

SESSION OF 2012

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2200**

As Amended by Senate Committee of the Whole

Brief*

Senate Sub. for HB 2200 would amend the current school finance formula by setting the base state aid per pupil (BSAPP) for the 2012-2013 school year at \$3,854 (a \$74 increase) and \$3,928 for the 2013-2014 school year. However, the increases in BSAPP would only go into effect if the aggregate amount of appropriations for supplemental general state aid (equalization aid) for school year 2011-2012 equaled 92.5 percent of the amount of supplemental general state aid school districts were entitled to receive under current law. Likewise, the BSAPP increase for the 2013-2014 school year would not go into effect unless the appropriation of supplemental general state aid in school year 2012-2013 equaled 100 percent of the amount districts were entitled to receive. In the event the requirements of the bill related to the appropriation of supplemental general state aid would not be met, the BSAPP would be \$3,780.

The bill would allow local boards of education to increase the local option budget authority up to 32 percent in school year 2012-2013 and to 33 percent in school year 2013-2014; however, the increases would be contingent upon the aggregate amount of appropriations for supplemental general state aid for school year 2011-2012 equaling 92.5 percent of the amount of supplemental general state aid school districts were entitled to receive under current law. Likewise, the local option budget authority increase for the 2013-2014 school year would not go into effect unless the appropriation of supplemental general state aid in school year

*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>

2012-2013 equaled 100 percent of the amount districts were entitled to receive.

Increases in local option budget authority above 30 percent for both school years would not become effective unless submitted to and approved by a majority of the qualified electors of the school district.

Background

Senate Sub. for HB 2200 contains the contents of SB 450 which had a hearing in the Senate Education Committee.

Proponents of SB 450 included representatives of the WaKeeney; Kansas City, Kansas; Goddard; Palco; Renwick; Galena; Wichita; and Topeka school districts. Representatives of the Kansas Association of School Boards, Kansas National Education Association, and United School Administrators also testified in favor of the bill. Opponents included representatives of the Kansas Farm Bureau, Kansas Association of Realtors, and the Kansas Livestock Association.

The Senate Education Committee amended SB 450 by lowering the BSAPP for school year 2012-2013 from \$3,854 to \$3,817; and for school year 2013-2014 from \$3,928 to \$3,854, contingent upon increases in supplemental general state aid to 92.5 percent in school year 2012-2013 and 100 percent in 2013-2014.

In addition, the Senate Committee eliminated provisions in the original SB 450 which would have increased the local option budget authority from 31 percent in school year 2012-2013 to 33 percent and to 35 percent in school year 2013-2014, with both years' increases subject to a protest petition.

The Senate Committee then deleted the contents of HB 2200, which dealt with school districts' capital improvements and capital outlay state aid and inserted the contents of SB

450 with the following additional changes:

- The substitute bill would set the base state aid per pupil for the 2012-2013 school year at \$3,854 (a \$74 increase) and \$3,928 for the 2013-2014 school year;
- The substitute bill would allow local boards of education to increase the local option budget authority from 31 percent to 32 percent in school year 2012-2013, *via* a local school board resolution; and
- The substitute bill would allow local boards of education to increase the local option budget authority to 33 percent in school year 2013-2014; however, in school year 2013-2014, and years thereafter, local option budget increases in excess of 30 percent and in excess of the percentage of state financial aid of the district in the immediately preceding school year would not become effective unless submitted to and approved by a majority of the qualified electors of the school district.

Finally, the Senate Committee reconsidered the bill for the third time, amending it by adding a provision stating the increases in BSAPP would only go into effect if the aggregate amount of appropriations for supplemental general state aid (equalization aid) for school year 2012-2013 is equal to 92.5 percent of the amount of supplemental general state aid school districts are entitled to receive under current law. Likewise, the BSAPP increase for the 2013-2014 school year would not go into effect unless the appropriation of supplemental general state aid in that school year equaled 100 percent of the amount districts are entitled to receive. In the event the requirements of the bill related to the appropriation of supplemental general state aid would not be met, the BSAPP would be \$3,780.

The Senate Committee of the Whole added two

amendments. The first amendment required both the BSAPP and local option budget authority increases be tied to meeting 92.5 percent of supplemental general state aid for the 2011-2012 school year and 100 percent in the 2012-2013 school year. The second amendment required an election for any increase in local option budget authority above 30 percent.

The Division of the Budget fiscal note on the original bill indicated \$56.0 million of additional state aid, all from the State General Fund, would be required to fund the bill in FY 2013. The fiscal note indicates that, of this amount, \$50.0 million would be attributed to the \$74 increase in BSAPP beyond the current \$3,780 included in *The FY 2013 Governor's Budget Report*. (This fiscal impact of the BSAPP is the same as that being proposed in the current version of Senate Sub. for HB 2200.) The remaining \$6.0 million would be attributed to the state's share of the increased authority in local option budgets from 31 percent to 33 percent. In addition, the original bill would require an additional \$56.0 million from the State General Fund in FY 2014 beyond what would be added in FY 2013.