

February 1, 2016

The Honorable Steve Abrams, Chairperson
Senate Committee on Education
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Abrams:

SUBJECT: Fiscal Note for SB 356 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 356 is respectfully submitted to your committee.

SB 356 would establish the School District Bond Project Review Board, which would comprise the following members: the chairperson of the House Committee on Appropriations; the chairperson of the Senate Committee on Ways and Means; the ranking minority member of the House Committee on Appropriations; the ranking minority member of the Senate Committee on Ways and Means; and two members selected by the Governor who are actively involved in the construction industry.

For general obligation bonds that have been approved for issuance by a local election on or after January 1, 2016, capital improvement state aid would be paid only with approval by the review board. School districts would submit applications to the review board for approval. If the review board approves a district application, the board would be required to determine the extent of the facility being constructed or improved is to be utilized for direct instruction of students, as expressed by a percentage of the total utilization of the facility. In making a determination, the board could only consider basic building planning and design to be a part of the facility. Any architectural enhancements to a facility beyond basic building planning and design would not be considered part of the facility that would be utilized for direct instruction. The review board would certify to the State Board of Education the percentage of utilization and that percentage would be used in calculating state aid that the district would receive for bond payments. The bill would become effective upon publication in the *Kansas Register*.

According to the Kansas Department of Education, enactment of SB 356 would likely have the effect of reducing bond and interest state aid for bond issues after January 1, 2016. The bill would not change state aid entitlements that districts currently receive for bond issues prior to January 1, 2016. Any reduced state aid payments would be reliant on the number of bond

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issues approved by the voters and the determination of the percentage of voter-approved projects determined to be direct instruction by the review board. Any fiscal effect associated with SB 356 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education