

March 25, 2014

The Honorable Marc Rhoades, Chairperson  
House Committee on Appropriations  
Statehouse, Room 111-N  
Topeka, Kansas 66612

Dear Representative Rhoades:

SUBJECT: Fiscal Note for HB 2768 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2768 is respectfully submitted to your committee.

HB 2768 would appropriate \$103,865,000 from the State General Fund in FY 2015 for Supplemental General State Aid, also known as Local Option Budget (LOB) State Aid, in the school finance formula. With this additional appropriation, school districts eligible to receive LOB State Aid would receive the amounts due in accordance with state law during the 2014-2015 school year, based upon estimates from the 2013 Education Consensus Meeting. In addition, HB 2768 would direct that the School District Capital Outlay State Aid demand transfer be made in FY 2015, which is estimated to be \$25,200,000 in FY 2015.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	(\$25,200,000)	(\$25,200,000)
Expenditure	--	--	\$103,865,000	\$129,065,000
FTE Pos.	--	--	--	--

Enactment of HB 2768 would increase state expenditures beyond the approved budget by \$129,065,000 in FY 2015 from all funding sources, including \$103,865,000 from the State General Fund and \$25,200,000 from the School District Capital Outlay State Aid Fund. Under current law, the School District Capital Outlay State Aid Fund receives its funding from a demand transfer from the State General Fund, when Capital Outlay Aid is authorized in a fiscal

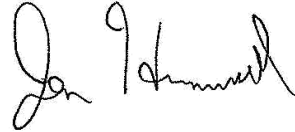
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year. As a result, enactment of HB 2768 would reduce State General Fund revenues by \$25,200,000 to reflect the transfer into this special revenue fund.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and "H".

Jon Hummell,  
Interim Director of the Budget

cc: Dale Dennis, Education