Services. There were no opponents.

The House Education Committee amended the bill by adding the contents of HB 2269 to SB 257. HB 2269 was introduced by Representative Clay Aurand. At the hearing on HB 2269, there were no proponents. Opponents included representatives of the Kansas Association of School Boards and United School Administrators. The House Committee on Education made a technical correction to the bill. The House Committee of the Whole amended the bill by changing the BSAPP to \$4,200 (from \$4,991).

HB 2269 was re-referred by the House Committee of the Whole to the House Committee on Education where the method to calculate the location foundation budget was revised. The House Committee on Education adopted the bill as further amended. The House Committee of the Whole amended the bill describing the manner in which the local foundation funding would be transferred to the district's general fund.

The Senate Education Committee conducted a hearing on HB 2269 with Representative Clay Aurand as the only proponent and representatives of the Kansas Association of School Boards and United School Administrators as the only opponents. The Senate Education Committee tabled HB 2269.

The Division of the Budget fiscal note on SB 257 indicated there would be a negligible effect on local option budget state aid payments to school districts.

The Division of the Budget fiscal note on HB 2269 estimated that enacting the original 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 BSAPP 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.