

January 22, 2018

The Honorable Larry Campbell, Chairperson  
House Committee on K-12 Education Budget  
Statehouse, Room 286-N  
Topeka, Kansas 66612

Dear Representative Campbell:

SUBJECT: Fiscal Note for HB 2445 by Representative Rooker

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2445 is respectfully submitted to your committee.

HB 2445 would amend the Kansas School Equity and Enhancement Act. The bill would:

1. Make technical changes regarding the declining enrollment weighting;
2. Provide that any Local Option Budget (LOB) resolution that was adopted prior to July 1, 2017, without increasing the LOB percentage to 33.0 percent without an election for voter approval would be considered null and void;
3. Require that any school district that wants to increase its LOB authority for the immediate succeeding school year would be required to submit a written notice of intent to the State Board of Education by April 1 of the current school year;
4. Provide that LOB state aid would be based upon the current year budget rather than the preceding year's budget;
5. Amend the statute for Transportation State Aid to align with the current practice of aid distribution by the Department of Education;
6. Make the calculation of bilingual and vocational education weightings based upon the current school year, rather than the prior year;
7. Repeal current law that provides a minimum at-risk weighting for any school district that has less than 10.0 percent of students that are considered "at-risk;" and
8. Repeal current law that allows utility expenses, as well as property and casualty insurance, to be paid from a district's capital outlay fund.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	--	(\$2,300,000)	(\$2,300,000)
FTE Pos.	--	--	--	--

According to the Department of Education, enactment of HB 2445 would have a net increase of expenditures totaling \$3.7 million, all from the State General Fund, beginning in FY 2019. Of this amount, \$6.0 million in additional expenditures would be attributed to using the current year's district budget for calculating LOB State Aid instead of using the prior year's budget, as found in current law. However, there would be an expenditure reduction totaling \$2.3 million, all from the State General Fund, as a result of eliminating the 10.0 percent at-risk floor for the at-risk state aid calculation. The other provisions of the bill would have no fiscal effect.

The Division of the Budget notes that the Governor has included additional funding totaling \$6.0 million from the State General Fund in FY 2019 to account for the LOB State Aid calculation using the districts' current year budget in *The FY 2019 Governor's Budget Report*. As a result, enactment of HB 2445 would result in a net savings of \$2.3 million, all from the State General Fund, from the budget proposed by the Governor.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Dale Dennis, Education