300 SW TENTH AVENUE • SUITE 24-Е • ТОРЕКА, KS 66612 • (785) 296-2321

MEMORANDUM

To:	Chairperson Thomas
	Members of the House Committee on Education
From:	The Office of Revisor of Statutes
Date:	January 24, 2023
Subject:	HB 2040 – Allowing the use of current school year enrollment for school
finance calculation purposes.	

House Bill No. 2040 (HB 2040) would amend the definition of "enrollment" under K.S.A. 72-5132. K.S.A. 72-5132 is the definition section of the Kansas School Equity and Enhancement Act (KSEEA), which provides the school finance formula for calculating state aid for school districts. Under KSEEA, the finance formula starts with the school district's enrollment. This enrollment number is then adjusted by the formula to account for the various weightings attributable to the district. The adjusted enrollment is then multiplied by the BASE aid amount for the applicable school year to determine the total foundation aid for the district.

Since its enactment in 2017, KSEEA has used prior school year enrollment numbers for the purpose of calculating total foundation aid. A school district's total foundation aid for the current school year is based on the preceding school year's enrollment number. This provided the Kansas State Department of Education (KSDE) and the Legislature with definite enrollment numbers for the upcoming school year. Alternatively, if a school district had lost students from the second preceding school year to the preceding school year, then the district can use the second preceding school year enrollment number for calculating current school year total foundation aid. There is a third option under the current law for districts that enroll military students and receive federal impact aid.

HB 2040 would allow school districts to include the current school year enrollment as an option. Under the bill, a district's enrollment would be determined as the whichever of the four options provided the greatest enrollment number. (The fourth option still being available only to those districts that enroll military students and receive federal impact aid.) Any school districts



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that have experienced increased enrollment numbers would receive additional state aid for school year 2023-2024 as district received the benefit of counting its current school year enrollment for the first time.

If enacted, HB 2040 would become effective on July 1, 2023.