

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

March 5, 2018

The Honorable Molly Baumgardner, Chairperson
Senate Select Committee on Education Finance
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Baumgardner:

SUBJECT: Fiscal Note for SB 423 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 423 is respectfully submitted to your committee.

Under current law, if a school district has 10.0 percent or less of its students qualifying for the at-risk weighting in the school finance formula, the formula would authorize an at-risk weighting for the district as if 10.0 percent of students qualified. SB 423 would remove this "10.0 percent floor" for the at-risk weighting.

Current law also allows school districts to utilize monies from their capital outlay fund to pay for utility expenses, as well as property and casualty insurance premiums. SB 423 would disallow capital outlay funds for these purposes.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	--	(\$2,300,000)	(\$2,300,000)
FTE Pos.	--	--	--	--

According to the Department of Education, enactment of SB 423 would reduce state aid expenditures by \$2.3 million, as the bill would reduce the number of students qualifying for the at-risk weighting. The provision that would prohibit capital outlay funds from being used for utility expenses, as well as property and casualty insurance premiums, would have no fiscal effect

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on state aid expenditures. The bill would only change authorized uses for capital outlay funds, but not the amount of monies in the fund. Any fiscal effect associated with SB 423 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell", written in a cursive style.

Larry L. Campbell
Chief Budget Officer

cc: Dale Dennis, Education