

SESSION OF 2016

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 59**

As Amended by House Committee on
Appropriations

Brief*

House Sub. for SB 59 would amend statutes relating to school finance. Specifically, the bill would alter statutory formulas for providing Supplemental General State Aid and Capital Outlay State Aid for FY 2017, make changes to law related to the School District Extraordinary Need Fund (Extraordinary Need Fund); provide for School District Equalization State Aid; change a non-severability provision to a severability provision; and make amendments related to ancillary school facilities state aid. The bill would make necessary appropriations for the statutory changes in the bill.

Appropriations

The bill would appropriate \$367,582,721 for Supplemental General State Aid, \$61,792,947 for School District Equalization State Aid, and make a transfer for Capital Outlay State Aid (transfer would be \$50,780,296). The bill would also change the appropriation for the Extraordinary Need Fund from \$17,521,425 to \$15,167,962 and lapse \$477,802,500 from the block grants to unified school districts for fiscal year 2017.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Supplemental General State Aid

The formula would replace the amount of supplemental general state aid provided by 2015 House Sub. for SB 7 with a new formula for determining the amount of supplemental general state aid. Under the new formula, a school district's Supplemental General State Aid would be determined by multiplying the school district's local option budget by an equalization factor. The equalization factor would be determined by arranging the assessed valuation per pupil (AVPP) of all school districts from largest to smallest, rounding the AVPPs to the nearest \$1,000, and identifying the median. The equalization factor of the median would be 25 percent. For every \$1,000 a school district's AVPP is above the median, the school district's equalization factor would be reduced from 25 percent by 1 percent and for every \$1,000 a school district's AVPP is below the median, the school district's equalization factor would be increased from 25 percent by 1 percent.

Capital Outlay State Aid

The bill would reinstate the Capital Outlay State Aid formula that was in effect prior to the enactment of 2015 House Sub. for SB 7.

Extraordinary Need Fund

The bill also would give the State Board of Education (the Board) the authority to review and decide upon school district applications for funds from the Extraordinary Need Fund. Current law gives the State Finance Council authority to review and act upon such applications. Whether a school district has reasonably equal access to substantially similar education opportunity through similar tax effort would be added as a factor the Board shall consider in evaluating an application for funds from the Extraordinary Need Fund.

School District Equalization State Aid

The bill would provide funds to school districts if the changes to Supplemental General State Aid or Capital Outlay State Aid in the bill resulted in the school districts being entitled to less state aid than under prior law.

Severability

The bill would change the non-severability provision in KSA 2015 Supp. 72-6481 to a provision specifically allowing the provisions of the Classroom Learning Assuring Student Success (CLASS) Act to be severed and for the provisions of the bill to be severed.

Ancillary School Facilities

The bill also would amend statutes related to the authority of a school district to levy a tax for the purpose of financing the costs incurred that are directly attributable to ancillary school facilities. The bill would allow the levying of the tax for the operation of a school facility whose construction was financed by the issuance of bonds approved for issuance at an election held on or before June 30, 2015.

Background

The House Committee on Appropriations deleted the contents of SB 59, as amended by the House Committee on Judiciary, which would have clarified the jurisdiction of district magistrate judges, and inserted the amended provisions of HB 2740. The House Committee amended the bill by adding the provisions related to ancillary school facilities as well as prefatory language to the bill describing the legislative process and identifying the findings made by the Committee during its work on the legislation.

The following is the background of both bills.

SB 59 Background

The bill was introduced by the Senate Committee on Judiciary at the request of Senator King.

In the Senate Committee, representatives of the Kansas District Magistrate Judges Association and Kansas Judicial Branch testified in support of the bill. A representative of the Kansas District Judges Association testified as an opponent to the bill with a suggested amendment. The conferees stated that 2014 Senate Sub. for HB 2065 was enacted to extend magistrate judge jurisdiction, but issues have arisen in implementing the bill's provisions.

The Senate Committee adopted an amendment presented as a compromise between the parties that reorganized some of the language and added a list of specific actions over which a district magistrate judge would not have jurisdiction without consent of the parties. (A similar list was removed from the statute by the 2014 bill.)

In the House Committee on Judiciary hearing, representatives of the Kansas District Judges Association and Kansas District Magistrate Judges Association testified in favor of the bill. Written testimony supporting the bill was received from representatives of the Kansas Supreme Court and Kansas Bar Association.

The House Committee adopted an amendment clarifying wording related to wildlife, parks, and tourism violations.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Office of Judicial Administration and Kansas Department of Wildlife, Parks and Tourism indicate the bill would have no fiscal effect.

HB 2740 Background

The bill was introduced by the House Committee on Appropriations. At the House Committee hearing on the bill, proponents of the bill included representatives of the Blue Valley and Shawnee Mission school districts and a representative of the Kansas Chamber of Commerce. Written testimony in support of the bill was provided by the Bonner Springs/Edwardsville School District. Opponents of the bill included representatives of the Kansas City, Kansas, Public Schools and Wichita Public Schools. Neutral testimony was provided by the Kansas Policy Institute.

No fiscal note was provided by the Division of the Budget on this appropriations bill.