

February 17, 2014

The Honorable Steve Abrams, Chairperson
Senate Committee on Education
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Abrams:

SUBJECT: Fiscal Note for SB 341 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 341 is respectfully submitted to your committee.

As recommended by the State Board of Education, SB 341 would amend the enrollment count for kindergarten students in the school finance formula. Under current law, kindergarten students count only as a 0.5 student in the school finance formula. SB 341 would increase this count by 0.1 each year, beginning in FY 2015, until the student count would reach 1.0 in the 2018-2019 school year.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$16,300,000	\$16,300,000
FTE Pos.	--	--	--	--

According to the Kansas Department of Education, the total cost to count kindergarten students as full-time, from the current half-time student, in the school finance formula would be \$81.5 million, all from the State General Fund. In *The 2015 Governor's Budget Report*, the Governor recommends a five-year phase in to count kindergarten students as full-time, and as outlined in SB 341. As a result, the cost in FY 2015 would be \$16.3 million for general state aid (\$81.5 million divided by 5 years = \$16.3 million), and for each year thereafter, until FY 2019. The increase in FTE-weighted enrollment in the school finance formula from counting

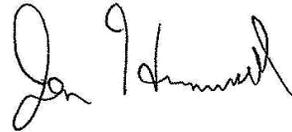
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kindergarteners as full-time students could cause an increase in the local option budget (LOB) authority in school districts. This could increase the amount of LOB state aid (also known as supplemental general state aid) for which a district would be eligible. However, the actual amount of LOB state aid appropriated since FY 2009 has remained the same. The fiscal effect associated with SB 341 to general state aid has been included in the Governor's FY 2015 budget recommendation for the Department of Education.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and "H".

Jon Hummell,
Interim Director of the Budget

cc: Dale Dennis, Education