

## **School Finance; Sub for HB 2001**

**Sub. for HB 2001** amends statutes relating to school finance. Specifically, the bill alters the statutory formula for providing Supplemental General State Aid for FY 2017 and amends laws related to virtual school state aid, the Extraordinary Need Fund, hold-harmless funding under 2016 Senate Sub. for HB 2655, and federal funding for certain pre-kindergarten programs. The bill also amends law related to the sale of the Kansas Bioscience Authority (KBA).

### ***Appropriations***

The bill appropriates \$99,408,027 for Supplemental General State Aid. The bill also changes the appropriation from the State General Fund to the School District Extraordinary Need Fund to \$8.0 million and transfers \$5.0 million from the State Highway Fund to the Extraordinary Need Fund. The bill lapses \$61,792,947 of School District Equalization State Aid and lapses \$2.8 million from the block grant to school districts.

The bill lapses \$4.1 million of the appropriation for the Children's Initiatives Fund and transfers \$4.1 million from the Children's Initiatives Fund to the State General Fund. It also directs the Department for Children and Families to expend \$4.1 million from the Temporary Assistance for Needy Families Fund for the purpose of providing additional funding for programs provided by the Kansas State Department of Education.

### ***Supplemental General State Aid***

The bill reinstates the Supplemental General State Aid formula that was in effect prior to the enactment of 2015 House Sub. for SB 7.

### ***Virtual School State Aid***

The bill changes the amount school districts receive for each full-time virtual school student for FY 2017 from \$5,600 to \$5,000.

### ***Extraordinary Need Fund***

The bill allows the Kansas State Department of Education to accept applications to the Extraordinary Need Fund and approve them, if the proceeds of the KBA sale or merger are at least \$38.0 million. However, no moneys may be expended from that fund in FY 2017 until the sale or merger of the KBA is complete. If the proceeds of the sale or merger of the KBA are less than \$38.0 million, then the amount of money appropriated to the Extraordinary Need Fund is reduced by the amount of the shortfall.

### ***Sale of the KBA***

The bill provides that any proceeds of the sale of the KBA in excess of \$25.0 million but less than \$38.0 million are deposited in the State General Fund.

### ***Other Provisions***

The bill eliminates the School District Equalization State Aid provisions created in 2016 Senate Sub. for HB 2655. The bill also includes a severability clause.