February 27, 2018

The Honorable Fred Patton, Chairperson
House Committee on K-12 Education Budget
Statehouse, Room 274-W
Topeka, Kansas  66612

Dear Representative Patton:

SUBJECT:  Fiscal Note for HB 2697 by House Committee on K-12 Education Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2697 is respectfully submitted to your committee.

Under current law regarding the education transportation weighting in the school finance formula, students who live at least 2.5 miles from a school have a cost ratio of 2.8 times more than other students when allocating transportation costs in the formula. HB 2697 would increase the cost ratio to 5.0 times.

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According to the Legislative Division of Post Audit, increasing the cost ratio does not directly provide districts with additional transportation funding. However, a higher ratio would assign more costs to students who live at least 2.5 miles from a school during the initial cost allocation by the Department of Education in the transportation formula. This higher ratio would result in greater costs per student, which in turn would raise the “curve of best fit,” and the amount of funding provided to each district.
With the increase of the cost ratio from 2.8 to 5.0 contained in HB 2697, cost allocations through the transportation weighting formula would increase by $4.0 million, which would result in additional State Foundation Aid payments of the same amount, all from the State General Fund. If the bill was to become law without an additional appropriation from the State General Fund, the Department of Education would prorate state aid to districts within available funding for State Foundation Aid. Any fiscal effect associated with HB 2697 is not reflected in The FY 2019 Governor’s Budget Report.

Sincerely,

Larry L. Campbell
Chief Budget Officer

cc: Dale Dennis, Education