

February 21, 2022

The Honorable Molly Baumgardner, Chairperson
Senate Committee on Education
Statehouse, Room 144-S
Topeka, Kansas 66612

Dear Senator Baumgardner:

SUBJECT: Fiscal Note for SB 499 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 499 is respectfully submitted to your committee.

SB 499 would change current law regarding school finance; require a second student count for virtual school enrollment, increase certain virtual school state aid amounts; and provide for additional state aid for certain students who transfer to virtual schools.

For the fall count date, virtual school state aid would be increased from \$5,000 to \$5,600 per student for full-time virtual students attending no less than 6 hours. For part-time virtual students, state aid would be increased from \$1,700 to \$2,000 per student.

A second virtual student count date would be added in the spring for students enrolled full-time in virtual school. To be included in the spring count, a student would have to be attending one day before February 19 and one day on or after February 20 but before March 6 and not enrolled on the fall count date of September 20. For this count, virtual school state aid would be \$2,800.

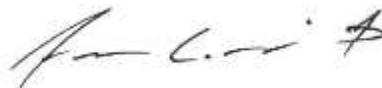
In addition, the State Board of Education would determine the number of students enrolled in each virtual school who transferred from a non-virtual school of a school district to a virtual school operating by a different school district in the preceding school year and enrolled in grades nine through 12 of the non-virtual school. The Board would determine the number of these students who: (1) do not have sufficient credits to be expected to graduate in the same school year as a student's cohort at the time of a student enrolled in grade 9, (2) failed two or more courses; or (3) scored below grade level on any state assessment given. The amount of state aid for these students would be equal to 45.6 percent of the Base Aid for Student Excellence (BASE) for the

preceding school year. The State Board of Education would require school districts to remit or deduct from future State Foundation Aid payments an amount equal to the number of students who transferred from a non-virtual school of any school district multiplied by 45.6 percent of the BASE amount for the preceding school year. The bill would become effective upon publication in the statute book.

According to the Department of Education, the agency does not know how many students currently enroll in a virtual school after September 20, but prior to February 20, so the Department cannot determine the fiscal effect for the state aid for the second count of virtual school students. However, based upon data from the 2021-2022 school year, the increased state aid that would be made available for the first count in the fall would result in an addition of \$6.2 million of state aid to school districts, all from the State General Fund.

The Department notes that the agency does not collect data on student grades in specific courses and would not begin collecting data until the end of the 2022-2023 school year. As a result, the agency cannot estimate the amount of state aid for students who do not have sufficient credits to graduate with their cohort or the number of students who have failed two or more courses. However, the amount of increased state aid would be offset by the reduction of state aid to the school district that would lose the student in the school aid count and there would be no additional cost to the state for this provision. Any fiscal effect associated with SB 499 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Craig Neuenswander, Education