

Division of Fiscal & Administrative Services

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July 8, 2008

TO: State Board of Education

FROM: Alexa Posny
Commissioner of Education

Dale M. Dennis, Deputy
Commissioner of Education

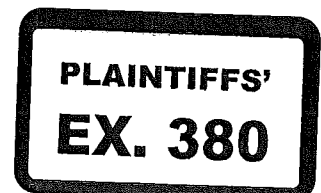
SUBJECT: School Finance—Consumer Price Index-Urban

When the 2006 Kansas Legislature approved the three-year school finance plan, they included a provision for increases in state aid, excluding special education, for the fourth year. The law provides that school districts are to receive an increase in state aid for the 2009-2010 school year based upon the percentage increase of the Consumer Price Index-Urban (CPI-U) during the preceding fiscal year as certified to the Commissioner of Education by the Director of the Budget and the Director of the Legislative Research Department on August 15.

The special education law provides that the Legislature fund 92 percent of excess cost.

Listed below are the CPI-U percentage increases for the first ten months of fiscal year 2008.

July 2007	2.4%
August 2007	2.0%
September 2007	2.8%
October 2007	3.5%
November 2007	4.3%
December 2007	4.1%
January 2008	4.3%
February 2008	4.0%
March 2008	4.0%
April 2008	3.9%
May 2008	4.2%
Est. June 2008	4.2%
Overall Average Increase for First Ten Months of FY 2008	3.64%



h:sbe:CPI-U—7-8-08

**KSA 72-64c04
CPI-U
ESTIMATED 3.64 PERCENT**

FY 2009 State Aid (Excludes KSDE Operating Budget)	\$ 3,349,806,172
Less Special Education	(427,571,455)
SUBTOTAL	2,922,234,717
CPI-U	.0364
AMOUNT AVAILABLE	\$ 106,369,344

ESTIMATED STATE LAW REQUIREMENTS

General State Aid @ \$70* BSAPP	\$ 44,100,000
Supplemental General State Aid (Local Option Budget)	12,792,921
Capital Improvements	5,550,000
Capital Outlay	2,500,000
Mentoring	1,500,000
Professional Development	6,250,000
Food Service	904,000
Communities in Schools	5,000
Environmental Education	5,000
Agriculture in Classroom	5,000
KPERS	32,757,423
SUBTOTAL	\$ 106,369,344
Plus Special Education @ 92% of Excess Cost	25,500,000
TOTAL	\$ 131,869,344
TOTAL PERCENT INCREASE	3.93%

*Current law is \$59 above prior year.

h:sbc:2010 Budget Requirements—7-08

KSA 72-64c04
CPI-U
ESTIMATED 3.64 PERCENT

FY 2009 State Aid (Excludes KSDE Operating Budget)	\$ 3,349,806,172
Less Special Education	(427,571,455)
SUBTOTAL	2,922,234,717
CPI-U (Monthly average for the first ten months of the year)	.0364
Amount Required Less Special Education	\$ 106,369,344
Amount Needed to Comply with Current Law	\$ 98,816,423
Amount Available Above Current Law	\$ 7,552,921

h:sbe:2010 Budget Requirements—3.64%—7-08