

SESSION OF 2011

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 2193**

As Recommended by House Committee on
Education

Brief*

Sub. for HB 2193 would authorize local boards of education to establish a local activities budget if the district has adopted a local option budget at a rate not less than 30.0 percent of the state financial aid of the district in the current school year, and the local electorate has approved a local activities levy, not to exceed five years in length. In computing the maximum local activities budget, a district would multiply the preceding year's full-time equivalent enrollment by the base state aid per pupil, then multiply the result by 5.0 percent.

The bill contains an equalization provision so that districts with an assessed valuation per pupil less than the 81.2 percentile (currently this is equal to \$105,825 per pupil) which is equal to 1.78 mills. Any district adopting a local activities budget must levy at least 1.78 mills or no more than 4.90 mills. For those districts with assessed valuations per pupil above the 81.2 percentile, the difference in the amount of money raised via the tax levy needed to fund the local activities budget and 1.78 mills would be paid into a Local Activities Equalization Fund administered by the State Board of Education. Moneys in this Fund would be used to assist the school districts with low assessed valuations.

The bill would not allow local activity funds to be used for instruction-related expenses. The State Board of

*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>

Education would be authorized to adopt rules and regulations necessary to implement the provision of the bill. Provisions of the bill would become effective upon publication in the *Kansas Register*.

Background

The original HB 2193 would reduce the number of students who would be eligible for at-risk funding in the school finance formula. Representative Pat Colloton was the bill's only proponent. Opponents of the original HB 2193 included representatives of the Kansas City, Kansas, Wichita, and Topeka school districts and the Kansas Association of School Boards.

The House Committee on Education amended HB 2193 by removing its contents and inserting the contents of HB 2201 and creating Sub. for HB 2193.

The original HB 2201 would authorize local board of education to establish a local activities budget if the district has adopted a local option budget at a rate not less than 30.0 percent of the state financial aid of the district in the current school year, and the local electorate has approved a local activities levy, not to exceed five years in the length. The maximum local activities budget would not be more than 5.0 percent of the local activities budget computation factor of the district, which would be determined by multiplying the preceding year's full-time equivalent enrollment by the base state aid per pupil. The bill would not allow local activity funds to be used for instruction-related expenses.

Proponents of the original HB 2201 included Representative Arlen Siegfried and representatives of the Blue Valley and Shawnee Mission school districts. Opponents included representatives of the Kansas Association of School Boards and the Kansas City, Kansas, Vermillion, and Wichita school districts.

The House Committee on Education amended the original HB 2201 by removing a section of the bill requiring a local school district to authorize a local activity levy with a resolution and protest petition for the 2011-2012 school year.

The House Committee of the Whole amended the original HB 2201 by removing the provision requiring districts to adopt a local activities budget at the state prescribed percentage (31.0 percent) in order to be eligible to levy a local activities budget. The amendment changed the requirement to 30.0 percent of the state financial aid of the district in the current school year.

The Division of the Budget fiscal note on the original HB 2201 indicated there would be no fiscal effect on state aid programs, as the bill provided only for authority a local mill levy that was not equalized by the state.

The original fiscal note on HB 2193 would have reduced the number of students eligible for the at-risk weighting by 60,371 students. As a result, enactment of HB 2193 would reduced state aid by \$140,060,285.

There was no fiscal note on Sub. for HB 2193.