

SESSION OF 2011

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2269

As Amended by House Committee of the Whole

Brief*

HB 2269, as amended, would create a new foundation funding obligation for K-12 school districts made up of the components described below, which would increase the foundation obligation funding for Kansas school districts. It would be comprised of the state-level obligation and local foundation budget.

State-Level Foundation Obligation

The bill would change the definition of “state financial aid” to be 90.0 percent of the result obtained by multiplying the Base State Aid Per Pupil (BSAPP) by the adjusted enrollment of a district, rather than 100.0 percent. The BSAPP in the bill would be \$4,200, subject to appropriation. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive, the amount of BSAPP would be reduced commensurate with the amount of the insufficiency.

Local Foundation Budget

As part of the foundation funding obligation, the bill would create a local foundation budget in each school district determined by multiplying a district's adjusted enrollment by \$4,433; then adding the amount of state aid for special education received by the school district in the 2008-09

*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>

school year; then dividing the sum by 0.90; and finally, multiplying the sum by 0.10. (This provision would make a portion of the current local option budget of a school district a mandatory part of a district's foundation obligation funding, which would be transferred from the supplemental general fund of the school district to the general fund of the district.)

Each district would be eligible for state aid under this new levy in the same manner that school districts currently receive supplemental general state aid for the local option budget. If the amount of the appropriation is less than the amount each district is entitled to receive for a school year, the State Board of Education would prorate the aid among the districts in proportion to the amount each district is entitled to receive.

Local Option Budget

The bill would change the local option budget by calculating the state prescribed percentage as 18.0 percent of the foundation funding, rather than 31.0 percent in the current law. However, any resolution by a school district authorizing the adoption of a local option budget in excess of 17.0 percent of the foundation funding could not take effect unless the resolution has been submitted to and approved by a majority of qualified electors.

Background

HB 2269 was introduced by Representative Clay Aurand. At the hearing on the bill, there were no listed proponents. Opponents included representatives of the Kansas Association of School Boards and Kansas United School Administrators.

The House Committee on Education made a technical amendment to the bill.

The House Committee of the Whole amended the bill by changing the BSAPP to \$4,200 (from \$4,991).

The bill was re-referred by the House Committee of the Whole to the House Committee on Education where the method to calculate the local foundation budget was revised. The House Committee adopted the bill as further amended.

The House Committee of the Whole amended the bill describing the manner in which the local foundation funding would be transferred to the district's general fund.

The Division of the Budget fiscal note indicated that the Kansas Department of Education estimated that enactment of the original bill would require additional state aid expenditures totaling \$498,706,823, all from the State General Fund. This estimate included an additional \$474,192,000 for general state aid to increase BSAPP to \$4,492 (the statutory BSAPP), a reduction of \$108,818,493 for supplemental general state aid, and a new appropriation totaling \$131,333,316 for local foundation budget state aid. Any fiscal effect associated with the bill is not reflected in *The FY 2012 Governor's Budget Report*.