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Education

I-1 School Finance

School District Finance and Quality Performance Act; Bond and Interest State Aid Program

2009-2010 School Year

The School District Finance and Quality Performance Act provides the formula for computing General State Aid and Supplemental General State Aid for the 293 unified school districts in Kansas.

- General State Aid Formula

$\text{Base State Aid Per Pupil} \times \text{Adjusted Enrollment} = \text{State Financial Aid}$
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- Base State Aid Per Pupil X Adjusted Enrollment = State Financial Aid Base State Aid Per Pupil. The statutory Base State Aid Per Pupil (BSAPP) is \$4,012. (This is the BSAPP as of December 18, 2009, following the November 2009 allotment.) However, if the appropriation is insufficient to pay the computed entitlement, the amount is reduced to match the amount of funding that is available.
- Enrollment Adjustments
 - Low Enrollment
This weight applies to school districts having unweighted full-time equivalent enrollments of under 1,622. The low enrollment factors were adjusted during the 2006

Session. Note: A district cannot receive both low enrollment and correlation weighting.

- High Enrollment (Correlation)

This weight applies to districts having unweighted full-time equivalent enrollments of 1,622 and over. It is determined by multiplying the full-time equivalent enrollment by a factor of 0.029942. Note: A district cannot receive both low enrollment and correlation weighting.

- Transportation

This weight helps compensate school districts for providing transportation to public school pupils who reside 2.5 miles or more by the usually traveled road from the school attended. The transportation formula is:

Formula Per Pupil Cost of Transportation/ BSAPP = A factor which is then multiplied times the number of pupils transported 2.5 miles or more in the current year = the number of weighted transportation students.

- Vocational Education

This weight is determined by multiplying the full-time equivalent enrollment in vocational education programs approved by the State Board of Education by a factor of 0.5. Revenue generated by the weight must be spent for vocational education.

- Bilingual Education

This weight is determined by multiplying the full-time equivalent enrollment in bilingual education programs approved by the State Board of Education by a factor of 0.395. Revenue generated by the weight must be spent either for bilingual or at-risk education.

- At-Risk Pupil

This weight is determined by multiplying the number of pupils of a district who qualify for free meals under the National School Lunch Program by a factor of 0.456.

Pupils who receive services are determined on the basis of at-risk factors determined by the school district board of education and not by virtue of eligibility for free meals.

- High Density At-Risk Weighting

This weight is determined by multiplying the number of pupils

of a district who qualify for free meals under the National School Lunch Program by the following factors:

- Those districts that have free meal student percentages between 40.0 percent and 49.99 percent would use 0.06 factor.
- Those districts that have free meal student percentages of 50.0 percent or more or have a density of 212.1 students per square mile and a free lunch percentage of at least 35.1 percent and above would use 0.10 factor.

- Medium Density At-Risk Weighting

Those districts having free meal student percentages between 40.0 percent and 49.99 percent multiply the number of at-risk students by a factor of 0.06.

In addition, if a school district becomes ineligible for medium-density at-risk weighting, the weighting shall be the greater of the weighting in the current school year; prior school year; or the average of the current school year and preceding two school years.

- Non-Proficient At-Risk Weighting

This weight is determined by calculating the number of pupils in a school district who are not eligible for the federal free lunch program and who scored below proficiency, or failed to meet the standard established by the State Board of Education, on either the reading or math state assessments in the preceding school year. This number is then multiplied by 0.0465. The product is the non-proficient at-risk weighting for the preceding school year.

If the State Board determines that students in a school district are unable to take the state assessments as a result of a natural or manmade disaster, the non-proficient at-risk weighting for the school district will be equal to the school district's non-proficient at-risk weighting for the preceding school year.

- School Facilities

This weight is assigned for costs associated with beginning operation of new school facilities. The enrollment in the new school is multiplied by a factor of 0.25 to produce the weight adjustment.

In order to qualify for this weight, the district must have utilized at least 25.0 percent of the state financial aid of the district authorized for the school year.

This weight is available for two school years only—the year in which the facility operation is commenced and the following year.

- Ancillary School Facilities

The law permits a school district to appeal to the State Court of Tax Appeals for permission to levy a property tax for up to two years to defray costs associated with commencing operation of a new facility beyond the costs otherwise financed under the law. To qualify for this tax levying authority, the district must have begun operation of one or more new facilities in the preceding or current school year (or both), have adopted a budget that includes at least 25 percent of the state financial aid for the district and have had extraordinary enrollment growth, as determined by the State Board of Education.

The amount authorized by the tax levy divided by the BSAPP amount (\$4,012 for school year 2009-10) equals the ancillary school facilities enrollment adjustment.

The tax levying authority may grant an extension for an additional three years if the school district's board determines that the costs attributable to commencing operation of the new school facility or facilities are significantly greater than the costs of operating other school facilities in the district.

The tax that may be levied during the extension period is computed by first determining the amount produced by the tax levied by the district in the second year of the initial tax levying authority and by adding the amount of general state aid attributable to the school facilities weight in that year. Of the amount so computed, 75.0 percent, 50.0 percent, and 25.0 percent, respectively, are the amounts that may be levied during the three-year period.

- Special Education and Related Services

The amount of special education services state aid a school district receives, including "catastrophic" special education aid, is divided by BSAPP to produce this weighting. Note: This procedure does not increase the school district general fund state aid requirement; it only increases the computed size of this budget for the benefit of the Local Option Budget

provision of the law. Special education funding remains a separate categorical aid program distributed on the basis of a statutory formula.

- Cost-of-Living Weighting

The law permits a local school board to levy a local tax for the purpose of financing the cost-of-living weighting in a district which has higher than the average statewide cost-of-living based on housing cost. The State Board of Education is required to determine which districts are eligible to apply for this weighting. The district will be deemed eligible if its average cost of living is at least 25.0 percent higher than the statewide average. In addition, to be eligible, the district must have adopted a local option budget in an amount equal to at least 31.0 percent of the state financial aid for the district. The cap that can be levied is 5.0 percent of the district's state financial aid calculation. The local school board is required to pass and publish a resolution authorizing the levy, and the resolution is subject to protest petition.

If a school district already was authorized to levy a tax to finance the cost-of-living weighting in the 2006-07 school year, the law allows the district to continue to levy the tax at a rate that generates the same amount of revenue that was generated during the 2006-07 school year. The law allows this as long as the district adopts a local option budget which equals or exceeds the amount of local option budget adopted in the 2006-07 school year.

- Declining Enrollment Weighting

Any school district that has adopted a local option budget in an amount that equals at least 31.0 percent of the state financial aid for the district and has declining enrollment from the prior year may seek approval from the State Board of Tax Appeals to make a levy for up to two years, capped at 5 percent of the district's general fund budget. The levy is equalized up to the 75th percentile. An amount equal to the levy approved by the State Court of Tax Appeals is converted to the ancillary school facilities weight. The weight is calculated each year by dividing the amount of the levy authority approved by the State Court of Tax Appeals by BSAPP.

o Decreasing Enrollment Provisions

When a district's enrollment in the current school year has decreased from the preceding school year, the district may base its budget on the greater of unweighted full-time equivalent enrollment of the preceding year or the three-year average of unweighted full-time

equivalent enrollment (current school year and two immediately preceding school years).

In a school district for which the State Board of Education has determined that the enrollment of the district in the preceding school year had decreased from the enrollment in the second preceding school year and that a disaster had contributed to the decrease, the enrollment of the district in the second school year following the disaster is determined on the basis of a four-year average of the current school year and the preceding three school years. However, if the enrollment decrease provisions of the general law (above) are more beneficial to the district than the four-year average, the general law will apply.

Virtual School Act; School District Disaster Aid

The 2008 Legislature passed the Virtual School Act. For each school year that a school district has a virtual school, the district is entitled to Virtual School State Aid. Virtual School State Aid is calculated by multiplying the number of full-time equivalent pupils enrolled in a virtual school times 105.0 percent of the unweighted Base State Aid per Pupil (BSAPP).

In addition, virtual schools receive a non-proficient weighting of 25.0 percent multiplied by the full-time equivalent enrollment of non-proficient pupils in an approved at-risk program offered by the virtual school.

Advanced placement course funding of 8.0 percent of the BSAPP is paid to virtual schools for each pupil enrolled in at least one advanced placement course if the pupil is enrolled in a resident school district that:

- Does not offer advanced placement courses;
- Contains more than 200 square miles; or
- Has an enrollment of at least 260 pupils.

Moneys received as Virtual School Aid are required to be deposited in a Virtual School Fund. Expenses of the virtual school will be paid from this fund.

In addition, a pupil with an Individualized Education Plan (IEP) and attending a virtual school is counted as the proportion of one pupil, to the nearest tenth that the pupil's attendance at the non-virtual school bears to full-time attendance. Any student enrolled in a virtual school is not counted in the enrollment calculation. The law requires school districts to provide adequate training to teachers who teach in virtual schools or virtual programs. The definition of a virtual school requires that students make academic progress toward the next grade level and demonstrate competence in subject matter for each class in which a student is enrolled, and it requires age-appropriate students to complete state assessment tests.

This law also establishes procedures that address declining school district adjusted enrollment as a result of a qualified disaster. In this regard, the bill applies to the following school districts: USD

101, Erie; USD 257, Iola; USD 367, Osawatomie; USD 422, Greensburg; USD 445, Coffeyville; USD 446, Independence; USD 461, Neodesha; and USD 484, Fredonia. The school district must meet two criteria. First, a state of disaster emergency must be declared within the district by the Governor and the President of the United States (pursuant to the Stafford Act). Second, as a result of the disaster, destruction or damage to housing must have caused the district's adjusted enrollment to decline by at least 25 students or 2.0 percent of the district's enrollment.

The law also allows qualifying districts to determine their budgets using the adjusted enrollment of the district in school year 2006-2007. This calculation is used in computing the general fund budget of a district for the second, third, and fourth years following the 2006-2007 school year.

The law also guarantees USD 253, Emporia; USD 251, North Lyon County; USD 252, Southern Lyon County; and USD 284, Chase County, 98.0 percent of the adjusted enrollment in the 2007- 2008 base school year when calculating the general fund budget of the school district for the 2008-2009 school year. This provision is applicable only for the 2008-2009 school year.

- Local Effort

A school district's local effort is a credit against its general state aid entitlement. Local effort represents locally generated resources such as proceeds of the uniform school district general fund property tax (20 mills); special education services state aid; unexpended and unencumbered balances remaining in the general fund; certain federal funds; and other miscellaneous revenues that are available to the school district general fund to help finance the district's educational program.

- General State Aid Formula

A district's general state aid entitlement is determined by subtracting the district's sum of all local effort items from its State Financial Aid (or \$4,012 times weighted enrollment).

- The Local Option Budget and Supplemental General State Aid

The law provides that, in addition to State Financial Aid funding, a school district board may approve Local Option Budget spending in any amount up to 30.0 percent (and an additional one percent, subject to approval of the voters) of its State Financial Aid in the current school year. Certain limitations and constraints apply to use of Local Option Budget authority:

- Below average spending districts (general fund budget and supplemental general fund budget combined) gain authority in accord with a formula applicable to them.
- Above average spending districts that had a Local Option Budget in school year 1996-1997 are entitled to a specified percentage of the authority the district was authorized to adopt in 1996-1997.

- Additional authority can be gained by a school board through adoption of a resolution. If certain conditions are not met in increasing the authority, the resolution is subject to a 5.0 percent protest petition and election procedure (or, in one instance, a board initiated election).
- A district may operate under authority adopted prior to the 1997-1998 school year until the authority specified in that resolution expires.
- School District Bond Principal and Interest Obligation State Aid Payments

Bond and interest state aid is based on an equalization principle which is designed to provide state aid in an amount inversely related to school district assessed valuation per pupil. One matching rate is applicable for the duration of bond and interest payments associated with bonds issued prior to July 1, 1992. A different matching rate applies during the life of bonds issued on or after July 1, 1992.

For the school district having the median assessed valuation per pupil, the state aid ratio is 5.0 percent for contractual bond and interest obligations incurred prior to July 1, 1992, and 25.0 percent for contractual bond and interest obligations incurred on July 1, 1992 and thereafter.

This factor increases (or decreases) by 1 percentage point for each \$1,000 of assessed valuation per pupil of a district below (or above) the median.

Base State Aid Per Pupil History
(as of December 1, 2009)

2005-06	\$4,257
2006-07	\$4,316
2007-08	\$4,374
2008-09	\$4,400 (originally \$4,433)
2009-10	\$4,280 (following adjournment of the 2009 Legislature)
2009-10	\$4,012 after the Governor's November 2009 allotment

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