



Division of Fiscal and Administrative Services

Kansas State Department of Education
Landon State Office Building
900 SW Jackson Street, Suite 354
Topeka, Kansas 66612-1212

(785) 296-3871
(785) 296-6659 - fax
www.ksde.org

February 6, 2017

FROM: Dale M. Dennis, Deputy
Commissioner of Education

Craig Neuenswander, Director
School Finance

SUBJECT: 2017 House Bill 2270 – Proposed School Finance Plan—Education Finance Act

Attached you will find information on the major provisions of House Bill 2270 as well as a computer printout (SF17-001) and column explanation showing the effects of this proposed plan.

If you have questions, feel free to contact Dale M. Dennis (ddennis@ksde.org) or Craig Neuenswander (cneuenswander@ksde.org) at (785) 296-3871.



PROPOSED SCHOOL FINANCE PLAN MAJOR POLICY PROVISIONS

- Foundation state aid per pupil (FSAPP) will increase to \$4,895 over a four-year period. Year 1-\$4,253; Year 2-\$4,467; Year 3-\$4,681; and Year 4-\$4,895
- Foundation state aid per pupil will increase based upon the Midwest consumer price index for the second preceding calendar year by 2021-22.
- The special mill levies currently in place for declining enrollment, cost of living and extraordinary growth will continue.
- Enrollment will be based upon prior year.
- Military second count with net increase in enrollment between September 20 and February 20.
- At-risk funding is based upon prior year's actual enrollment for two years and then funded based upon twice the U.S. Bureau of Census poverty rate times .456 weighting (same as old law).
- All-day kindergarten will be funded and counted in the enrollment.
- Career & Technical Education (vocational education) funding will be based upon .5 weighting (same as old law). The State Department of Education is required to study CTE cost by program and weighting adjusted accordingly in year two.
- Virtual based upon FTE enrollment and FSAPP of \$4,253 with part-time students funded at \$1,700 per FTE. The funding for students over 19 years of age would be \$709 times number of credits earned not to exceed six credits.
- Special education funding remains the same as current law (92 percent of excess cost) and fully funded (phased in over four-year period).
- Transportation is funded as in current formula except mileage limitation is lowered as follows:
 - 2018-19 – 2.5 to 2.0
 - 2019-20 – 2.0 to 1.5
 - 2020-21 – 1.5 to 1.0

The current transportation law will remain intact. The proposed change would make students who are transported more than 2.0 and less than 2.5 miles on September 20 eligible for state aid under the transportation formula during the 2018-19 school year. Those students that drive to and from school or the school district does not transport would not receive transportation aid. The mileage limitation would be lowered by .5 mile for 2019-20 and 2020-21.

- Bilingual education weighting will remain the same as law prior to the 2014-15 school year and will be computed based upon the prior year's actual enrollment.
- 20-mill levy will continue except the revenue raised will become a part of local effort and remain in the local school district.
- Capital outlay levy will be excluded from tax increment financing and neighborhood revitalization.
- Bond and interest state aid will be under the old law prior to 2014-15. The approval process for the bond and interest state aid would require approval of the State Board of Education in an amount not to exceed the six-year rolling average.
- Assessed valuation per pupil for computing supplemental general (LOB) state aid and capital outlay state aid will be based upon a three-year average of the three preceding years beginning in 2018-19. School districts would be eligible for capital outlay state aid only if they levy at least four mills for capital outlay. The computation for LOB state aid and capital outlay state aid will remain under current law for the 2017-18 school year.
- Low and high enrollment will be reinstated as in law prior to 2014-15.
- Expand early childhood funding by increasing state aid for four-year-old at-risk programs.
- School districts may adopt up to 30 percent of their supplemental general fund (local option budget) on board action. If a district chooses to increase the LOB up to 33 percent, this would require board action and right of protest petition. Those school districts that are already at 33 percent will retain that authority.

FOUR-YEAR PHASE-IN COSTS

Program	2017-18	2018-19	2019-20	2020-21
Foundation State Aid Per Pupil	4,253	4,467	4,681	4,895
General State Aid*	279,849,815	145,520,000	145,520,000	145,520,000
Transportation—Mileage Change	1,500,000	9,000,000	9,000,000	9,000,000
Special Education—Fund Formula	13,700,000	18,700,000	23,700,000	28,700,000
Career/Technical Education	1,000,000	15,000,000	3,500,000	3,500,000
Virtual	0	1,400,000	1,400,000	1,400,000
Capital Improvement (Bond & Interest)**	22,500,000	8,000,000	8,000,000	8,000,000
New Facilities	13,000,000	600,000	600,000	600,000
Increased Funding—4-Year-Old At-Risk	5,000,000	6,000,000	7,000,000	8,000,000
TOTAL	336,549,815	204,220,000	198,720,000	204,720,000

*Includes all-day kindergarten.

**Normal growth for 2017-18 is \$14,500,000 and \$8,000,000 for the next three years.

Program	2017-18	2018-19	2019-20	2020-21
Capital Outlay State Aid	2,000,000	2,000,000	2,000,000	2,000,000

Program	2017-18	2018-19	2019-20	2020-21
Supplemental General (LOB) State Aid	0	4,000,000	4,000,000	4,000,000

