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MEMORANDUM

To: Senate Committee on Education
From: Office of Revisor of Statutes
Date: February 1, 2022
Subject: Senate Bill 341—Federal Impact Aid

Senate Bill 341 would amend the Kansas school equity and enhancement act to remove federal impact aid from the definition of local foundation aid.

Local foundation aid is part of the calculation in the Kansas school equity and enhancement act to determine state foundation aid for each school district. State foundation aid is calculated by deducting local foundation aid from the total foundation aid calculation.

$$\text{State Foundation Aid} = \text{Total Foundation Aid} - \text{Local Foundation Aid}$$

Currently, the definition of "local foundation aid" includes "an amount equal to 70% of the federal impact aid of the school district." The remaining 30% of federal impact aid is not included as federal impact aid.

SB 341 would remove the amount equal to 70% of federal impact aid from the definition of local foundation aid. For school districts that receive federal impact aid, this change would reduce their local foundation aid determination, which would increase their state foundation aid determination by the same amount.

SB 341 would take effect upon publication in the statute book.

ADDITIONAL BACKGROUND INFORMATION

State Foundation Aid

K.S.A. 72-5134: In each school year, the state board shall determine the amount of state foundation aid for each school district for such school year. The state board shall determine the amount of the school district's local foundation aid for the school year. If the amount of the school district's local foundation aid is greater than the amount of total foundation aid determined for the school district for the school year, the school district shall not receive state foundation aid in any amount. If the amount of the school district's local foundation aid is less than the amount of total foundation aid determined for the school district for the school year, the state board shall subtract the amount of the school district's local foundation aid from the amount of total foundation aid. The remainder is the amount of state foundation aid the school district shall receive for the school year.

Local Foundation Aid

K.S.A. 72-5132: Local foundation aid means the sum of the following amounts:

- (1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and authorized to be expended for the purposes specified in K.S.A. 72-5168, and amendments thereto;
- (2) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, prior to their repeal;
- (3) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 72-3123(a), and amendments thereto;
- (4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 72-3125, and amendments thereto;
- (5) an amount equal to the amount credited to the general fund in the current school year from moneys distributed in such school year to the school district under the provisions of articles 17 and 34 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto, and under the provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto;
- (6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 72-3423, and amendments thereto;

(7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 72-3425, and amendments thereto; and

(8) an amount equal to 70% of the federal impact aid of the school district.

Federal Impact Aid

K.S.A. 72-5132: Federal impact aid is defined to mean "an amount equal to the federally qualified percentage of the amount of moneys a school district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received under the low-rent housing program. The amount of federal impact aid shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder."

"The Impact Aid law (Title VIII of the Elementary and Secondary Education Act of 1965 (ESEA)) provides assistance to local school districts with concentrations of children residing on Indian lands, military bases, low-rent housing properties, or other Federal properties and, to a lesser extent, concentrations of children who have parents in the uniformed services or employed on eligible Federal properties who do not live on Federal property."¹

Total Foundation Aid

K.S.A. 72-5132: Total foundation aid means an amount equal to the product obtained by multiplying the BASE aid by the adjusted enrollment of a school district.

$$\text{Total Foundation Aid} = \text{Total Adjusted Enrollment} \times \text{BASE aid}$$

¹ U.S. Dept. of Education Federal Office of Elementary and Secondary Schools. [https://oese.ed.gov/offices/office-of-formula-grants/impact-aid-program/#:~:text=The%20Impact%20Aid%20law%20\(now,a%20lesser%20extent%2C%20concentrations%20of](https://oese.ed.gov/offices/office-of-formula-grants/impact-aid-program/#:~:text=The%20Impact%20Aid%20law%20(now,a%20lesser%20extent%2C%20concentrations%20of)