

Senate Subcommittee Report

Agency: Kansas State Department of Education **Bill No.** SB 422

Bill Sec. 37

Analyst: Hull

Analysis Pg. No. Vol. 2, pg. 863

Budget Page No. 310

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,361,540,454	\$ 4,239,268,134	\$ 0
Federal Funds	994,061,677	994,061,677	0
Other Funds	1,122,382,958	1,147,334,708	0
<i>Subtotal</i>	\$ 6,477,985,089	\$ 6,380,664,519	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
TOTAL	\$ 6,477,985,089	\$ 6,380,664,519	\$ 0

FTE positions 269.3 270.3 0.0

*Includes GBA No. 2, Item 11, to add \$33.0 million SGF for Special Education Excess Costs for FY 2023. Changes are reflected in the table only.

Agency Request

The **agency** requests \$6.5 billion, including \$4.4 billion SGF, for FY 2023. This is an all funds increase of \$354.8 million, or 5.8 percent, including an SGF increase of \$187.9 million, or 4.5 percent, above the FY 2022 revised estimate. The increase is primarily due to anticipated school finance increases, additional federal COVID-19 pandemic relief funding, and 12 enhancement requests totaling \$84.7 million, including \$83.7 million SGF. The FY 2023 agency request includes 269.3 FTE positions, which is the same number as the FY 2022 revised estimate. Significant items in the agency request include the following:

- **FEDERAL COVID FUNDING.** The agency request includes \$479.1 million to reflect federal ESSER (\$458.2 million) and EANS (\$20.8 million) funds for FY 2023. This is an increase of \$124.9 million above the FY 2022 revised estimate.
- **APPROVED SCHOOL FINANCE INCREASES.** The agency request includes school finance increases approved by the 2021 Legislature, including increases to Special Education State Aid (\$7.5 million), State Foundation Aid (\$86.6 million), Supplemental State Aid (\$10.4 million), and Capital Outlay State Aid (\$2.4 million) above the FY 2022 revised estimate.
- **KPERS RATE ADJUSTMENTS.** The agency's request includes KPERS rate adjustments totaling \$9.8 million, all SGF.

Governor's Recommendation

The **Governor** recommends expenditures of \$6.4 billion, including \$4.2 billion SGF, for FY 2023. This is a decrease of \$127.3 million, including an SGF decrease of \$152.3 million, below the agency's FY 2023 request. The overall decrease is primarily attributable to the Governor recommending adoption of the fall 2021 education consensus adjustment. The SGF decrease is also partially attributable to the decrease in KPERS layering payment expenditures due to the Governor's recommendation to pay off the KPERS layering payments in FY 2022. Additional decreases in the Governor's recommendation include the following:

- **ENHANCEMENT—SPECIAL EDUCATION SERVICES STATE AID.** The Governor's recommendation includes a decrease of \$74.1 million SGF to not recommend adoption of the agency's enhancement request for Special Education State Aid for FY 2023.
- **ENHANCEMENT—COMMUNITIES IN SCHOOLS.** The Governor's recommendation includes a decrease of \$35,000 SGF to not recommend adoption of the agency's enhancement request to increase the funding for the Communities in Schools program.

Partially offsetting these decreases in the Governor's recommendation are several recommendations for additional expenditures, including recommending adoption of 5, and partial adoption of 1, of the agency's 12 enhancement requests. The Governor also recommends expenditures of \$31.1 million, all from special revenue funds, for the Children's Cabinet for FY 2023. This is an increase of \$500,000, all from the Children's Initiatives Fund (CIF), above the agency's FY 2023 request. This increase is attributable to the Governor recommending expenditures of \$500,000 for Dolly Parton's Imagination Library.

The **Governor's** recommendation also includes 270.3 FTE positions, which is 1.0 FTE position above the agency's FY 2023 request. This additional FTE position is attributable to the Governor's recommendation for a Dyslexia Coordinator. The Governor also recommends a transfer from the KEY Fund to the CIF in the amount of \$52.3 million for FY 2023.

Senate Committee on Education Recommendation

The **Committee on Education** concurs with the Governor's recommendation for FY 2023 with the following adjustment:

1. Add language to allow the Kansas Department of Education to distribute excess funds in the Local School District Contributions Checkoff Fund to school districts for FY 2023.

Senate Committee Recommendation

The **Committee** concurs with the Committee on Education's recommendation for FY 2023 with the following adjustments:

1. Add language to increase virtual state aid from \$5,000 for each full-time pupil to \$5,600 for each full-time pupil for FY 2023, from existing resources.

Senate Committee of the Whole Recommendation (Sub. for SB 444)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

House Budget Committee Report

Agency: Kansas State Department of Education **Bill No.** HB 2588 **Bill Sec.** 37
Analyst: Hull **Analysis Pg. No.** Vol. 2, pg. 859 **Budget Page No.** 310

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,361,540,454	\$ 4,209,268,134	\$ (4,209,268,134)
Federal Funds	994,061,677	994,061,677	(994,061,677)
Other Funds	1,122,382,958	1,147,334,708	(1,147,334,708)
<i>Subtotal</i>	\$ 6,477,985,089	\$ 6,350,664,519	\$ (6,350,664,519)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
TOTAL	\$ 6,477,985,089	\$ 6,350,664,519	\$ (6,350,664,519)

FTE positions 270.3 270.3 (270.3)

*Includes GBA No. 2, Item 11, to add \$33.0 million SGF for Special Education Excess Costs for FY 2023. Changes are reflected in the table only.

Agency Request

The **agency** requests \$6.5 billion, including \$4.4 billion SGF, for FY 2023. This is an all funds increase of \$354.8 million, or 5.8 percent, including an SGF increase of \$187.9 million, or 4.5 percent, above the FY 2022 revised estimate. The increase is primarily due to anticipated school finance increases, additional federal COVID-19 pandemic relief funding, and 12 enhancement requests totaling \$84.7 million, including \$83.7 million SGF. The FY 2023 agency request includes 269.3 FTE positions, which is the same number as the FY 2022 revised estimate. Significant items in the agency request include the following:

- **FEDERAL COVID FUNDING.** The agency request includes \$479.1 million to reflect federal ESSER (\$458.2 million) and EANS (\$20.8 million) funds for FY 2023. This is an increase of \$124.9 million above the FY 2022 revised estimate.

- **APPROVED SCHOOL FINANCE INCREASES.** The agency request includes school finance increases approved by the 2021 Legislature, including increases to Special Education State Aid (\$7.5 million), State Foundation Aid (\$86.6 million), Supplemental State Aid (\$10.4 million), and Capital Outlay State Aid (\$2.4 million) above the FY 2022 revised estimate.
- **KPERS RATE ADJUSTMENTS.** The agency's request includes KPERS rate adjustments totaling \$9.8 million, all SGF.

Governor's Recommendation

The **Governor** recommends expenditures of \$6.4 billion, including \$4.2 billion SGF, for FY 2023. This is a decrease of \$127.3 million, including an SGF decrease of \$152.3 million, below the agency's FY 2023 request. The overall decrease is primarily attributable to the Governor recommending adoption of the fall 2021 education consensus adjustment. The SGF decrease is also partially attributable to the decrease in KPERS layering payment expenditures due to the Governor's recommendation to pay off the KPERS layering payments in FY 2022. Additional decreases in the Governor's recommendation include the following:

- **ENHANCEMENT—SPECIAL EDUCATION SERVICES STATE AID.** The Governor's recommendation includes a decrease of \$74.1 million SGF to not recommend adoption of the agency's enhancement request for Special Education State Aid for FY 2023.
- **ENHANCEMENT—COMMUNITIES IN SCHOOLS.** The Governor's recommendation includes a decrease of \$35,000 SGF to not recommend adoption of the agency's enhancement request to increase the funding for the Communities in Schools program.

Partially offsetting these decreases in the Governor's recommendation are several recommendations for additional expenditures, including recommending adoption of 5, and partial adoption of 1, of the agency's 12 enhancement requests. The Governor also recommends expenditures of \$31.1 million, all from special revenue funds, for the Children's Cabinet for FY 2023. This is an increase of \$500,000, all from the Children's Initiatives Fund (CIF), above the agency's FY 2023 request. This increase is attributable to the Governor recommending expenditures of \$500,000 for Dolly Parton's Imagination Library.

The **Governor's** recommendation also includes 270.3 FTE positions, which is 1.0 FTE position above the agency's FY 2023 request. This additional FTE position is attributable to the Governor's recommendation for a Dyslexia Coordinator. The Governor also recommends a transfer from the KEY Fund to the CIF in the amount of \$52.3 million for FY 2023.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. Delete \$6.4 billion, including \$4.2 billion SGF, and 270.3 FTE, to remove the Department of Education budget from HB 2588 and insert the Department of

Education budget into a separate bill, Sub. for HB 2512, as recommended by the House Committee on K-12 Education Budget, for FY 2023.

2. Delete \$2.6 billion for State Foundation Aid and \$568.2 million for supplemental state aid to remove the Department of Education budget from HB 2588 and insert the Department of Education budget into Sub. for HB 2512, as recommended by the House Committee on K-12 Education Budget, for FY 2024.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2023.

House Budget Committee Recommendation (Sub. for Sub. for HB 2512)

The **Budget Committee** inserted the Governor's budget recommendation for FY 2022, FY 2023, and FY 2024 into Sub. for Sub. for HB 2512 with other education-related provisions. The Budget Committee concurs with the Governor's budget recommendation with the following adjustments:

1. Add \$5.0 million SGF for School Safety and Security Grants for FY 2023 and add language to allow school districts to expend School Safety and Security Grants for new school resource officer positions.
2. Delete \$1.5 million SGF to not adopt the agency's enhancement request for Career and Technical Education (CTE) Transportation.
3. Add language to require KSDE to fund \$100,000 for Communities in Schools from existing resources for FY 2023.
4. Add language to require KSDE to establish a fee for service to fund the Dyslexia Coordinator position (\$100,00) for FY 2023.
5. Add language for KSDE to establish a fee for service to be paid by districts, not to exceed \$4.0 million, to require school districts with 50.0 percent or more of the student population of grades 7 through 12 in the bottom half of the state assessment in math (tier one and tier two) to implement the Math Nation program for FY 2023.
6. Add language to allow KSDE to distribute excess funds in the Local School District Contributions Checkoff Fund to school districts for FY 2023.

House Committee of the Whole Recommendation (Sub. for Sub. for HB 2512)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023 with the following adjustments:

1. Add language to change references to the "Math Nation" program to "a virtual math program".
2. Add language to clarify that a fee for a virtual math program would be based on the number of students within the district who scored level one or level two on the

statewide math assessment in the previous school year rather than all students in the district.

Conference Committee Recommendation (Senate Sub. for HB 2567)

The **Conference Committee** inserted the provisions related to the KSDE budget for FY 2022, FY 2023, and FY 2024 into Senate Sub. for HB 2567 with other education-related provisions. The Conference Committee concurs with the Governor's recommendation with the following adjustments:

1. Add \$199.6 million to eliminate delayed school payments for FY 2023.
2. Add language to increase virtual state aid from \$5,000 for each full-time pupil to \$5,600 for each full-time pupil for FY 2023 and increase virtual state aid from \$1,700 for each part-time pupil to \$2,800 per part-time pupil beginning in FY 2023. In addition, add \$6.6 million SGF for State Foundation Aid for this purpose for FY 2023.
3. Add \$42.8 million SGF for State Foundation Aid due to provisions included in Senate Sub. for HB 2239 to increase the amount of the residential tax exemption from the 20 mill uniform statewide school finance property tax levy from \$20,000 of valuation to \$40,000 of valuation beginning in tax year 2022.
4. Add \$1.0 million SGF to provide grants to high-quality professional learning and develop and implement teacher professional development as established in HB 2466 for FY 2023.
5. Add \$40,000 SGF for the Career Technical Education Pilot related to provisions in HB 2466 for FY 2023.
6. Add \$13.0 million SGF for State Foundation Aid to replace Federal Impact Aid for FY 2023.
7. Add \$4.0 million SGF for School Safety and Security Grants for FY 2023 and add language to allow school districts to expend School Safety and Security Grants for new school resource officer positions. In addition, add \$1.0 million from federal American Rescue Plan Act (ARPA) funds through the Office of the Governor.
8. Add language to require KSDE to fund \$100,000 for Communities in Schools from existing resources for FY 2023.
9. Add \$4.0 million SGF to implement a virtual math program for FY 2023. In addition, add \$4.0 million, all from Federal ARPA funds through the Office of the Governor, and add language to lapse SGF if ARPA funds are available.
10. Add language to allow KSDE to distribute excess funds in the Local School District Contributions Checkoff Fund to school districts for FY 2023.
11. Delete \$30.0 million SGF to not adopt GBA No. 2, Item 11 for Special Education Excess Costs for FY 2023.

State Finance Council

1. Add \$857,270, including \$403,345 SGF, for a 5.0 percent salary adjustment for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.

	Governor's Recommendation FY 2023*	Legislative Action	Legislative Approved FY 2023	Governor's Vetoes FY 2023	Final Legislative Approved FY 2023
All Funds					
State Operations	\$ 99,967,700	\$ 857,270	\$ 100,824,970	\$ 0	\$ 100,824,970
Aid to Local Units	6,211,733,702	241,035,293	6,452,768,995	0	6,452,768,995
Other Assistance	68,963,117	0	68,963,117	0	68,963,117
<i>Subtotal - Operations</i>	<i>\$ 6,380,664,519</i>	<i>\$ 241,892,563</i>	<i>\$ 6,622,557,082</i>	<i>\$ 0</i>	<i>\$ 6,622,557,082</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 6,380,664,519	\$ 241,892,563	\$ 6,622,557,082	\$ 0	\$ 6,622,557,082
State General Fund					
State Operations	\$ 17,158,472	\$ 403,345	\$ 17,561,817	\$ 0	\$ 17,561,817
Aid to Local Units	4,221,990,369	241,035,293	4,463,025,662	0	4,463,025,662
Other Assistance	119,293	0	119,293	0	119,293
<i>Subtotal - Operating</i>	<i>\$ 4,239,268,134</i>	<i>\$ 241,438,638</i>	<i>\$ 4,480,706,772</i>	<i>\$ 0</i>	<i>\$ 4,480,706,772</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 4,239,268,134	\$ 241,438,638	\$ 4,480,706,772	\$ 0	\$ 4,480,706,772
FTE Positions	270.3	0.0	270.3	0.0	270.3

*Includes GBA No. 2, Item 11, to add \$30.0 million SGF for Special Education Excess Costs for FY 2023. Changes are reflected in the table only.