**KASEA Legislative Update**

**April 7, 2017**

**By: Dodie Wellshear & Cheryl Semmel, Ad Astra Government Relations**

Note: Bill links in this document will go to bill explainers and conference committee reports, rather than the actual bills, when available. This provides descriptions of the bills and actions taken on the bills, in a format most understandable to readers.

**Legislative First Adjournment**

The 2017 Legislature wrapped up its regular session on Friday, April 7. To date, the only major task of the session that has been completed is the passage of [HB 2052](http://kslegislature.org/li/b2017_18/measures/documents/ccrb_hb2052_02_rescbill.pdf), the rescission budget for the current fiscal year.

The Senate passed [SB 189](http://kslegislature.org/li/b2017_18/measures/documents/bill_exp_sb189_01_0000.pdf) containing its budget proposal for fiscal years 2018 and 2019. The House Appropriations Committee sent its recommendation out of committee, but the full chamber did not take action on [HB 2364](http://kslegislature.org/li/b2017_18/measures/documents/hb2364_01_0000.pdf).

Both chambers passed a comprehensive revenue package near the beginning of the session, but the governor vetoed that legislation and a veto override failed in the Senate. The Senate tried unsuccessfully to pass [SB 214](http://kslegislature.org/li/b2017_18/measures/documents/supp_note_sb214_02_0000.pdf) (links to bill explainer), containing a 4.6% *flat tax* that the governor said he’d sign, but that proposal received only three favorable votes on final action.

The House K-12 Education Budget Committee has produced a school finance bill, but it remains in that committee as of first adjournment. The Senate has yet to consider any school finance legislation, even at the committee level.

This means the Legislature will have to do most of its heavy lifting on its most critical legislation – budget, revenue, and school finance – during the Veto Session, which begins on May 1.

**School Finance Bill Held in Committee**

[HB 2410](http://kslegislature.org/li/b2017_18/measures/documents/hb2410_00_0000.pdf) was amended in the House K-12 Education Budget Committee on Wednesday, but will remain in the committee until after the April break. Chairman Larry Campbell, R-Olathe, and other House GOP leaders are adamant that they want a constitutional law attorney to review the bill to better ensure it will meet the Supreme Court’s approval.

This left a number of committee members frustrated, who wanted to see the bill debated in the House before the legislative break.

The committee did make adjustments to HB 2410 that included a five-year ramp-up that increases state aid by $150 million per year, following the first year’s increase of an estimated $162 million. Following is a brief description of the bill’s provisions:

* **Base aid for student excellence** – increases to $4,006 in FY 2018; $4,206 in FY 2019; $4,406 in FY 2020; $4,606 in FY 2021; and $4,806 in FY 2022. Increases are to be tied to the Midwest Consumer Price Index starting in FY 2023.
* **Enrollment count** – The enrollment count will be based upon prior year’s enrollment or, if higher, the second preceding year, with all *weighted* enrollment based on prior year’s enrollment count. The second military count is restored with a *net increase* between the September 20 and February 20 count dates. Low enrollment and high enrollment weightings will be counted as they were prior to block grants.
* **Early childhood** – All-day kindergarten will be funded at a full 1.0 FTE and four-year-old at-risk is reestablished, with $2.0 million in FY 2018 and another $2.0 million in FY 2019. All-day kindergarten is not mandated, but will be funded where it is provided.
* **At-Risk weighting** – funding will be primarily determined by free lunch count. No district will receive funding for less than 10% free lunch count.
* **High Density At-Risk weighting** – will be determined as it was prior to block grants and will include a linear transition.
* **Local funding options** – All local levies remain in place, except that declining enrollment will be reduced 50% in the first year and eliminated in the second year. The local option budget is renamed the *local foundation budget*. (This will likely be changed due to the confusion it will cause locally with districts who also raise funds for their non-profit foundations.) The calculation for LFB will be based on $4,490 until the Base Aid overtakes that amount. Equalization aid will be based on a three-year average. All other provisions of local levies remain as they are in current law.
* **Bilingual weighting** – will be calculated using the higher of .361 of contact hours or .185 of the bilingual student headcount.
* **Special education** – remains the same as current law. (Additional funding of $800-$900 per teacher, per year)
* **New facilities aid** – will be funded at 0.25 weighting for all elections held prior to July 1, 2015. (Ancillary weighting remains the same as current law.)
* **Career Technical education** – funding will be based on 0.5 weighting, as under current law. KSDE will study the cost of CTE by program and report back to the Legislature at the beginning of 2018.
* **Virtual education** – funded as under current law, except that non-resident virtual students will be excluded in calculating state aid for Capital Outlay and Bond and Interest.
* **Transportation** – fixes the calculation identified by a Legislative Post Audit report, but no district will receive less aid than they received in the current school year.
* **Teacher mentoring & professional development** – Adds $800,000 in each of FY 2018 and FY 2019 for first-year teacher mentoring and $1.7 million in each of the next two years for professional development.
* **Capital Outlay fund** – would allow utilities to be paid from Capital Outlay funds. (Districts must republish their CO resolution.)
* **Tax Credit Scholarship** – would be allowed for students from schools in the bottom 25% of student achievement and are direct-certified (poverty). All receiving schools must be accredited by the state and meet student performance outcomes.

In school year 2017-18, this bill would add an estimated $162,093,857 new state funds, with $150 million added in each of the succeeding four years.

KSDE has prepared financial runs of the per district impact of HB 2410, which may be obtained by going to [this link](http://www.ksde.org/Agency/Fiscal-and-Administrative-Services/School-Finance/Whats-New) and clicking on “Local Foundation Aid.”

**KPERS Working After Retirement Still Hanging**

The House and Senate conference committee on KPERS issues is considering three bills – [HB 2268](http://kslegislature.org/li/b2017_18/measures/documents/supp_note_hb2268_01_0000.pdf), [Sub for SB 21](http://kslegislature.org/li/b2017_18/measures/documents/supp_note_sb21_02_0000.pdf), and [SB 138](http://kslegislature.org/li/b2017_18/measures/documents/supp_note_sb138_02_0000.pdf) – but failed to reach an agreement on KPERS Working After Retirement.

Conference committee members plan to take it up when they return in May, but those interested in this may want to discuss it with their legislators during the April break.

**Legislative Break**

Legislators will be on break until the Veto Session, which begins on May 1. This is an excellent time for school leaders to reach out to their legislators and discuss issues of major importance – certainly including school finance and KPERS Working After Retirement.

Legislators are still somewhat split on how much they want to add to school finance next year. While HB 2410 contemplates adding approximately $162 million new funding next year, some legislators want to see that amount lowered to about half. And many advocates are expressing concern that even $162 million may not be enough to meet Court muster.

This is one reason the Legislative Coordinating Council is considering hiring a constitutional attorney to look at any proposed school finance legislation. They want to know if the new funding amount is enough, but, as importantly, if the new funding is being targeted appropriately to the 25% of underachieving students across the state.

The budget committees will likely return just prior to the Veto Session to discuss final budget considerations and to learn the projected revenues from the April Consensus Revenue Estimates. These estimates are provided twice a year, in November and April, to provide budget guidance to the governor and legislators.

**Just in…**

The Legislative Coordinating Council voted on Friday afternoon to hire former Senate vice-president Jeff King as its legal counsel on school finance.