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MEMORANDUM

To: Chairman Waymaster
Members of the House Committee on Appropriations

From: Jason B. Long, Senior Assistant Revisor

Date: April 27, 2018

Subject: HB 2796 – Amendments regarding school finance.

House Bill No. 2796 (HB 2796) would further amend provisions of the Kansas School Equity and Enhancement Act, which was amended by Substitute for SB 423 (SB 423) earlier this session. The amendments in HB 2796 pertain to that portion of school districts' local option budgets (LOB) that were made mandatory under SB 423. HB 2796 proposes to unwind the provisions of SB 423 that made the 15% mandatory LOB part of the BASE aid for school districts.

Under HB 2796, school districts would still be required to adopt a LOB that is at least 15% of the district's total foundation aid. However, the calculation of the school district's state foundation aid will not be dependent on the mandated portion of the district's LOB. Additionally, the calculation of a school district's LOB authority would be performed as it is for the current school year, and would be subject to the same statutory limits as in the current school year.

HB 2796 also creates a new section of law stating that is public policy of the state to require all school districts to adopt a LOB of at least 15% of the district's total foundation aid. Further, in any legal challenge to the adequacy of school finance, the amount of funding provided by the 15% LOB requirement is to be included in determining the adequacy of school finance.

If enacted, HB 2796 would become effective on July 1, 2018.