February 3, 2011

The Honorable Jean Schodorf, Chairperson
Senate Committee on Education
Statehouse, Room 236-E
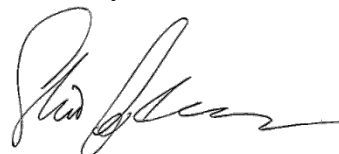Topeka, Kansas 66612

Dear Senator Schodorf:

SUBJECT: Fiscal Note for SB 57 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 57 is respectfully submitted to your committee.

The current statutory method of calculating the local option budget (LOB) by a school district is set to expire on June 30, 2012. Under current law, when the amount of base state aid per pupil (BSAPP) is $4,433 or less, a school board may calculate the LOB based on a BSAPP of $4,433, or an amount that does not exceed an amount of 30.0 percent of its general fund budget, whichever is greater, plus the amount received in special education state aid in school year 2008-2009, or the current appropriation, whichever is higher. Current law also allows a school board to calculate the LOB on 31.0 percent of its general fund budget, if an election is held. SB 57 would remove the sunset date of June 30, 2012, and in addition, would allow a school district to calculate its LOB based on a BSAPP of $4,492 instead of $4,433.

If the current method of calculating the LOB is allowed to expire on June 30, 2012, the Kansas Department of Education estimates that LOB state aid would be reduced by approximately $42.5 million in FY 2013, as school districts would no longer be able to utilize a BSAPP of $4,433 for its LOB calculation. However, the Department estimates that LOB state aid would increase by approximately $4.1 million in FY 2012 and subsequent years, as school districts would be able to utilize a BSAPP of $4,492 for its LOB calculation instead of a BSAPP of $4,433. Any fiscal effect associated with SB 57 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Dale Dennis, Education