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Sharon Wenger
Principal Fiscal Analyst
785-296-3181
Sharon.Wenger@klrd.ks.gov

Kansas Legislator Briefing Book 2017

Education

C-3 School Finance—Recent Legislative Changes

The 2015 and 2016 Legislatures enacted major changes to school finance.

Legislation in 2015 repealed the School District Finance and Quality Performance Act that was passed in 1992 and, in its place, created the Classroom Learning Assuring Student Success (CLASS) Act. The CLASS Act provided a block grant of funding for each school district for years 2015-2016 and 2016-2017.

The 2016 Legislature in both its Regular Session and its Special Session altered the formula for providing Supplemental General State Aid for FY 2017 and amended laws related to virtual school state aid, the Extraordinary Need Fund (ENF), and federal funding for certain pre-kindergarten programs.

Legislation passed in the 2016 Special Session reinstated the Supplemental General State Aid and Capital Outlay State Aid formulas in effect prior to the enactment of the CLASS Act, which the 2016 Legislature fully funded. In addition, the Special Session legislation reduced the amount of the funding school districts were entitled to receive under the block grant for full-time virtual school students for FY 2017 from \$5,600 to \$5,000.

Legislation directed the State Board of Education (the Board) to review applications for funds from the ENF. In determining a district's need, the Board must consider:

- Any extraordinary increase in enrollment for the current school year;
- Any extraordinary decrease in assessed valuation for the current year;
- Any other unforeseen acts or circumstances substantially impacting a district's general fund budget for the current year; and
- In lieu of any of the above, whether the district has reasonably equal access to substantially similar educational opportunities through similar tax effort.

Special Session legislation set expenditure limits on the ENF at \$13.0 million and provided no moneys may be expended from the ENF in FY 2017 until the sale or merger of the Kansas Bioscience Authority (KBA) is complete. The legislation directs the first \$25.0 million in proceeds

from the sale or merger to be deposited in the State General Fund. If the remaining proceeds are less than \$13.0 million, the amount of money appropriated to the ENF will be reduced by the amount of the shortfall.

For more information, please contact:

Sharon Wenger, Principal Fiscal Analyst
Sharon.Wenger@klrd.ks.gov

Lauren Mendoza, Principal Research Analyst
Lauren.Mendoza@klrd.ks.gov

Edward Penner, Research Analyst
Edward.Penner@klrd.ks.gov

Kansas Legislative Research Department
300 SW 10th Ave., Room 68-West, Statehouse
Topeka, KS 66612
Phone: (785) 296-3181
Fax: (785) 296-3824