

January 28, 2015

The Honorable Ty Masterson, Chairperson  
Senate Committee on Ways and Means  
Statehouse, Room 545-S  
Topeka, Kansas 66612

Dear Senator Masterson:

**SUBJECT:** Fiscal Note for SB 71 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 71 is respectfully submitted to your committee.

Under current law, the amount of state aid that a school district is entitled for its Local Option Budget (LOB) is based on its assessed valuation per pupil (AVPP) and what the statewide AVPP is at the 81.2 percentile. If a district's AVPP is above the 81.2 percentile, the district receives no LOB State Aid, also known as Supplemental General State Aid. If a district's AVPP is below the 81.2 percentile, the district is entitled to LOB State Aid, based on how far the district's AVPP is from the 81.2 percentile. SB 71 would change the calculation of LOB State Aid from using the 81.2 percentile to using the district with the highest total valuation of taxable tangible property for the preceding year. The bill would become effective upon publication in *The Kansas Register*.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	--
Expenditure	(\$39,098,023)	(\$39,098,023)	--	--
FTE Pos.	--	--	--	--

LOB State Aid expenditures totaling \$482,755,000 from the State General Fund have been included in *The FY 2016 Governor's Budget Report*. According to the Kansas Department of Education, enactment of SB 71 would reduce LOB State Aid expenditures by \$39,098,023, for a total of \$443,656,977, all from the State General Fund. Because the Governor's recommendation for school finance expenditures in FY 2016 and FY 2017 is based on a block

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grant formula, no reduction in state aid in FY 2016 or FY 2017 has been estimated. Any fiscal effect associated with SB 71 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,  
Director of the Budget

cc: Dale Dennis, Education