

Approved February 12, 1991
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by SENATOR JOSEPH C. HARDER at
Chairperson

9:10 a.m. ~~a.m.~~ on Friday, February 1, 19⁹¹ in room RAIL MEETING of the Capitol.

All members were present except:

Committee staff present:

Ms. Avis Swartzman, Revisor of Statutes
Mrs. Millie Randell, Secretary

Conferees appearing before the committee:

Chairman Joseph C. Harder called the meeting to order at 9:10 a.m. and advised the Committee of two proposals for bills which had been requested by the Governor and which he would like them to consider for introduction in the Senate today.

He related that one of the Governor's proposals related to special education, including the gifted, (1 RS 0317) (Attachment 1), and described the other as the Governor's proposal on school finance (1 RS 0351) (Attachment 2).

When the Chair asked the Committee's pleasure, Vice-chairman Frahm moved that Proposal No. 1 RS 0317, related to special education, including the gifted, be introduced by the Committee. Senator Anderson seconded the motion, and the motion carried. Senators Walker and Steineger requested that their nay votes be recorded.

Vice-chairman Frahm then moved that the Committee introduce the Governor's proposal on school finance (1 RS 0351). Senator Montgomery seconded the motion, and the motion carried.

The Chair adjourned the meeting.

PROPOSED BILL NO. _____

By

AN ACT concerning special education services for exceptional children; relating to the provision thereof for gifted children; amending K.S.A. 72-963, 72-966, 72-967, 72-970 and 72-972 and K.S.A. 1990 Supp. 72-978, and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 72-963 is hereby amended to read as follows: 72-963. The state board shall adopt, from time to time amend, and administer the state plan. The state plan shall be prepared in consultation with the state advisory council for special education provided for in this act. The state plan shall include a statement of the objectives of state supervision of special education services in required to be provided by school districts and state institutions.

The state board may adopt rules and regulations for the administration of the special education for exceptional children act and shall adopt rules and regulations necessary to implement and give effect to the state plan. Rules and regulations adopted by the state board to implement and give effect to the state plan shall include the following:

(a) Provisions for the establishment, maintenance and supervision of special education services in required to be provided by school districts and state institutions.

(b) Prescribed courses of study and curricula necessary to meet requirements for approval of special education services.

(c) Criteria for screening, diagnosis and certification of exceptional children including physical, educational and psychological examinations. No child from a home in which English is not the principal language may be assigned to special

EDUC

2/1/91

A1-1

education services for exceptional children until such time that the child has been given, in the principal language used in the home of the child, examinations reasonably related to the child's cultural environment.

(d) Definitions of the various categories of exceptionality.

(e) Implementation dates of special education services required for the various categories of exceptionality.

(f) Standards for special education services required to be ~~received-by~~ provided for exceptional children in each of the several categories of ~~exceptional-children~~ exceptionality.

Rules and regulations adopted by the state board to implement and give effect to the state plan shall be incorporated by reference in the state plan.

Sec. 2. K.S.A. 72-966 is hereby amended to read as follows:
72-966. (a) The board of education of every school district shall provide special education services for all exceptional children, except gifted children, who reside in the school district and said. Special education services required by this subsection shall meet standards and criteria set by the state board. ~~Said special--education--services--for--all--exceptional--children,--except--gifted--children,--shall--be--planned--and--operative--not--later--than--July--17--1979. Said special--education--services--for--gifted--children--shall--be--planned--and--operative--not--later--than--July--17--1980.~~ The manner and time for implementation in school districts of special education services designed required for each of the various categories of exceptionality shall be designated by the state board in accordance with the state plan.

(b) ~~Nothing-in-this-section-shall-be-construed-to--limit--or--supersede--or--in--any--manner--affect--the--implementation--date--for~~ The board of education of every school district may provide special education services required under K.S.A. 72-933--or--to--diminish the--requirements--of--said--K.S.A.--72-933. for gifted children who reside in the school district. Special education services authorized by this subsection are not eligible for state aid under the special education for exceptional children act.

EDUC
2/1/91
A1-2

Sec. 3. K.S.A. 72-967 is hereby amended to read as follows:
 72-967. (a) Each For the purpose of providing special education services for exceptional children, the board,--in-order-to-comply with-the-requirements-of-K.S.A.-72-933-and-72-966 of each school district shall have the authority to:

(1) Establish and, organize approvable, and provide special education services for-exceptional-children--within--its in the schools of the school district.

(2) Provide for approvable special education services in the home, hospital or other facility.

(3) Contract with any other school district for the provision of special education services. Before entering into any such contract, if the special education services to be provided by such other school district are required by this act, the special education services, and the contract therefor, shall be approved by the commissioner of education upon authorization by the state board, which approval shall be granted if the special education services provided for in such contract meet standards and criteria set by the state board in accordance with the state plan. Any such contract may provide for the payment of tuition by the contracting school district.

(4) Enter into cooperative agreements with one or more other school districts for the provision of special education services, if such agreements are approved as provided by this act.

(5) Contract with any accredited private nonprofit corporation or any public or private institution, within or without outside the state, which has proper special education services for exceptional children. Prior to the time any school district enters into a contract with any private nonprofit corporation or any public or private institution for the provision of special education of-any-exceptional-child services required by this act, the curriculum provided by such corporation or institution and the contract shall be approved by the commissioner of education upon authorization by the state board. Whenever an exceptional child, for whom special education

services are required, is educated by a private nonprofit corporation or a public or private institution in accordance with a contract entered into under ~~the-provisions~~ authority of this paragraph, such child shall be considered a pupil of the school district contracting for such education hereunder to the same extent as other pupils of such ~~the~~ school district for the purpose of determining entitlements to and participation in all federal, state, county and other financial assistance or payments to which are made available for such school district.

(6) Provide transportation for exceptional children, whether such children are residents or nonresidents of such school district, to and from special education services attended. In lieu of paying for transportation, the board of the school district in which an exceptional child resides may pay all or part of the cost of room and board for such exceptional child at the place where the special education services attended are located.

(b) Special education services which are required to be provided by school districts for exceptional children shall meet standards and criteria set by the state board in accordance with the state plan and shall be subject to approval by the state board.

(c) Any contract entered into by a board under the provisions of this section shall be subject to change or termination by the legislature.

Sec. 4. K.S.A. 72-970 is hereby amended to read as follows:
72-970. Every state institution shall provide special education services for all exceptional children, except gifted children, who are housed and maintained in the state institution and said every state institution may provide special education services for gifted children who are housed and maintained in the state institution. Special education services required to be provided by a state institution for exceptional children shall meet standards and criteria set by the state board in accordance with the state plan and shall be subject to approval by the state

EDUC
2/1/91
A1-4

board. State institutions may contract with ~~local~~ school districts for special education services. Prior to the time any state institution enters into a contract with any school district, the special education services provided by such school district shall be approved by the state board.

Sec. 5. K.S.A. 72-972 is hereby amended to read as follows: 72-972. (a) In accordance with rules and regulations which shall be adopted by every agency, each child, or ~~his-or-her~~ the lawful custodian of the child, shall be afforded the right to a hearing before the child shall be:

(1) Excluded, reassigned or transferred from regular school classes on the ground that ~~he-or-she~~ the child is an exceptional child and cannot materially benefit therefrom;

(2) placed in, transferred to or from, or denied placement in special education services which are provided as required or as authorized by this act.

(b) A written notice of a proposal to take any of the actions described in subsection (a) ~~of--this--section~~ shall be given to the lawful custodian of the involved child. The notice shall be mailed or personally delivered to the lawful custodian and shall: (1) Describe the proposed action; (2) state the reasons for the proposed action; (3) inform the lawful custodian of the right to consent to the proposed action in writing upon forms provided by the agency, or to object to the proposed action, and to request, within ~~thirty-(30)~~ 30 days from the date on which the notice is received, a hearing on the proposed action; (4) inform the lawful custodian of any free or low-cost legal and other relevant services available in the area; and (5) be written in the principal language of the lawful custodian of the child. If the principal language of the lawful custodian of the child is not a written language or if the lawful custodian of the child is unable to read and write, the agency shall provide for the notice to be given orally or by other means to the lawful custodian in ~~his-or-her~~ the principal language or other mode of communication of the lawful custodian.

EDUC,
2/1/91
A1-5

(c) The lawful custodian of the involved child may revoke ~~his-or-her~~ consent to the proposed action at any time and may request the hearing provided for in this section.

(d) If the lawful custodian of the involved child, unless the child is considered to be a gifted child, does not consent, objects, or revokes consent to the proposed action, and does not request the hearing provided for in this section, the agency may provide for the hearing on its own initiative. If the involved child is considered to be a gifted child, only the lawful custodian of the child may initiate, by request, the hearing provided for in this section and the agency may not take further action in the matter without the consent of the lawful custodian.

Sec. 6. K.S.A. 1990 Supp. 72-978 is hereby amended to read as follows: 72-978. (a) (1) In each school year, in accordance with appropriations for special education services provided under this act, each school district which has provided special education services which are required by this act and which are in compliance with the requirements of the state plan and the provisions of this act shall be entitled to receive:

(A) Reimbursement for actual travel allowances paid to special teachers at not to exceed the rate specified under K.S.A. 75-3203, and amendments thereto, for each mile actually traveled during the school year in connection with duties in providing special education services for exceptional children; such reimbursement shall be computed by the state board by ascertaining the actual travel allowances paid to special teachers by the school district for the school year and shall be in an amount equal to 80% of such actual travel allowances;

(B) reimbursement in an amount equal to 80% of the actual travel expenses incurred for providing transportation for exceptional children to special education services; such reimbursement shall not be paid if such child has been counted in calculating the state transportation aid received by the district under the provisions of K.S.A. 72-7047, and amendments thereto;

(C) reimbursement in an amount equal to 80% of the actual

EDUC
2/1/91
A1-6

expenses incurred for the maintenance of an exceptional child at some place other than the residence of such child for the purpose of providing special education services; such reimbursement shall not exceed \$600 per exceptional child per school year; and

(D) after subtracting the amounts of reimbursement under (A), (B) and (C) from the total amount appropriated for special education services under this act, an amount which bears the same proportion to the remaining amount appropriated as the number of full-time equivalent special teachers employed by the school district for approved special education services bears to the total number of full-time equivalent special teachers employed by all school districts for approved special education services.

(2) Each special teacher who is a paraprofessional shall be counted as 2/5 full-time equivalent special teacher.

(b) (1) No special teacher in excess of the number of special teachers necessary to comply with the ratio of special teacher to exceptional children prescribed by the state board for the school district shall be counted in making computations under this section.

(2) No time spent by a special teacher in connection with duties performed under a contract entered into by the youth center at Atchison, the youth center at Beloit or the youth center at Topeka and a school district for the provision of special education services by such state institution shall be counted in making computations under this section.

Sec. 7. K.S.A. 72-963, 72-966, 72-967, 72-970 and 72-972 and K.S.A. 1990 Supp. 72-978 are hereby repealed.

Sec. 8. This act shall take effect and be in force from and after its publication in the statute book.

EDUC
2/1/91
A1-7

PROPOSED BILL NO. _____

By

AN ACT concerning school districts; relating to the financing thereof; establishing the school district ad valorem tax reduction fund; amending K.S.A. 1990 Supp. 72-7040, 72-7041, 72-7042, 72-7043, 72-7046a, 72-7055 and 72-7067, and repealing the existing sections; also repealing K.S.A. 1989 Supp. 72-7067, as amended by section 7 of chapter 350 of the 1990 Session Laws of Kansas.

Be it enacted by the Legislature of the State of Kansas:

Section 1. On July 1, 1991, K.S.A. 1990 Supp. 72-7040 shall be and is hereby amended to read as follows: 72-7040. (a) "Taxable tangible property" means all real and tangible personal property which is subject to general ad valorem taxation.

(b) "Assessed valuation of a the district" means the assessed valuation of the taxable tangible property within the a district.

~~(c) -- "Formulated valuation of a district" means the adjusted valuation of the district for the 1988 tax year as determined for computation of the district wealth of the district for the 1988-89 school year less an amount equal to 50% of the assessed valuation in the 1988 tax year of merchants' inventory, manufacturers' inventory, livestock, and business machinery and equipment within the district.~~

Sec. 2. On July 1, 1991, K.S.A. 1990 Supp. 72-7041 shall be and is hereby amended to read as follows: 72-7041. (a) "Taxable income" means Kansas taxable income of resident individuals as determined under the provisions of the Kansas income tax act.

(b) "Taxable income within the a district" means the total taxable income of resident individuals of a district as determined on the basis of state income tax returns filed in the

EDUC
2/1/91
A 2-1

preceding calendar year. ~~If for any school year taxable income within a district is greater than 175% of the taxable income within the district as determined for computation of the district wealth of a district for the preceding school year, taxable income within the district means 175% of the taxable income within the district.~~

(c) "Resident individual" has the meaning ascribed thereto in K.S.A. 79-32,109, and amendments thereto.

(d) "Resident individual income tax liability" means the income tax liability of resident individuals as imposed and computed under the provisions of the Kansas income tax act.

(e) "Resident individual income tax liability within the district" means the an amount equivalent equal to the total resident individual income tax liability of residents of a district as reported on state income tax returns after credits allowed against such tax with the exception of credits for taxes paid to another state and credits allowed under the provisions of K.S.A. 79-32,100 and 79-32,104, and amendments thereto.

(f) "Formula percentage" means a percentage equal to the percentage of the resident individual income tax liability within the district to which districts are entitled under the provisions of K.S.A. 1990 Supp. 72-7067, and amendments thereto, for the taxable year preceding the taxable year in which the current school year commences.

Sec. 3. On July 1, 1991, K.S.A. 1990 Supp. 72-7042 shall be and is hereby amended to read as follows: 72-7042. (a) "Local effort rate" means the rate of a district as determined under K.S.A. 72-7045, and amendments thereto.

(b) "District wealth" means, ~~for the 1989-90 and 1990-91 school years, the average (mean) of the sum of the taxable income within a district for the most recent two years for which such income figures are available and an amount equal to the amount of the formulated valuation of the district and the assessed valuation of the district for the 1989 tax year, and for the 1991-92 school year and each school year thereafter, the average~~

EDUC
2/1/91
A 2-2

~~(mean)~~-of the sum of the formula percentage of taxable income within a district for the most recent ~~two-years~~ year for which such income figures are available and the assessed valuation of the district for the same period.

(c) "Local effort" means the sum of an amount equal to the product of a district's local effort rate and district wealth and an amount equal to the amount credited to the general fund in the preceding school year from amounts distributed in that year to the district under the provisions of articles 17 and 34 of chapter 12 of Kansas Statutes Annotated and under the provisions of article 51 of chapter 79 of Kansas Statutes Annotated and an amount equal to the federal impact aid of a district.

(d) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a district received in the preceding school year under the provisions of title I of public law 874 and congressional appropriations therefor (but excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program), except that, when the state board determines that a district will receive significantly less such moneys in the current school year than in the preceding school year and that inclusion in local effort of an amount of federal impact aid equal to the federally qualified percentage of the amount of moneys such district received in the preceding school year would result in a significant increase in the district's tax levy for operating expenses, the amount of federal impact aid to be included in local effort shall be an amount equal to the federally qualified percentage of the amount the state board estimates the district will receive in the current school year, which amount shall subsequently be adjusted to reflect an amount of federal impact aid equal to the federally qualified percentage of the amount actually received in that year, such adjustment to be made in the current or next following school year as determined by the state board. The amount of federal impact aid defined herein as an amount equal to the federally qualified

EDUC
2/1/91
A2-3

percentage of the amount of moneys provided for the district under title I of public law 874 shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.

Sec. 4. On July 1, 1991, K.S.A. 1990 Supp. 72-7043 shall be and is hereby amended to read as follows: 72-7043. (a) In February of each year, the state board shall determine the amount of general state aid each district is entitled to receive for the current school year as provided in this section.

(b) The state board shall subtract the amount of the district's local effort from the amount of the district's legally adopted budget of operating expenses for the current school year. ~~Subject to the other provisions of this section,~~ The remainder is the amount of general state aid the district is entitled to receive for the current school year.

~~(c) Subject to the provisions of the succeeding subsections of this section, the amount of general state aid each district shall be entitled to receive for the 1990-91 school year shall be determined by the state board as provided in this subsection. The state board shall:~~

~~(1) Determine the amount of the district's general state aid entitlement for the 1989-90 school year as such entitlement was determined under the provisions of this section prior to its amendment by this act.~~

~~(2) Divide the amount determined under provision (1) by the number of pupils enrolled in the district on September 20, 1989.~~

~~(3) Multiply the quotient obtained under provision (2) by the number of pupils enrolled in the district on September 20, 1990.~~

~~(4) Determine the amount of the district's entitlement from the school district income tax fund in the 1989-90 school year and in the 1990-91 school year. If the amount of the district's entitlement from the school district income tax fund in the 1990-91 school year is less than the district's entitlement from~~

EDUC
2/1/91
A2-4

such fund in the 1989-90 school year, subtract the district's entitlement in the 1990-91 school year from the district's entitlement in the 1989-90 school year.

(5) If the amount of the district's entitlement from the school district income tax fund in the 1989-90 school year is greater than the district's entitlement from such fund in the 1990-91 school year, the amount of general state aid the district is entitled to receive for the 1990-91 school year is the sum of the amount of the product obtained under provision (3) and the amount of the remainder obtained under provision (4). If the amount of the district's entitlement from the school district income tax fund in the 1989-90 school year is less than the district's entitlement from the school district income tax fund in the 1990-91 school year, the amount of general state aid the district is entitled to receive for the 1990-91 school year is the amount of the product obtained under provision (3).

(d) Each district which is entitled to receive general state aid under subsection (c) for the 1990-91 school year is entitled to receive an additional amount of general state aid for such school year if the state board of tax appeals authorizes the district to increase its legally adopted budget of operating expenses as a result of an appeal under subsection (a)(1) of K.S.A. 72-7071, and amendments thereto. The additional amount of general state aid each such district shall be entitled to receive shall be determined by the state board as provided in this subsection. The state board shall:

(1) Determine the ratio of the district's general state aid entitlement for the 1989-90 school year to the district's legally adopted budget of operating expenses in such school year.

(2) Multiply the amount of the increase in the district's legally adopted budget of operating expenses authorized by the state board of tax appeals by the ratio determined under provision (1). The additional amount of general state aid the district is entitled to receive for the 1990-91 school year is the amount of the product obtained under this provision.

EDUC
2/1/91
A2-5

~~(e) If the amount of appropriations for general state aid is in excess of or less than the amount each district is determined to be entitled to receive under subsection (c) for the 1990-91 school year, the state board shall prorate the amount appropriated among all districts which are determined to be entitled to receive general state aid under the provisions of subsection (c) in proportion to the amount each district is determined to be entitled to receive under such subsection.~~

~~(f) The provisions of subsections (c), (d) and (e) shall expire on June 30, 1991.~~

Sec. 5. On July 1, 1991, K.S.A. 1990 Supp. 72-7046a shall be and is hereby amended to read as follows: 72-7046a. (a) Annually, the state board shall prepare a schedule comparable to that prescribed in K.S.A. 72-7044. The schedule shall be derived from a graph prepared by the state board. The graph shall show the medians of budgets per pupil of districts with enrollments of 200 or more in the current school year.

The horizontal base line of the graph shall be divided into equal intervals each of which represents enrollment of 100, ranging from districts with 200-299 enrollment on the left to districts with 2,000 and over enrollment on the right, unless there is a different ending enrollment category on the right which has a lesser statistically significant variation from the median budget per pupil of districts with the largest enrollments, in which case such different ending enrollment category shall be used. The vertical base line of the graph shall begin at zero dollars at the horizontal base line and shall ascend by equal intervals of budget per pupil.

(b) (1) For the 1991-92 and 1992-93 school years, the schedule derived from the graph shall contain five enrollment categories. The first enrollment category shall be for districts with under 200 enrollment. The second enrollment category shall be for districts with 200-399 enrollment. In order to adequately describe the relationship between enrollment of districts and budgets per pupil, the schedule shall contain two enrollment

EDUC
2/1/91
A2-6

categories for districts with 400 enrollment to districts with under 10,000 enrollment. The fifth enrollment category shall be for districts with 10,000 or more enrollment. This provision shall expire on June 30, 1993.

(2) For the 1993-94 school year and each school year thereafter, the schedule derived from the graph shall contain four enrollment categories. The first enrollment category shall be for districts with under 200 enrollment. The second enrollment category shall be for districts with 200-399 enrollment. In order to adequately describe the relationship between enrollment of districts and budgets per pupil, the schedule shall contain two enrollment categories for districts with 400 or more enrollment.

~~(e) For the purpose of determining local effort rate:~~

~~(1) The schedule shall include adjustment factors, based on an accepted mathematical formula, applicable to the intervals in the second enrollment category and in the third enrollment category in order to provide a linear transition in the budget per pupil in the enrollment categories specified in this provision.~~

~~(2) The budget per pupil for districts in the first enrollment category shall be the median budget per pupil of districts in the second enrollment category. The budget per pupil prescribed in the schedule for districts in the third enrollment category shall begin with the median budget per pupil of districts in the 400-499 enrollment interval.~~

~~(3) The budget per pupil for districts in the fourth enrollment category shall be:~~

~~(A) In the 1990-91 school year, an amount equal to 107.1% of the amount of the median budget per pupil in the 1989-90 school year of the districts in the enrollment category in such school year; and~~

~~(B) in the 1991-92 school year and in each school year thereafter, the greater of an amount equal to 107.1% of the amount of the median budget per pupil in the 1989-90 school year~~

EDUC.

2/1/91

A2-7

~~of the districts in the enrollment category in such school year or the median budget per pupil of the districts in the enrollment category in the current school year.~~

~~(4) The budget per pupil for districts in the fifth enrollment category shall be the median budget per pupil of the districts in such enrollment category.~~

(d) (c) For the purpose of determining the limitation on operating expenses per pupil:

(1) ~~For districts in the first and second enrollment categories,~~ The median budget per pupil for districts in the first and second enrollment categories shall be the median budget per pupil of the districts in the second enrollment category. ~~For districts in the fourth enrollment category, the median budget per pupil shall be the budget per pupil specified for such districts under subsection (c). For districts in the fifth enrollment category, the median budget per pupil shall be the median budget per pupil of the districts in such enrollment category.~~

(2) In order to provide a linear transition in the median budget per pupil for districts in the third enrollment category, the schedule shall include adjustment factors, based on an accepted mathematical formula, applicable to budgets per pupil between the median budget per pupil of districts in the second enrollment category and the median budget per pupil of districts in the fourth enrollment category. For districts in the third enrollment category, the median budget per pupil shall be the budget per pupil prescribed by the schedule under this provision.

(3) The median budget per pupil for districts in the fourth enrollment category shall be the median budget per pupil of the districts in such enrollment category.

(4) The median budget per pupil for districts in the fifth enrollment category shall be the median budget per pupil of the districts in such enrollment category. This provision shall expire on June 30, 1993.

(d) For the purpose of determining local effort rate:

EDUC.
2/1/91
A2-8

(1) The schedule shall include adjustment factors, based on an accepted mathematical formula, applicable to the intervals in the second enrollment category and in the third enrollment category in order to provide a linear transition in the budget per pupil in the enrollment categories specified in this provision.

(2) The budget per pupil for districts in the first enrollment category shall be the median budget per pupil of districts in the second enrollment category. The budget per pupil prescribed in the schedule for districts in the third enrollment category shall begin with the median budget per pupil of districts in the 400-499 enrollment interval.

(3) The budget per pupil for districts in the fourth enrollment category shall be the median budget per pupil of the districts in the enrollment category.

(4) The budget per pupil for districts in the fifth enrollment category shall be the median budget per pupil of the districts in the enrollment category. This provision shall expire on June 30, 1993.

Sec. 6. On July 1, 1991, K.S.A. 1990 Supp. 72-7055 shall be and is hereby amended to read as follows: 72-7055. (a) Subject to the other provisions of this section, in any school year commencing after June 30, ~~1991~~ 1992, no district shall budget or expend for operating expenses per pupil more than (1) the determinable percentage of the amount of its budget per pupil in the preceding school year or (2) one hundred three percent of the median budget per pupil, as determined by the state board, in the preceding school year of districts within the same enrollment category as such district during such year, whichever of (1) or (2) is the lower amount per pupil. Notwithstanding the foregoing provisions of this subsection, any district may budget and expend for operating expenses per pupil not more than 103% of its budget per pupil in the preceding school year.

For the purposes of this subsection, the determinable percentage shall be the percentage equal to the percentage

EDUC.
2/1/91
A 2-9

specified in provision (2) ~~plus-six-percentage-points~~ multiplied by three.

(b) Subject to the other provisions of this section, in the school year commencing after June 30, ~~1990~~ 1991, no district shall budget or expend for operating expenses per pupil more than (1) the determinable percentage of the amount of its budget per pupil in the preceding school year or (2) one hundred one percent of the median budget per pupil, as determined by the state board, in the preceding school year of districts within the same enrollment category as such district during such year, whichever of (1) or (2) is the lower amount per pupil. Notwithstanding the foregoing provisions of this subsection, any district may budget and expend for operating expenses per pupil not more than 101% of its budget per pupil in the preceding school year.

For the purposes of this subsection, the determinable percentage shall be the percentage equal to the percentage specified in provision (2) ~~plus-one-percentage-point~~ multiplied by three.

~~(c) In the school year commencing after June 30, 1990, any district may increase the percentage increase in its budget per pupil authorized under subsection (b) by not more than one percentage point if the board determines that the amount the district is permitted to budget for operating expenses per pupil under the limitations prescribed in this section is insufficient for such purposes and that an increase in its budget per pupil under this subsection is necessary. No district shall increase its budget per pupil under this subsection until a resolution authorizing such an increase is passed by the board and published once in a newspaper having general circulation in the district. The resolution shall specify the amount and percentage of the proposed increase in the budget per pupil. After adoption of the resolution, the budget per pupil may be increased by the specified amount unless, within 30 days following publication of the resolution, a petition in opposition to the proposed increase, signed by not less than 5% of the qualified electors of~~

EDUC

2/1/91

A2-10

~~the district, is filed with the county election officer of the home county of the district. In the event such a petition is filed, the budget per pupil shall not be increased without the question thereof having been submitted to and been approved by a majority of the qualified electors of the district voting at an election which shall be called for that purpose.~~

(c) (1) In addition to the amounts authorized to be budgeted and expended under the provisions of this section in the school year commencing after June 30, 1991, any district in the fourth enrollment category which has a budget per pupil less than the amount of the median budget per pupil of the districts in the fifth enrollment category may budget and expend for operating expenses per pupil an amount equal to 1/3 of the amount of the difference between the district's budget per pupil and the median budget per pupil of the districts in the fifth enrollment category or an amount equal to the amount of the difference between the district's budget per pupil and the median budget per pupil of the districts in the fifth enrollment category, whichever is the lesser amount. This provision shall expire on June 30, 1992.

(2) In addition to the amounts authorized to be budgeted and expended under the provisions of this section in the school year commencing after June 30, 1992, any district in the fourth enrollment category which has a budget per pupil less than the amount of the median budget per pupil of the districts in the fifth enrollment category may budget and expend for operating expenses per pupil an amount equal to 1/2 of the amount of the difference between the district's budget per pupil and the median budget per pupil of the districts in the fifth enrollment category or an amount equal to the amount of the difference between the district's budget per pupil and the median budget per pupil of the districts in the fifth enrollment category, whichever is the lesser amount. This provision shall expire on June 30, 1993.

(3) In addition to the amounts authorized to be budgeted and

EDUC
2/1/91
A2-11

expended under the provisions of this section in the school year commencing after June 30, 1993, any district in the fourth enrollment category which has a budget per pupil less than the amount of the median budget per pupil of the districts with 10,000 or more enrollment may budget and expend for operating expenses per pupil an amount equal to the amount of the difference between the district's budget per pupil and the median budget per pupil of the districts with 10,000 or more enrollment. This provision shall expire on June 30, 1994.

(d) In addition to the amounts authorized to be budgeted and expended under the provisions of this section, any district may budget and expend for operating expenses per pupil in any school year an amount which shall be determined by the state board by computing the amount of increase in expenditures paid from the general fund of the district in the preceding school year for the employer contribution required under K.S.A. 40-2305, and amendments thereto. Such amount of increase, less an amount equivalent to the percentage increase in the budget per pupil authorized in the preceding school year times the expenditure for the contribution in the second preceding school year, is the additional amount which may be included within the legally adopted budget of operating expenses in the current school year.

(e) In addition to the amounts authorized to be budgeted and expended under the provisions of this section, any district may budget and expend for operating expenses per pupil in any school year an amount which shall be determined by the state board by computing the amount of increase in expenditures paid from the general fund of the district in the preceding school year for the costs incurred for the supplying of water, heat and electricity to the district. Such amount of increase, less an amount equivalent to the percentage increase in the budget per pupil authorized in the preceding school year times the expenditure for the costs in the second preceding school year, is the additional amount which may be included within the legally adopted budget of operating expenses in the current school year.

EDWC

2/1/91

A2-12

(f) In addition to the amounts authorized to be budgeted and expended under the provisions of this section, any district may budget and expend for operating expenses per pupil in any school year an amount which shall be determined by the state board by computing the amount of increase in expenditures paid from the general fund of the district in the preceding school year for the purchase of insurance. Such amount of increase, less an amount equivalent to the percentage increase in the budget per pupil authorized in the preceding school year times the expenditure for the purchase of insurance in the second preceding school year, is the additional amount which may be included within the legally adopted budget of operating expenses in the current school year.

(g) Whenever the amount of a district's legally adopted budget of operating expenses, as approved and filed with the county clerk for any school year, is less than the amount authorized for such school year under the other provisions of this section, the district may add an amount equal to the amount that the budget is less than so authorized to its legally adopted budget of operating expenses of a later school year. Notwithstanding the foregoing provision of this subsection, no district shall add to its legally adopted budget of operating expenses for any school year more than an amount equal to the amount of the addend component of the determinable percentage authorized for such school year under the provisions of this section.

(h) If the enrollment in a district in the current school year has decreased less than the percentage applicable to the district under this subsection from the enrollment in the preceding school year, the amount which the district may budget and expend under this section may be computed on the basis of the enrollment in the preceding school year. If the enrollment in a district in the current school year has decreased more than the percentage applicable to the district under this subsection from the enrollment in the preceding school year, the amount which the district may budget and expend under this section may be computed

EDUC
2/1/91
A2-13

on the basis of the enrollment in the preceding school year less the number of pupils by which the enrollment decrease in the current school year exceeds the number of pupils equal to the percentage of enrollment applicable to the district under this subsection. For the purpose of this subsection:

(1) In the 1991-92 and 1992-93 school years, the percentage applicable to a district for-the-purpose-of--this--subsection is 10% for districts in the first and second enrollment categories and 4% for districts in the fourth and fifth enrollment categories. The percentage applicable to districts in the third enrollment category shall be determined in accord with a schedule prepared annually by the state board. Such schedule shall be based upon an accepted mathematical formula and shall provide a linear transition between the percentage applicable to districts in the first and second enrollment categories and the percentage applicable to districts in the two largest enrollment categories. This provision shall expire on June 30, 1993.

(2) In the 1993-94 school year and in each school year thereafter, the percentage applicable to a district is 10% for districts in the first and second enrollment categories and 4% for districts in the fourth enrollment category. The percentage applicable to districts in the third enrollment category shall be determined in accord with a schedule prepared annually by the state board. Such schedule shall be based upon an accepted mathematical formula and shall provide a linear transition between the percentage applicable to districts in the first and second enrollment categories and the percentage applicable to districts in the fourth enrollment category.

(i) Notwithstanding any of the foregoing provisions of this section, any district may budget and expend for operating expenses per pupil any amount which is not in excess of an amount which has been submitted to and approved by the electors of the district at a general or primary election of the district or at a special election called for the purpose. The election shall be held in the manner provided by article 20 of chapter 25 of Kansas

EDUC
2/1/91
A 2-14

Statutes Annotated for elections on questions submitted in the district.

(j) The provisions of this section apply to the school district created by K.S.A. 72-5333a, and amendments thereto.

Sec. 7. On July 1, 1991, K.S.A. 1990 Supp. 72-7067 shall be and is hereby amended to read as follows: 72-7067. (a) (1) For each taxable year 1989, each district is entitled to an amount equal to ~~23%~~ 24% of the resident individual income tax liability within the district ~~after credits allowed against such tax, with the exception of credits for taxes paid to another state and credits allowed under K.S.A. 79-32,100 and 79-32,104, and amendments thereto.~~

~~(2) For taxable year 1990, and each taxable year thereafter, each district is entitled to an amount equal to 24% of the resident individual income tax liability within the district after credits allowed against such tax, with the exception of credits for taxes paid to another state and credits allowed under K.S.A. 79-32,100 and 79-32,104, and amendments thereto.~~

(2) The amount each district is entitled to receive under this section is subject to reduction in proportion to any reduction in the amount of the demand transfer from the state general fund under K.S.A. 1990 Supp. 75-6704, and amendments thereto, after making adjustments for any new estimates of revenues to the state general fund which shall be certified to the state board by the director of the budget.

(b) The secretary of revenue shall certify to the state board and the director of accounts and reports the entitlements of districts, and, subject to a reduction under K.S.A. 1990 Supp. 75-6704, and amendments thereto, and subsection (a)(2) of this section, an amount equal to the sum thereof of such entitlements shall be transferred in accordance with the provisions of this subsection by the director from the state general fund to the school district income tax fund, which fund is hereby created, for distribution to districts. Such certification shall be based on state income tax returns filed and attributed to each

EDUC

2/1/91

A2-15

district, with any adjustments or corrections made by the director of taxation. Subject to the provisions of K.S.A. 1990 Supp. 75-6704, and amendments thereto, and the provisions of subsection (a)(2) of this section, the director of accounts and reports shall transfer moneys attributable to entitlements of districts, as prescribed and certified under the provisions of this section, from the state general fund to the school district income tax fund as follows:

(1) Prior to September 1 of the current school year, an amount equal to 20% of the amount of such moneys which have been credited to the state general fund since May 1 of the preceding school year;

(2) prior to October 1 of the current school year, an amount of such moneys equal to the amount transferred from the state general fund for distribution to districts on September 1;

(3) prior to November 1 of the current school year, an amount of such moneys equal to the amount transferred from the state general fund for distribution to districts on October 1;

(4) prior to December 1 of the current school year, an amount of such moneys equal to twice the amount transferred from the state general fund for distribution to districts on November 1;

(5) prior to February 1 of the current school year, any such moneys remaining in the state general fund;

(6) prior to May 1 of the current school year, an amount equal to 50% of the amount of such moneys which have been credited to the state general fund since February 1 of the current school year; and

(7) prior to June 15 of the current school year, the remainder of the amount of such moneys which have been credited to the state general fund since February 1 of the current school year.

(c) All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund.

EDUC
2/1/91
A2-16

New Sec. 8. (a) There is hereby established the school district ad valorem tax reduction fund which shall consist of all amounts appropriated therefor by the legislature.

(b) In each school year, the state board of education shall allocate and distribute all moneys in the school district ad valorem tax reduction fund in accordance with the following:

(1) Each school district shall be allocated and is entitled to an amount which is directly proportional to the amount produced by the levy of taxes upon taxable tangible property for the purpose of financing the district's legally adopted budget of operating expenses divided by the amount produced by the levy of taxes upon taxable tangible property for the purpose of financing the legally adopted budgets of operating expenses of all districts;

(2) in the 1991-92 school year, all moneys in the fund shall be distributed in payments made to school districts on January 30, 1992;

(3) in the 1992-93 school year and in each school year thereafter, the moneys in the fund shall be distributed in payments made to school districts at the times provided under the school district equalization act for payments to districts of general state aid, with the amount of each distribution from the fund being an amount equal to 10% of the amount appropriated for the fund for distribution in the school year.

(c) The director of accounts and reports shall draw warrants on the state treasurer payable to the district treasurer of each school district entitled to payment from the school district ad valorem tax reduction fund upon vouchers approved by the state board of education. Upon receipt of the warrant, the district treasurer shall credit the amount thereof to the general fund of the school district.

(d) The ad valorem tax levied by each school district under authority of K.S.A. 72-7056, and amendments thereto, for the purpose of financing the district's legally adopted budget of operating expenses shall be reduced by an amount equal to the

EDUC
2/1/91
A2-17

amount received by the district pursuant to this section.

Sec. 9. On July 1, 1991, K.S.A. 1989 Supp. 72-7067, as amended by section 7 of chapter 350 of the 1990 Session Laws of Kansas and K.S.A. 1990 Supp. 72-7040, 72-7041, 72-7042, 72-7043, 72-7046a, 72-7055 and 72-7067 shall be and are hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its publication in the Kansas register.

EDUC
2/1/91
A2-18