

March 16, 2023

The Honorable Molly Baumgardner, Chairperson
Senate Committee on Education
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Baumgardner:

SUBJECT: Fiscal Note for SB 304 by Senate Committee on Federal and State Affairs

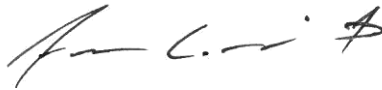
In accordance with KSA 75-3715a, the following fiscal note concerning SB 304 is respectfully submitted to your committee.

SB 304 would authorize the State Board of Education to establish new school districts to attach a territory of a disorganized school district to one or more adjacent school districts. In addition, the bill would establish timelines for a dissatisfied resident to request the State Board of Education to review a district's resolution to permanently close a building. After the review, the State Board of Education would issue an advisory determination to the school district stating whether the resolution is reasonable and may include recommendations regarding modifying or rescinding the resolution. The adopted resolution of a school district would be effective following waiting period of 30 days without the request for administrative review or without action being filed in a district court. If action is filed with the court, the resolution would be effective after final adjudication.

According to the Department of Education, the primary cost factor for the bill's provisions of creating new school districts would be the low enrollment weighting in the school finance formula. This weighting factor is calculated on a variable formula in that the smaller the school district, the greater the low enrollment weighting would be per student. As a result, if a larger district is disorganized and a smaller district would be created, the same number of students would generate a greater amount for the low enrollment weighting factor. In addition, the state aid for any new districts would alter Supplemental General State Aid, Capital Outlay State Aid, and Capital Improvement State Aid. Any fiscal effect for the enactment of the bill would be dependent on which school districts would be involved, which is not known. The provisions regarding the review of a district resolution to permanently close a school building could require additional

administrative time to implement; however, any additional costs would be negligible. Any fiscal effect associated with SB 304 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Craig Neuenswander, Department of Education