

SESSION OF 2024

SUPPLEMENTAL NOTE ON SENATE BILL NO. 386

As Amended by Senate Committee of the Whole

Brief*

SB 386, as amended, would amend certain enrollment determination criteria in the Kansas School Equity and Enhancement Act (KSEEA) to require school district enrollment be determined using the current or preceding school year. The bill would also authorize an additional enrollment count determination for school year 2024-2025 only, to allow school districts to consider the arithmetic mean of the sum of the number of students enrolled in the preceding school year and second-preceding school year.

Enrollment Determination for State Aid

Under current requirements in KSEEA, school districts and the State Department of Education use the student enrollment count from the preceding year to determine state aid entitlements for the current school year. The law further allows any school district that experienced a decrease in enrollment between the second-preceding school year and the preceding school year would be permitted to use the second-preceding year enrollment count.

The law also provides enrollment determination provisions specific to school districts that receive federal impact aid for the enrollment of military students that experience a decrease in enrollment between the second-preceding school year and the preceding school year. For those school districts, they are permitted to determine enrollment using either the second-preceding school year

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

enrollment count or the arithmetic mean of the preceding, second-preceding year, and third-preceding year school year enrollment counts.

Definition of Enrollment

The bill would amend the definition of “enrollment” under the KSEEA to require KSDE and school districts to use the greater of the preceding-year enrollment for kindergarten and grades one through 12 on September 20, as well as current-year preschool-aged at-risk students, or the current-year enrollment count for these same student groups.

The bill would further amend the definition to add an additional consideration for enrollment count that would be applicable only for school year 2024-2025. The bill would permit school districts to use whichever is the greater of the current year and the arithmetic mean of the sum of the preceding and second-preceding year enrollment counts.

Impact aid. The bill would also amend the enrollment determination requirements specific to those school districts that receive federal impact aid. Under the bill, such districts could determine enrollment using the current-year enrollment count; the preceding-year enrollment count; or the arithmetic mean of the preceding, second-preceding, and third-preceding year enrollment counts.

[*Note:* 2022 HB 2567 amended the KSEEA calculation prescribed for local foundation aid by removing federal impact aid from the formula.]

Background

The bill was introduced by the Senate Committee on Education at the request of Katie Whisman Consulting, LLC. [*Note:* A companion bill, HB 2485, has been introduced in the House.]

Senate Committee on Education

In the Senate Committee hearing on January 30, 2024, the Superintendent of USD 335 (Jackson Heights Schools) provided **proponent** testimony on the bill, as introduced, outlining the impacts on USD 335 created by the closure of a nearby district's school building in February 2023. USD 335 currently has 110 students who reside in USD 113 attending its schools; 90 of those students were previously attending the closed school. Under the existing enrollment count calculation, USD 335 carries the cost of the increased enrollment without corresponding funding (e.g., transportation services and supports and teacher and support staff).

Written-only proponent testimony was submitted by representatives of USD 115 (Nemaha Central Schools) and USD 233 (Olathe Public Schools). These proponents addressed allowing more timely counts to provide services and the need to accommodate the educational needs of communities impacted by school building closures.

Neutral testimony was provided by a representative of the Kansas Association of School Boards and a representative of United School Administrators of Kansas and Kansas School Superintendents' Association. The conferees supported the current-year enrollment option for growing districts and asked for consideration to allow the two-preceding year "look back" for districts experiencing the impacts of enrollment declines. Both conferees requested the removal of enrollment count provisions specific to districts with attendance center closures in the preceding year. Neutral written-only testimony submitted by USD 445 (Coffeyville Public Schools) requested consideration for phased-in implementation, such as allowing school districts three enrollment count options in FY 2025 and two options (current or preceding year) in FY 2026.

Opponent testimony was provided by the Superintendent and a board member of USD 113 (Prairie Hills) and the Superintendent of USD 453 (Leavenworth). The

USD 113 representatives addressed the closure of a district attendance center in the 2022-2023 school year and the flexibility the current enrollment funding calculation provided for the district. The use of current year-only funding would have created additional challenges, including a likely reduction in force (staffing). The USD 453 conferee noted districts are making hiring decisions this spring and immediate implementation of modifications to enrollment count determination for funding could impact those decisions and the ability for a district to correctly plan for its budget using revenues calculated with the changes proposed in the bill.

Written-only opponent testimony was submitted by representatives of USD 259 (Wichita Public Schools) and USD 396 (Douglass Public Schools). The testimony noted the current “look back” enrollment model allows for better budget planning for the state and district; USD 259 indicates it has negotiated a two-year agreement with its teachers and support staff based on the current school finance formula (enrollment count determination). Testimony from USD 396 noted the inability to stabilize enrollment over multiple years would be detrimental to rural districts and those experiencing declining enrollment.

The Senate Committee amended the bill to remove a provision that would have required school districts that closed any school building that was an attendance center in the preceding school year to use only its current-year enrollment count.

Senate Committee of the Whole

The Senate Committee of the Whole amended the bill to permit an additional enrollment count determination that could be used only for school year 2024-2025. The Senate Committee of the Whole also adopted a technical amendment.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the State Department of Education indicates school enrollment cannot be estimated by school district for the 2024-2025 school year; however, it has estimated the cost of the bill using enrollment data from the current school year with the school finance cost projections for the 2024-2025 school year. With enactment of the bill, the Department estimates that state aid to school districts would decrease by \$1,743,126, all from the State General Fund (SGF). Of this total, a reduction of \$1,530,978 would be for State Foundation Aid and a reduction of \$212,148 would be for Local Option Budget (LOB) State Aid.

[*Note:* Both the Senate Committee amendment, which removes the enrollment count provision pertaining to school building closures, and the Senate Committee of the Whole amendment, which permits school districts to utilize the 2024-2025 school year enrollment count determination, could impact the original fiscal note for the bill.]

Information provided at the time of the Senate Committee of the Whole amendment indicates the bill, as amended by the Senate Committee of the Whole, would increase general fund expenditures by \$5,531,167. The bill, as amended, would also increase the LOB by \$766,454, for a total increase of \$6,297,621.

Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Education; Kansas School Equity and Enhancement Act; enrollment count determination; current year; preceding year; second preceding year