

SESSION OF 2007

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 68

As Amended by House Committee on
Education

Brief*

SB 68, as amended, would remove the sunset date on the nonproficient student weighting within the school finance formula.

The bill would make changes to the School District Finance and Quality Performance Act. Specifically, the bill would lower the maximum percentage of Local Option Budget (LOB), required in order for a school district to access the cost-of-living weighting or the declining enrollment weighting, to the state-prescribed percentage.

The bill would require that in order for school districts to qualify for the cost-of-living or declining enrollment weighting, the district would have had to adopt an LOB in an amount equal to the state prescribed percentage, except for those districts which had levied a tax for such purposes in school year 2006-2007. Any district which had levied a tax for such purposes in school year 2006-2007 could continue to make the levy in the same amount levied in school year 2006-2007 as long as the district adopts an LOB in an amount which equaled or exceeded the amount of LOB adopted in school year 2006-2007.

The bill would permit students living more than ten miles from their school to attend school in an adjoining district, if the receiving district agrees to accept and provide transportation for the student.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill would direct the State Board of Education to establish an Early High School Graduation Bonus and Scholarship Program. Pupils graduating from high school at least one year earlier than the usual graduation and seeking postsecondary training as a construction trade worker would be eligible for an incentive bonus of \$1,000. This bonus could only be spent for the purchase of tools needed for construction work. Students receiving funding under this bill and not completing a construction trade program would be required to repay the funds to the Department of Education.

The bill would make a scholarship of not more than \$3,000 available for pupils completing a construction trade program at a technical college or vocational education school.

The bill would become effective upon publication in the *Kansas Register*.

Background

At the hearing on the original bill, Senator Vratil and representatives of the Blue Valley School District, Kansas National Education Association, and Kansas Association of School Boards testified on behalf of the bill. A representative of Schools for Fair Funding opposed the bill.

The Senate Education Committee amended the bill by changing the date the legislation would take effect to publication in the *Kansas Register*. The Committee also made technical amendments to the bill.

The House Education Committee added several amendments to the bill, including the following:

- Lowering the maximum percentage of Local Option Budget (LOB) required in order for a school district to access the cost-of-living weighting or the declining enrollment weighting, to the state-prescribed percentage, except for those districts which had levied a tax for such

purposes in school year 2006-2007. Any district which had levied a tax for such purposes in school year 2006-2007 could continue to make the levy in the same amount levied in school year 2006-2007 as long as the district adopts an LOB in an amount which equaled or exceeded the amount of LOB adopted in school year 2006-2007. (SB 69)

- Permitting students living more than ten miles from their school to attend school in an adjoining district, if the receiving district agrees to accept and provide transportation for the student. (Originally, HB 2123)
- Directing the State Board of Education to establish an Early High School Graduation Bonus and Scholarship Program. Pupils graduating from high school at least one year earlier than the usual graduation and seeking postsecondary training as a construction trade worker would be eligible for an incentive bonus of \$1,000. This bonus could only be spent for the purchase of tools needed for construction work. Students receiving funding under this bill and not completing a construction trade program would be required to repay the funds to the Department of Education. In addition, scholarships of not more than \$3,000 would be made available for pupils completing a construction trade program at a technical college or vocational education school. (Originally, HB 2343)

Regarding the continuation of the non-proficient weighting, the fiscal note indicated that because no specific adjustment was made to remove funding for this weighting, therefore, approximately \$10.0 million from the State General Fund currently is included in the Kansas State Department of Education's budget to finance this weighting in the general state aid appropriation.

Regarding the LOB portion of the bill, the fiscal note related to the original bill indicated there would be no additional state appropriation because the cost-of-living weighting is

financed through a local property tax. There was no fiscal estimate regarding the declining enrollment weight.

Regarding the transportation of students portion of the bill, the fiscal note indicated no fiscal impact.

Regarding the portion of the bill establishing the Early High School Graduation Bonus and Scholarship Program, the original estimate included \$1.0 million for the incentive bonuses and \$3.0 million for scholarships. Because students participating in this program would not be enrolled in high school for one year, cost savings in state aid could amount to \$4,374,000. This state aid cost savings estimate does not include any weightings that may apply to these students. However, the Department of Education subsequently indicated these fiscal estimates were overstated. No new fiscal impact was estimated.