

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE

The meeting was called to order by Chairman Kathe Decker at 9:00 A.M. on February 23, 2005 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research
Art Griggs, Revisor of Statutes Office
Ann Deitcher, Committee Secretary

Conferees appearing before the committee:

Karl Peterjohn, Kansas Taxpayers Network

HB 2474 - School and school districts; the state board of ed and the state dept. of ed

Karl Peterjohn appeared before the Committee in support of **HB 2474**. (Attachment 1).

Written testimony only was offered by Representative Clay Aurand in support of **HB 2474**. (Attachment 2).

Offering written testimony only in opposition to **HB 2474** was Gary Brunk, Kansas Action for Children. (Attachment 3).

The hearing on **HB 2474** was closed.

It was moved by Representative O'Neal and seconded by Representative Gordon that **HB 2474** be worked by the Committee. The motion passed on a voice vote.

A motion was made by Representative Decker that an amendment regarding the Joint Building Committee (Attachment 4), be made to **HB 2474**. The motion was seconded by Representative O'Neal and passed on a voice vote.

Representatives Crow and Winn wished to be recorded as no votes.

It was moved by Representative Decker and seconded by Representative Hazlett that an amendment be made to **HB 2474** regarding Assessed Valuation in TIF Districts (Attachments 5 and 6). The motion carried on a voice vote.

Representative Decker made the motion that an amendment regarding Sources of Revenue (Attachment 7), be made to **HB 2474**. The motion was seconded by Representative Merrick and passed on a voice vote.

Theresa Kiernan pointed out corrections in **HB 2474**. (Attachment 8).

A motion was made by Representative O'Neal and seconded by Representative Hazlett to accept the amendments to **HB 2474**. The motion passed on a voice vote.

Representative O'Neal moved to accept the Local Option Budget (Attachment 9) amendment to **HB 2474**. The motion was seconded by Representative Decker and passed on a voice vote.

It was moved by Representative Decker and seconded by Representative Larkin to add to **HB 2474** the Skills for Success amendment (Attachments 10 and 11). The motion carried on a voice vote.

A letter was read by the Chair from the State Board of Education that requested the Legislature pursue Administrative Reorganization of public schools in Kansas and that the State Board of Ed. be allowed to help design and implement an administrative reorganization plan commiserate with their commitment to student learning. (Attachment 12).

CONTINUATION SHEET

MINUTES OF THE Select Committee on School Finance at 9:00 A.M. on February 23, 2005 in Room 313-S of the Capitol.

It was moved by Representative O'Neal and seconded by Representative Gordon that this (Attachment 13) be added as an amendment to **HB 2474**.

A substitute motion was made by Representative Larkin that would allow the State Board of Education to review and determine what might be best for the state of Kansas but then give it back to the Legislature to make the final determination. The substitute motion was seconded by Representative Winn but failed on a show of hands.

Representatives Crow, Larkin and Winn wished to be recorded as yes votes.

Representative O'Neal's motion to accept the amendment offered by the State Department of Education passed on a voice vote.

Representatives Crow, Larkin and Winn wished to be recorded as no votes.

A motion was made by Representative Decker and seconded by Representative O'Neal to move the amendment regarding Extraordinary Declining Enrollment (Attachment 14). The motion carried on a voice vote.

Representatives Crow, Larkin and Winn wished to be recorded as no votes.

It was moved by Representative Decker and seconded by Representative O'Neal that the amendment dealing with Federal Impact Aid (Attachments 15 and 16). The motion passed on a voice vote.

A report from the Division of Fiscal and Administrative Services was distributed to the Committee. (Attachment 17).

A motion was made by Representative Decker and seconded by Representative O'Neal that an additional \$80.00 be added to the base to amend **HB 2474**. The motion to amend passed on a voice vote.

A motion was made by Representative Decker and seconded by Representative O'Neal to amend **HB 2474** to include the Foreign Exchange Students (Attachment 18). The motion carried on a voice vote.

HB 2332 - relating to schools; concerning school finance adjustments relating to pupils attending school in a school district where the pupils do not reside.

The Chair called the Committee's attention to **HB 2332**.

It was moved by Representative Decker and seconded by Representative O'Neal that **HB 2332** be accepted as an amendment to **HB 2474**. The motion carried on a voice vote.

Representative Larkin wished to be recorded as a no vote.

It was moved by Representative Decker and seconded by Representative DeCastro that **HB 2474** be amended to change the weighting on bi-lingual. The motion to amend carried on a voice vote.

Representative DeCastro offered an amendment to **HB 2474**, (Attachment 19) using language from **HB 2333** regarding out of state students.

A motion was made by Representative DeCastro and seconded by Representative Gordon to pass this amendment to **HB 2474**.

CONTINUATION SHEET

MINUTES OF THE Select Committee on School Finance at 9:00 A.M. on February 23, 2005 in Room 313-S of the Capitol.

A motion was made by Representative Decker and seconded by Representative DeCastro to pass **HB 2474** favorably as amended. The motion passed on a voice vote.

Representatives Crow, Larkin and Winn wished to be recorded as no votes.

A House Select Committee on School Finance Minority Report was submitted. (Attachment 20).

The Committee was adjourned at 11:00 a.m. There is no Select Committee on School Finance meeting scheduled at this time.

KANSAS TAXPAYERS NETWORK

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22 February 2005

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Testimony Supporting HB 2474

By Karl Peterjohn, Exec. Dir.

Kansas already has a high level of public school spending. We are a high state spending point when compared with our neighboring states. The most recent federal spending data on the 50 states confirms this information. Kansas already spends more than the national average despite having lower than average income.

Supporting HB 2474 might seem ironic since this bill would increase spending \$63 million more. My response to this very valid point is: consider the alternatives. I have not seen any other alternative that does less additional fiscal damage to this state's economy and fiscal climate than HB 2474.

Enclosed with this testimony is the most recent statewide school spending data contained with the latest Statistical Abstract for the United States. There is also the statement of the USD 306 school superintendent, Robert Goodwin, concerning school finance in Kansas and how we compare. Superintendent Goodwin statement is remarkable since it contradicts the fiscal claims issued by the bulk of the government school spending lobby.

HB 2474 also contains some praiseworthy features:

- 1) It partially rolls some of the correlation weighting into the base. The base funding per pupil is increased by \$244 per pupil next year. The Kansas school finance formula is excessively complicated and KTN supports reforms that would simplify the formula.
- 2) Simplifying the formula can also help provide more local control at the district level. Sadly, what is truly needed is more local control at the school and even at the family level.

If all of the state aid was funded out of a single fund on a FTE pupil basis from this single source, that total would easily exceed \$6,000 per pupil in state aid per year last year. This would contradict the school spending advocates who routinely claim that the state is only spending \$3,863 per pupil per year. When this figure is added to local and federal tax funds the average is rapidly growing and is budgeted to exceed \$10,100 this year statewide.

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3) This bill will address the points raised in the deeply flawed Kansas Supreme Court decision that was issued January 3, 2005.

HB 2474 is far from perfect. This bill should to be strengthened with these changes:

4) HB 2474 needs additional protection for taxpayers by requiring that all increases in LOB property tax levies be automatically referred to voters for their authorization at a binding tax referendum election. Simply raising the 25% maximum to 30% is a major flaw in this bill.

5) The 5% cost of living allowance adds complexity to the state's formula with very little gain for taxpayers, students, parents, or teachers.

6) HB 2474 should be strengthened with the school based budgeting provisions advocated by Sen. Bunten.

7) Past Legislative Post Audit reports indicate that there are problems getting existing tax funds into the classroom. The states school finance formula needs to restructure the incentives so more money gets to the classroom. HB 2474 does not appear to address these problems with incentives and only slightly touches upon this issue through the changes in correlation and base weighting.

If we can eliminate some of the financial abuses, such as the misappropriation of \$1/2 million by USD 501, this can reassure taxpayers that there is some financial controls in place to prevent overseas crooks from stealing the taxpayers' cash.

8) All tax funds should be included in school budgets. Many school district budgets in Kansas exclude federal title tax funds. All tax funds should be included.

9) Non Kansas residents using Kansas public schools should either be charged a tuition or a have a reciprocity agreement between their state and Kansas to cover the educational costs. It is outrageous that Kansas taxpayers are expected to finance roughly \$5 million in out-of-state student's school expenses.

10) School districts that are financing lawsuits against the constitutionality of the state's structure of school finance or the level of funding and equity of that funding should be penalized. I would recommend a \$5 per pupil reduction in base state funding for every \$1 per pupil spent by the school district for this type of litigation during the previous school year. If this is not a strong enough incentive to terminate this litigious behavior, than the \$5 figure should be increased.

Let me close with a number of important issues that impact, and are impacted by, school finance in Kansas.

11) In January I read that a Kansas Association of School Boards lobbyist had told a legislative committee, perhaps this committee, that the declining population in rural

Kansas would continue to lead to school consolidation. I found the segment about the declining population compelling since this confirms a problem that Kansas Taxpayers Network has identified and spoken out about for many years. Kansas is a high tax state when you adjust for the fact that Kansans have lower levels of income than the national average.

It is a fact that citizens of this country can and do vote with their feet in addition to voting at the ballot box. This legislative testimony indicated that there was a fair chance that Kansas could lose a congressional seat following the next census. If the big government policies of higher spending and taxes continue, I believe the odds of this occurring are now at least 50-50. Kansas needs to break out of its historical paradigm of throwing large amounts of tax funds at the school finance problem and hoping that something will stick.

12) Increased spending on public schools will not result in economic growth. Even if there was a solid correlation between educational funding for public schools and student achievement (the academic studies on this are mixed, at best) there is a major problem that school spending proponents totally ignore.

Human capital, in the form of education, is as mobile as the individual citizens who have earned and possess that education. If the costs of educating our young people in Kansas are excessive than the taxpaying sections of this state will be bearing an excessive burden. This excessive burden will hurt these individuals and businesses in numerous ways but in one particular way: lower wages will be offered to workers with fewer job opportunities. Kansas Taxpayers Network is concerned that we are already in this problematical position right now.

The net effect of this is the creation of former Kansans who grew up here, went to school here, often went to college here, and found their future somewhere else. Their education is now helping pay the taxes in states like Colorado, whose governor recently stated has a budget of \$13 billion a year. You are now considering spending over \$11 billion budget in the Kansas All Funds budget. Colorado is a rapidly growing state that was once much smaller in population than Kansas. The 2000 census numbers reported that Colorado's population was 1.6 million larger or roughly 60%. Colorado's state budget was less than 20% larger than Kansas! Similar disparities exist between our faster growing and more competitive neighbors like Colorado and Texas when compared with Kansas.

HB 2474 does not solve this problem or even seriously begins to address this challenge to Kansas' future. What HB 2474 does do is provide the best of the bills that have been introduced in the 2005 legislature to address the court's edict and tries to address government school finance in this state.

THE STATE OF SCHOOL FINANCE IN KANSAS AS COMPARED WITH THE REST OF THE NATION

Submitted by Robert D. Goodwin, Ph.D.

Superintendent of Schools, Southeast of Saline, USD #306

The recent Kansas Supreme Court Ruling would seem to indicate there is a problem with funding of schools in Kansas. There are issues concerning the amount spent per student and how the money is allocated. Some have indicated as much as one billion dollars is needed to correct the problem. However, a review of how Kansas funds education relative to the rest of the nation indicates that Kansas is spending a substantial amount on the education of its children and the money is being spent in a relatively equitable way.

According to information contained on page 102 in the January 6, 2005 issue of "Education Week" Kansas ranks 19th in the US. in average pa pupil expenditure at \$8,206. This is commendable because, according to the November 2004 periodical District Administrator, page 70, Kansas median household incomes only average \$40,624 which is 25th in the nation. This information shows that Kansas is doing very well in funding education within its ability to do so.

The other issue that is of concern is how the money is divided up among schools and school districts. Since certain regions of Kansas have more wealth than others it can be assumed that controlling for the ratio of state aid to local effort can have a positive impact on the equity of distribution of state monies. State effort in Kansas ranks 8th in the nation at 62.4 percent (page 69, District Administrator, November 2004). This indicates that 62.4 percent of the monies for educating children in Kansas is generated through state revenues. Local effort for Kansas generates 28.7 percent. There are only 13 states in the Union that spend less than Kansas on local effort. Federal monies for education account for the rest of the expenditures for education and amount to 6.3%. If state money for education controls for district wealth then Kansas educational spending should be in good shape.

When we examine the wealth-neutral score that Kansas gets when compared to the rest of the nation the equity issue looks pretty good. This score shows the degree to which state and local revenues are related to the property wealth of a district. According to the information on page 100 of "Education Week," January 05, Kansas ranks tenth in the nation with an overall grade of "B" for wealth equity.

Kansas has also increased the ability of districts with less wealth from assessed valuation to increase the amount of money they can get for their students. Through a formula that rewards poorer districts, the state of Kansas increases their support of local districts supplemental general fund and their bonded indebtedness funds that gives them money which is not received by districts with higher assessed valuations.

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24 January 2005

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School Finance Testimony

Karl Peterjohn
Exec. Dir.

Kansas is a high spending point in our region! Despite misleading editorial and news articles coming from the Kansas news media, there is new federal data indicating that Kansas is a high spending state on public schools.

This is true for both absolute levels of spending and relative to our neighboring states. It is particularly poignant because Kansas has lower than average income to pay for this large expenditure.

Here's the per pupil government school spending data:

<u>State</u>	<u>Avg. per pupil</u>	<u>Ranking (1st highest)</u>
U.S. Avg.	\$8,428	x
Kansas	\$8,687	21
Colorado	\$8,010	28
Missouri	\$7,674	31
Nebraska	\$7,671	32
Oklahoma	\$6,577	44
Texas	\$7,684	30
New York	\$11,910	2

Source: 2004-05 Statistical Abstract for the U.S., chart 241, data is from the 2002-03 school year.

What is also interesting about this data is the fact that states that are at the very top of the expenditures per pupil list, like New York which ranked second in public school spending at \$11,910 per pupil, are still being litigated over their school finance. New York's school finance litigation was mentioned extensively in Judge Bullock's Montoy school finance decision. Sadly, Kansas appears to be moving down a slippery legal slope into a realm of perpetual school finance litigation. This chart also indicates that expenditures in education do not appear to correlate with economic growth. That's why I included the data from fast growing Texas within this chart.

Another important point is the fact that Kansas spends substantially more than the national average per pupil according to this new data. This is despite repeated claims that spending on public schools in Kansas is supposedly not growing and that any growth is inadequate. Actually, a much better argument is that this state's growth is lagging below the rest of the country because we have a higher cost of working and living in this state due to the higher costs for this important part of state and local expenditures in Kansas.

This same source reported on the average income across the United States. Kansas lags well below the national average. This is crucially important in determining how much Kansans can afford to pay for government. Here is this regional comparison:

<u>State</u>	<u>Per Capita</u>	
	<u>Personal income Avg.</u>	<u>Ranking (1st highest)</u>
U.S. Avg.	\$30,033	x
Kansas	\$28,422	26
Colorado	\$32,550	8
Missouri	\$27,773	30
Nebraska	\$29,203	21
Oklahoma	\$25,308	39

Source: 2004-05 Statistical Abstract for the U.S., chart 653, data is from 2003 in constant 2000 dollars.

Kansans have a lower income on average than fast growing Colorado and Nebraska while enjoying a higher level of income than Missouri and Oklahoma. Fast growing Colorado's income rise is a relatively recent phenomenon. This same chart indicates that the average income in Colorado was the 18th highest in the U.S. in 1990. This is just prior to TABOR being enacted there in 1992. Now Colorado is 8th highest lagging only behind high income coastal states.

Kansas was 22nd highest in 1990, only slightly behind Colorado. While their income levels have increased significantly in Colorado, Kansas income levels have dropped when compared with our neighbor to the west.

Are Kansans getting their money's worth? One of the arguments going on in the school finance debate is over the level of teachers' salaries. Are they too low? Is this the reason why Kansas public schools cost more than our neighboring states? The well known Augenblick and Myers report in May, 2002 said, "Although people suggested that it might be necessary to raise salary levels in order to attract and retain highly qualified personnel, A&M could not find evidence to support raising the average salary of all teachers," (P. ES-3). The school finance spending proponents have a split between those who believe that teachers are as a whole underpaid, and those who follow the Augenblick and Myer recommendations.

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CLAY AURAND
MAJORITY LEADER

House Bill 2474

The Augenblick & Myers studies identified several potential changes to the way school finance is handled in Kansas. Kansas is a state of very disparate areas, both geographically and economically. One of the problems in crafting a “blanket” school finance formula is making sure that students are treated similarly no matter the socioeconomic status of their respective districts.

Augenblick & Myers suggested that a cost of living factor should be part of the school finance formula. A large disparity in the cost of living exists between some Kansas counties. Housing is the largest component of cost of living and therefore is used as the measure for this proposal.

This proposal will hold low cost of living areas harmless and recognizes that some high cost areas have the ability to fund their cost of living factor.

This bill allows districts with an average cost of housing that exceeds 125% of the statewide average and has an approved LOB of 25 % to qualify for self funded weighting.

This bill recognizes a higher cost of housing and allows those districts the means to offset the higher cost of living incurred by their teachers.

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SCHOOL DIST. Name	LOB %	DISTRICT Number	Counties in which School Districts are located	Average Appraised	Percent Difference	Percent Weighting*
Le Valley	25.00	229	Johnson, Miami	314,936	150.4%	5.0%
DeSoto	25.00	232	Johnson	205,410	63.3%	5.0%
Olathe	25.00	233	Johnson	195,197	55.2%	5.0%
Shawnee Mission	25.00	512	Johnson	193,794	54.1%	5.0%
Andover	25.00	385	Butler, Sedgwick	189,488	50.7%	5.0%
Piper	25.00	203	Wyandotte	180,708	43.7%	4.8%
Louisburg	25.00	416	Miami	180,349	43.4%	4.7%
Auburn Washburn	25.00	437	Shawnee	171,463	36.3%	4.0%
Spring Hill	25.00	230	Johnson, Miami	170,585	35.6%	3.9%
Basehor-Linwood	25.00	458	Leavenworth	169,004	34.4%	3.7%
Lawrence	25.00	497	Douglas, Jefferson, Leavenworth	161,787	28.6%	3.1%
Lansing	25.00	469	Leavenworth	152,444	21.2%	2.3%
Maize	25.00	266	Sedgwick	145,849	16.0%	1.7%
Gardner-Edgerton	25.00	231	Johnson, Miami	143,365	14.0%	1.5%
Goddard	25.00	265	Sedgwick	131,020	4.2%	0.5%
Shawnee Heights	25.00	450	Shawnee	129,923	3.3%	0.4%
Manhattan	25.00	383	Riley	129,719	3.1%	0.3%

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FORMULAS:

Threshold: (2004 average statewide residential value)*1.25
 Percent Difference: [(average appraised)-(threshold)]/(threshold)
 Percent Weighting: (Percent Difference)*.109

*The Percent Weighting would be multiplied by the district's state financial aid.

**Figures based on current law.

*The Percent Weighting would be multiplied by the district's state financial aid.

***58.7% of 18.7% = 10.9%

**Figures based on current law.

NOTE: According to 2002 US Census Data, 18.7% of the average household income goes to housing. According to the 2001-2002 Bureau of Labor Statistics, 56.4% of housing expenditures goes to pay for shelter.



February 22, 2005

To: House Select Committee on School Finance
From: Gary Brunk, Executive Director
Re: Bill 2474

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Celebrating 25 years
of child advocacy

Kansans place a high premium on education and consider it a top priority for the state. That is how it should be, as the education a child receives today is directly tied to the economic development of the state tomorrow.

Recent studies and court decisions have shown that Kansas is doing a disservice to its future by not addressing deficiencies in the school funding formula. As the Legislature considers options for funding education, we urge you to be mindful of potential unintended effects that may increase the cost of education in the long term.

This committee is considering a proposal to take money out of the Children’s Initiatives Fund, or CIF, and use it to fill the holes in school funding. We believe this plan is not a “key for success,” but a step backward that would adversely affect thousands of children across the state.

The CIF is currently funding several worthwhile programs that address school readiness – putting pre-kindergarten-aged children in a position where they can excel once they reach the elementary school level. Numerous studies have proven that investing in kids early is the best way to reduce the cost of education in the long run, because there will be less need for remedial and special services. If money used to prepare children to succeed in school is shifted into another area, you are increasing the likelihood of more years of failing grades, lower expectations, and higher costs for education.

Kansas Action for Children strongly supports an increase in education funding that will allow the state to provide a suitable education for all, but that increase must not come at the expense of early care and education programs. One of the most cost-effective ways of closing the achievement gap in schools is by closing the preparation gap that too many students face. Through the CIF, the state is making powerful investments in the future potential of its children and its economic well-being – it would be a mistake to disinvest in that potential.

EXECUTIVE DIRECTOR
Gary Brunk

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Children's Initiatives Fund

	FY 2005 Approved Budget	20 million cut 38% reduction	Reduced Budget	13 million cut 25% reduction	Reduced Budget
Department of Health and Environment					
Healthy Start/Home Visitor	250,000	95,000	155,000	62,500	187,500
Infants and Toddlers Program	800,000	304,000	496,000	200,000	600,000
Smoking Cessation/Prevention Program Grants	500,000	190,000	310,000	125,000	375,000
Juvenile Justice Authority					
Juvenile Prevention Program Grants	5,414,487	2,057,505	3,356,982	1,353,622	4,060,865
Juvenile Graduated Sanction Grants	3,585,513	1,362,495	2,223,018	896,378	2,689,135
Department of Social and Rehabilitation Services					
Children's Mental Health Initiative	3,800,000	1,444,000	2,356,000	950,000	2,850,000
Family Centered System of Care	5,000,000	1,900,000	3,100,000	1,250,000	3,750,000
Therapeutic Preschool	1,000,000	380,000	620,000	250,000	750,000
Community Services - Child Welfare	3,106,230	1,180,367	1,925,863	776,558	2,329,673
Child Care Services	1,400,000	532,000	868,000	350,000	1,050,000
Children's Cabinet Accountability Fund	541,802	205,885	335,917	135,451	406,352
HealthWave (SCHIP Portion)	2,000,000	760,000	1,240,000	500,000	1,500,000
Children's Cabinet - Smart Start Kansas	8,895,491	3,380,287	5,515,204	2,223,873	6,671,618
Children's Medicaid Increases	3,000,000	1,140,000	1,860,000	750,000	2,250,000
Immunization Outreach	500,000	190,000	310,000	125,000	375,000
Family Preservation	3,343,770	1,270,633	2,073,137	835,943	2,507,828
School Violence Prevention	228,000	86,640	141,360	57,000	171,000
Attendant Care for Independent Living (ACIL)	50,000	19,000	31,000	12,500	37,500
Department of Education					
Parent Education	2,500,000	950,000	1,550,000	625,000	1,875,000
Four Year Old At-Risk Programs	4,500,000	1,710,000	2,790,000	1,125,000	3,375,000
Vision Research	300,000	114,000	186,000	75,000	225,000
Special Education	1,225,000	465,500	759,500	306,250	918,750
University of Kansas					
Tele-Kid Health Care link	250,000	95,000	155,000	62,500	187,500
Transfer to State General Fund	500,000	190,000	310,000	125,000	375,000
TOTAL	<u>\$ 52,690,293.00</u>	<u>20,022,311</u>	<u>\$ 32,667,981.66</u>	<u>13,172,573</u>	<u>\$ 39,517,719.75</u>

New Section 1. (a) As used in this section:

(1) "School district" or "district" means a school district which has an extraordinary declining enrollment and which has adopted a local option budget in an amount which equals the state prescribed percentage under K.S.A. 72-6433, and amendments thereto.

(2) "Extraordinary declining enrollment" means an enrollment which has declined during the preceding three school years at an average rate of at least 5% or by at least 50 pupils.

(3) "Joint committee" means the joint committee on state building construction.

(b) The board of education of any school district shall not authorize the issuance of any bonds for the construction of a new building without having first advised and consulted with the joint committee. Prior to the date of the hearing of the joint committee at which the board is scheduled to appear, the board shall submit any information requested by the joint committee. Following such hearing, the committee shall make a recommendation on the advisability of the proposed issuance of bonds. A copy of the committee's recommendation shall be provided to the school district and to the state board of education within 15 days of the date of the hearing.

(c) If the joint committee recommends against the issuance of any bonds for the construction of a new building and the district proceeds to issue bonds for such construction, the district shall not be entitled to, and shall not receive, state aid for such bonds under K.S.A. 75-2319, and amendments thereto.

[Assessed valuation in TIF Districts]

Section 1. (a) As used in this section:

(1) "School district" means any school district in which is located a redevelopment district for which bonds have been issued pursuant to K.S.A. 12-1770 *et seq.*, and amendments thereto.

(2) "Base year assessed valuation", "redevelopment district" and "redevelopment project" shall have the meanings ascribed thereto by K.S.A. 12-1770a, and amendments thereto.

(b) No later than November 1 of each year, the county clerk of each county shall certify to the state board of education the assessed valuation of any school district located within a redevelopment district in such county. For the purposes of this section and for determining the amount of state aid for school districts under K.S.A. 72-6434 and 75-2319, and amendments thereto, the base year assessed valuation of property within the boundaries of a redevelopment district shall be used when determining the assessed valuation of a school district until the bonds issued pursuant to K.S.A. 12-1770 *et seq.*, and amendments thereto, to finance redevelopment projects in the redevelopment district have been retired.

PROPOSED AMENDMENT TO HB 2474

"New Section 1. No ad valorem tax exemption for real or personal property granted after the effective date of this act by the governing body of any city or the board of county commissioners of any county pursuant to the provisions of section 13 of article 11 of the Kansas constitution shall be deemed to exempt any such property from the ad valorem property tax levied by a school district pursuant to K.S.A. 72-6431, and amendments thereto. The provisions of this section shall not be deemed to apply to any such exemptions granted prior to the effective date of this act for any calendar year for which any such exemption was granted.

New Sec. 2. No abatement of ad valorem property tax for real or personal property granted after the effective date of this act by the governing body of any city or the board of county commissioners of any county or other taxing subdivision of the state shall be deemed to abate the ad valorem property tax levied by a school district pursuant to K.S.A. 72-6431, and amendments thereto. The provisions of this section shall not be deemed to apply to any abatement granted prior to the effective date of this act for any calendar year for which any such exemption was granted.

Sec. 3. K.S.A. 2004 Supp. 79-201a is hereby amended to read as follows: 79-201a. The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas unless otherwise more specifically provided:

First. All property belonging exclusively to the United States, except property which congress has expressly declared to be subject to state and local taxation.

Second. All property used exclusively by the state or any municipality or political subdivision of the state. All property owned, being acquired pursuant to a lease-purchase agreement or

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operated by the state or any municipality or political subdivision of the state, including property which is vacant or lying dormant, which is used or is to be used for any governmental or proprietary function and for which bonds may be issued or taxes levied to finance the same, shall be considered to be used exclusively by the state, municipality or political subdivision for the purposes of this section. The lease by a municipality or political subdivision of the state of any real property owned or being acquired pursuant to a lease-purchase agreement for the purpose of providing office space necessary for the performance of medical services by a person licensed to practice medicine and surgery or osteopathic medicine by the board of healing arts pursuant to K.S.A. 65-2801 et seq., and amendments thereto, dentistry services by a person licensed by the Kansas dental board pursuant to K.S.A. 65-1401 et seq., and amendments thereto, optometry services by a person licensed by the board of examiners in optometry pursuant to K.S.A. 65-1501 et seq., and amendments thereto, or K.S.A. 74-1501 et seq., and amendments thereto, podiatry services by a person licensed by the board of healing arts pursuant to K.S.A. 65-2001 et seq., and amendments thereto, or the practice of psychology by a person licensed by the behavioral sciences regulatory board pursuant to K.S.A. 74-5301 et seq., and amendments thereto, shall be construed to be a governmental function, and such property actually and regularly used for such purpose shall be deemed to be used exclusively for the purposes of this paragraph. The lease by a municipality or political subdivision of the state of any real property, or portion thereof, owned or being acquired pursuant to a lease-purchase agreement to any entity for the exclusive use by it for an exempt purpose, including the purpose of displaying or exhibiting personal property by a museum or historical society, if no portion of the lease payments include compensation for return on the investment in such leased property shall be deemed to be used exclusively for the purposes of this paragraph. All property leased, other than property being

acquired pursuant to a lease-purchase agreement, to the state or any municipality or political subdivision of the state by any private entity shall not be considered to be used exclusively by the state or any municipality or political subdivision of the state for the purposes of this section except that the provisions of this sentence shall not apply to any such property subject to lease on the effective date of this act until the term of such lease expires but property taxes levied upon any such property prior to tax year 1989, shall not be abated or refunded. Any property constructed or purchased with the proceeds of industrial revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 12-1740 to 12-1749, or purchased with proceeds of improvement district bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-2776, or with proceeds of bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-3815a and 19-3815b, or any property improved, purchased, constructed, reconstructed or repaired with the proceeds of revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 13-1238 to 13-1245, inclusive, or any property improved, reimproved, reconstructed or repaired with the proceeds of revenue bonds issued after July 1, 1963, under the authority of K.S.A. 13-1238 to 13-1245, inclusive, which had previously been improved, reconstructed or repaired with the proceeds of revenue bonds issued under such act on or before July 1, 1963, shall be exempt from taxation for so long as any of the revenue bonds issued to finance such construction, reconstruction, improvement, repair or purchase shall be outstanding and unpaid. Any property constructed or purchased with the proceeds of any revenue bonds authorized by K.S.A. 13-1238 to 13-1245, inclusive, 19-2776, 19-3815a and 19-3815b, and amendments thereto, issued on or after July 1, 1963, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Any property, all or any portion of which is constructed or purchased with the proceeds of revenue bonds authorized by K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto,

issued on or after July 1, 1963 and prior to July 1, 1981, and prior to the effective date of this act shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased wholly with the proceeds of revenue bonds issued on or after July 1, 1981, and prior to the effective date of this act under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased in part with the proceeds of revenue bonds issued on or after July 1, 1981, and prior to the effective date of this act under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall be exempt from taxation to the extent of the value of that portion of the property financed by the revenue bonds and only for a period of 10 calendar years after the calendar year in which the bonds were issued. The exemption of that portion of the property constructed or purchased with the proceeds of revenue bonds shall terminate upon the failure to pay all taxes levied on that portion of the property which is not exempt and the entire property shall be subject to sale in the manner prescribed by K.S.A. 79-2301 et seq., and amendments thereto. Any property constructed or purchased wholly with the proceeds of revenue bonds issued on or after the effective date of this act under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall be exempt from all property or ad valorem taxes levied except the ad valorem tax levied by a school district pursuant to K.S.A. 72-6431, and amendments thereto. All such property shall be exempt from taxation to the extent herein provided only for a period of 10 calendar years after the calendar year in which the bonds were issued. Such exemption shall terminate upon the failure to pay all taxes levied upon the property, and the entire property shall be subject to sale in the manner prescribed by

K.S.A. 79-2301 et seq., and amendments thereto. Any property constructed or purchased in part with the proceeds of revenue bonds issued on or after the effective date of this act under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, to the extent of the value of that portion of the property financed by the revenue bonds, shall be exempt from all property or ad valorem taxes levied, except the ad valorem tax levied by a school district pursuant to K.S.A. 72-6431, and amendments thereto. All such property to the extent herein provided shall be exempt from taxation to the extent herein provided only for a period of 10 calendar years after the calendar year in which the bonds were issued. Such exemption shall terminate upon the failure to pay all taxes levied on the property, and the entire property shall be subject to sale in the manner prescribed by K.S.A. 79-2301 et seq., and amendments thereto. Property constructed or purchased in whole or in part with the proceeds of revenue bonds issued on or after January 1, 1995, under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, and used in any retail enterprise identified under the standard industrial classification codes, major groups 52 through 59, inclusive, except facilities used exclusively to house the headquarters or back office operations of such retail enterprises identified thereunder, shall not be exempt from taxation. For the purposes of the preceding provision "standard industrial classification code" means a standard industrial classification code published in the Standard Industrial Classification manual, 1987, as prepared by the statistical policy division of the office of management and budget of the office of the president of the United States. "Headquarters or back office operations" means a facility from which the enterprise is provided direction, management, administrative services, or distribution or warehousing functions in support of transactions made by the enterprise. Property purchased, constructed, reconstructed, equipped, maintained or repaired with the proceeds of industrial

revenue bonds issued under the authority of K.S.A. 12-1740 et seq., and amendments thereto, which is located in a redevelopment project area established under the authority of K.S.A. 12-1770 et seq. shall not be exempt from taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under authority of K.S.A. 12-1740 to 12-1749a, inclusive, and amendments thereto for any poultry confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903 and amendments thereto, shall not be exempt from such taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under the authority of K.S.A. 12-1740 to 12-1749a, inclusive, and amendments thereto, for a rabbit confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903 and amendments thereto, shall not be exempt from such taxation.

Third. All works, machinery and fixtures used exclusively by any rural water district or township water district for conveying or production of potable water in such rural water district or township water district, and all works, machinery and fixtures used exclusively by any entity which performed the functions of a rural water district on and after January 1, 1990, and the works, machinery and equipment of which were exempted hereunder on March 13, 1995.

Fourth. All fire engines and other implements used for the extinguishment of fires, with the buildings used exclusively for the safekeeping thereof, and for the meeting of fire companies, whether belonging to any rural fire district, township fire district, town, city or village, or to any fire company organized therein or therefor.

Fifth. All property, real and personal, owned by county fair

associations organized and operating under the provisions of K.S.A. 2-125 et seq. and amendments thereto.

Sixth. Property acquired and held by any municipality under the municipal housing law (K.S.A. 17-2337 et seq.) and amendments thereto, except that such exemption shall not apply to any portion of the project used by a nondwelling facility for profit making enterprise.

Seventh. All property of a municipality, acquired or held under and for the purposes of the urban renewal law (K.S.A. 17-4742 et seq.) and amendments thereto except that such tax exemption shall terminate when the municipality sells, leases or otherwise disposes of such property in an urban renewal area to a purchaser or lessee which is not a public body entitled to tax exemption with respect to such property.

Eighth. All property acquired and held by the Kansas armory board for armory purposes under the provisions of K.S.A. 48-317, and amendments thereto.

Ninth. All property acquired and used by the Kansas turnpike authority under the authority of K.S.A. 68-2001 et seq., and amendments thereto, K.S.A. 68-2030 et seq., and amendments thereto, K.S.A. 68-2051 et seq., and amendments thereto, and K.S.A. 68-2070 et seq., and amendments thereto.

Tenth. All property acquired and used for state park purposes by the Kansas department of wildlife and parks.

Eleventh. The state office building constructed under authority of K.S.A. 75-3607 et seq., and amendments thereto, and the site upon which such building is located.

Twelfth. All buildings erected under the authority of K.S.A. 76-6a01 et seq., and amendments thereto, and all other student union buildings and student dormitories erected upon the campus of any institution mentioned in K.S.A. 76-6a01, and amendments thereto, by any other nonprofit corporation.

Thirteenth. All buildings, as the same is defined in subsection (c) of K.S.A. 76-6a13, and amendments thereto, which are erected, constructed or acquired under the authority of

K.S.A. 76-6a13 et seq., and amendments thereto, and building sites acquired therefor.

Fourteenth. All that portion of the waterworks plant and system of the city of Kansas City, Missouri, now or hereafter located within the territory of the state of Kansas pursuant to the compact and agreement adopted by chapter 304 of the 1921 Session Laws of the state of Kansas. [See K.S.A. 79-205.]

Fifteenth. All property, real and personal, owned by a groundwater management district organized and operating pursuant to K.S.A. 82a-1020, and amendments thereto.

Sixteenth. All property, real and personal, owned by the joint water district organized and operating pursuant to K.S.A. 80-1616 et seq., and amendments thereto.

Seventeenth. All property, including interests less than fee ownership, acquired for the state of Kansas by the secretary of transportation or a predecessor in interest which is used in the administration, construction, maintenance or operation of the state system of highways, regardless of how or when acquired.

Eighteenth. Any building used primarily as an industrial training center for academic or vocational education programs designed for and operated under contract with private industry, and located upon a site owned, leased or being acquired by or for an area vocational school, an area vocational-technical school, a technical college, or a community college, as defined by K.S.A. 72-4412, and amendments thereto, and the site upon which any such building is located.

Nineteenth. For all taxable years commencing after December 31, 1997, all buildings of an area vocational school, an area vocational-technical school, a technical college or a community college, as defined by K.S.A. 72-4412, and amendments thereto, which are owned and operated by any such school or college as a student union or dormitory and the site upon which any such building is located.

Twentieth. For all taxable years commencing after December 31, 1997, all personal property which is contained within a

dormitory that is exempt from property taxation and which is necessary for the accommodation of the students residing therein.

Except as otherwise specifically provided, the provisions of this section shall apply to all taxable years commencing after December 31, 2000."

Sources of revenue.wpd

New Section 1. For school year 2007-2008, and for each school year thereafter, the total amount of state aid, except for state aid for special education and related services, aid shall be increased by a percentage equal to the percentage increase in the CPI (urban) from the calendar year in which the second preceding school year ended to the calendar year in which the preceding school year commenced. If there is a percentage decrease or no change in the CPI (urban) from the calendar year in which the second preceding school year ended to the calendar year in which the preceding school year commenced, the amount of state aid, excluding state aid for special education and related services, shall be the same amount of such aid in the preceding school year.

New Sec. 2. All moneys appropriated for general state aid and supplemental general state aid to school districts shall be paid first from the revenue derived from the levy imposed pursuant to K.S.A. 72-6431, and amendments thereto. If the amount of revenue derived from the levy imposed under K.S.A. 72-6431, and amendments thereto, is insufficient to pay such state aid, 50% of the balance shall be paid from existing revenues derived from the Kansas retailers' sales tax and 50% shall be paid from existing revenues derived from the Kansas income tax.

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HOUSE BILL No. 2474

By Select Committee on School Finance

2-16

9 AN ACT concerning schools and school districts; concerning the state
10 board of education and the state department of education; relating to
11 the powers and duties thereof; relating to school finance; establishing
12 the legislative education council; providing for certain costs analysis
13 studies; making and concerning appropriations for the fiscal year end-
14 ing June 30, 2006 for the department of education; amending K.S.A.
15 72-979, 72-6405, 72-6410, 72-6412, 72-6413, 72-6414, 72-6415, 72-
16 6433 and 72-8801 and K.S.A. 2004 Supp. 46-1208a, 72-978, 72-6407,
17 72-6434 and 79-5040 and repealing the existing sections; also repealing
18 K.S.A. ~~46-1225~~, 72-6442 and 72-6433;

and K.S.A. 2004 Supp. 46-1225

19
20 *Be it enacted by the Legislature of the State of Kansas:*

21 New Section 1. (a) In order to assist the legislature in the gathering of
22 information which is necessary for the legislature's consideration when
23 meeting its constitutional duties to: (1) Provide for intellectual, educa-
24 tional, vocational and scientific improvement in public schools established
25 and maintained by the state; and (2) make suitable provision for the fi-
26 nance of educational interests of the state, ~~Legislative division of post audit~~
27 shall conduct a professional cost study analysis to determine the costs of
28 delivering the kindergarten and grades one through 12 curriculum, re-
29 lated services and other programs mandated by state statute. Such cost
30 analysis study shall be conducted as directed by the legislative post audit
31 committee.

the

32 (b) Any study conducted pursuant to subsection (a) shall include, but
33 not be limited to:

34 (1) A determination of the services or programs required by state statute
35 to be provided by school districts. Such review shall include high
36 school graduation requirements, admissions requirements established by
37 the state board of regents pursuant to K.S.A. 76-716, and amendments
38 thereto, state scholarship requirements established by the state board of
39 regents and courses of instruction at various grade levels required by state
40 statute.

41 (2) A study of the actual costs incurred in a sample of school districts
42 to provide reasonable estimates of the costs of providing services and
43 programs required by state statute to be provided by school districts for

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1 ing intervention, programs concerning special education and related serv-
2 ices and bilingual education.

3 New Sec. 3. (a) There is hereby established the legislative education
4 council. The council shall be composed of nine members of which seven
5 shall be appointed as follows:

the

6 (1) One member appointed by the speaker of the house of
7 representatives;

8 (2) one member appointed by the president of the senate;

9 (3) one member appointed by the minority leader of the house of
10 representatives;

11 (4) one member appointed by the minority leader of the senate;

12 (5) the chairperson of the house education committee;

13 (6) the chairperson of the senate education committee; and

14 (7) one member appointed jointly by the speaker of the house of rep-
15 resentatives, the minority leader of the house of representatives, the pres-
16 ident of the senate and the minority leader of the senate;

17 (8) the legislative post auditor, or the designee thereof; and

18 (9) the attorney general, or the designee thereof.

19 The legislative post auditor and the attorney general shall serve *ex of-*
20 *ficio* and shall be nonvoting members of the council.

21 (b) Except as specifically provided in paragraphs (5) and (6) of subsec-
22 tion (a), nothing in this section shall be construed as requiring the ap-
23 pointment of legislators to the council. Of the members of the council,
24 one member shall be from the professional and business sector who is
25 recognized for leadership and expertise in such person's field and one
26 member shall be a certified public accountant who is recognized for ex-
27 pertise in the area of school district financial operations and who regularly
28 conducts or has regularly conducted audits of school districts.

29 (c) A member appointed by the speaker of the house of representatives
30 and the member appointed pursuant to paragraph (7) of subsection (a)
31 shall serve for terms of two years and until a successor is appointed and
32 qualified. A member appointed by the president of the senate shall serve
33 for terms of four years and until a successor is appointed and qualified.
34 Terms of members of the legislature appointed to the council shall expire
35 at the expiration of the legislative term for which such legislator was
36 elected. Except for vacancies created by the expiration of a legislative
37 term, a vacancy shall be filled for the unexpired term by appointment in
38 the manner prescribed by this section for the original appointment.

or minority leader

39 (d) Members of the council attending regular or special meetings, sub-
40 committee meetings or meetings of advisory committees authorized by
41 the council, shall be paid amounts for expenses, mileage and subsistence
42 as provided for in K.S.A. 75-3223, and amendments thereto, except that
43 members of the council who are legislators shall not receive subsistence

1 under K.S.A. 75-3212, and amendments thereto.

2 (e) The members of the council annually shall select a chairperson and
3 vice-chairperson from the membership of the council.

4 (f) The council may meet at any time and at any place within the state
5 on the call of the chairperson. A quorum of the council shall be four
6 voting members. All actions of the council shall be by motion adopted by
7 a majority of those voting members present when there is a quorum.

8 (g) In accordance with K.S.A. 46-1204, and amendments thereto, the
9 legislative coordinating council may provide for such professional services
10 as may be requested by the council.

11 (h) The staff of the office of the revisor of statutes, the legislative re-
12 search department and the division of legislative administrative services
13 shall provide such assistance as may be requested by the council. Upon
14 request of the council, the state board of education and the center for
15 innovative school leadership established pursuant to K.S.A. 2004 Supp.
16 76-767, and amendments thereto, shall provide consultants and assistance
17 when requested by the council. In addition and upon the request of the
18 council, the state board of education and school districts shall provide any
19 information and supporting documentation related thereto.

20 New Sec. 4. The council shall:

21 (a) Conduct continuous and on-going monitoring of the implementa-
22 tion and operation of the school district and quality performance act and
23 the quality performance accreditation system;

} school district finance and quality performance act and other provisions of law relating to school finance

24 (b) evaluate the school district and quality performance act and deter-
25 mine if there is a fair and equitable relationship between the costs of the
26 weighted components and assigned weightings;

} finance

27 (c) determine if existing weightings should be adjusted;

28 (d) determine if additional school district operations should be
29 weighted;

30 (e) review the amount of base state aid per pupil and determine if the
31 amount should be adjusted;

32 (f) evaluate the reform and restructuring components of the act and
33 assess the impact thereof;

34 (g) evaluate the system of financial support, reform and restructuring
35 of public education in Kansas and in other states to ensure that the Kansas
36 system is the most efficient and effective;

} legislative coordinating council

37 (h) conduct other studies, as directed by the legislature, relating to the
38 improving, reforming or restructuring of the educational system and the
39 financing thereof;

40 (i) conduct hearings and receive and consider suggestions from teach-
41 ers, parents, the department of education, the state board of education,
42 other governmental officers and agencies and the general public con-
43 cerning suggested improvements in the educational system and the fi-

1 facility is commenced and in the next succeeding school year.

2 (k) "Transportation weighting" means an addend component assigned
3 to enrollment of districts on the basis of costs attributable to the provision
4 or furnishing of transportation.

5 (l) ~~"Correlation weighting" means an addend component assigned to
6 enrollment of districts having 1,725 or over enrollment on the basis of
7 costs attributable to maintenance of educational programs by such dis-
8 tricts as a correlate to low enrollment weighting assigned to enrollment
9 of districts having under 1,725 enrollment. "Cost of living weighting"
10 means an addend component assigned to enrollment of the districts to
11 which the provisions of section 15, and amendments thereto, apply on the
12 basis of costs attributable to the necessity of enhancing salaries due to the
13 extraordinary cost of purchasing single family residences in the district.
14 ~~Cost of living weighting may be assigned to enrollment of a district only
15 if the district has levied a tax pursuant to section 15, and amendments
16 thereto.~~~~

17 (m) "Ancillary school facilities weighting" means an addend component
18 assigned to enrollment of districts to which the provisions of K.S.A. 72-
19 6441, and amendments thereto, apply on the basis of costs attributable
20 to commencing operation of new school facilities. Ancillary school facil-
21 ities weighting may be assigned to enrollment of a district only if the
22 district has levied a tax under authority of K.S.A. 72-6441, and amend-
23 ments thereto, and remitted the proceeds from such tax to the state trea-
24 surer. Ancillary school facilities weighting is in addition to assignment of
25 school facilities weighting to enrollment of any district eligible for such
26 weighting.

27 (n) "Juvenile detention facility" means: (1) Any secure public or private
28 facility which is used for the lawful custody of accused or adjudicated
29 juvenile offenders and which shall not be a jail;

30 (2) any level VI treatment facility licensed by the Kansas department
31 of health and environment which is a psychiatric residential treatment
32 facility for individuals under the age of 21 which conforms with the reg-
33 ulations of the centers for medicare/medicaid services and the joint com-
34 mission on accreditation of health care organizations governing such fa-
35 cilities; and

36 (3) the Forbes Juvenile Attention Facility, the Sappa Valley Youth
37 Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clar-
38 ence M. Kelley Youth Center, the Clarence M. Kelley Transitional Living
39 Center, Trego County Secure Care Center, St. Francis Academy at At-
40 chison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina,
41 St. Francis Center at Salina, King's Achievement Center, and Liberty
42 Juvenile Services and Treatment.

43 (o) "Special education and related services weighting" means an ad-

5-8

1 (1) Subtract the amount determined under (c) from the amount de-
 2 termined under (a);

3 (2) divide the remainder obtained under (1) by the amount determined
 4 under (c);

5 (3) multiply the quotient obtained under (2) by the enrollment of the
 6 district in the current school year. The product is the low enrollment
 7 weighting of the district;

8 (f) for districts with 100-299 enrollment:

9 (1) Subtract the amount determined under (c) from the schedule
 10 amount of the district;

11 (2) divide the remainder obtained under (1) by the amount determined
 12 under (c);

13 (3) multiply the quotient obtained under (2) by the enrollment of the
 14 district in the current school year. The product is the low enrollment
 15 weighting of the district;

16 (g) for districts with 300-1,724 enrollment:

17 (1) Subtract the amount determined under (c) from the schedule
 18 amount of the district;

19 (2) divide the remainder obtained under (1) by the amount determined
 20 under (c);

21 (3) multiply the quotient obtained under (2) by the enrollment of the
 22 district in the current school year. The product is the low enrollment
 23 weighting of the district.

24 Sec. 11. K.S.A. 72-6413 is hereby amended to read as follows: 72-6413.
 25 The program weighting of each district shall be determined by the state
 26 board as follows:

27 (a) Compute full time equivalent enrollment in programs of bilingual
 28 education and multiply the computed enrollment by 0.2;

29 (b) compute full time equivalent enrollment in approved vocational
 30 education programs and multiply the computed enrollment by ~~0.2~~ *.15*;

31 (c) add the products obtained under (a) and (b); *and*

32 (d) *multiply the sum by .9406*. The sum is the program weighting of
 33 the district.

34 ~~(d) The provisions of this section shall take effect and be in force from
 35 and after July 1, 1992.~~

36 Sec. 12. K.S.A. 72-6414 is hereby amended to read as follows: 72-6414.
 37 (a) The at-risk pupil weighting of each district shall be determined by the
 38 state board ~~by multiplying as follows:~~

39 (1) *Determine* the number of at-risk pupils included in enrollment of
 40 the district *and multiply by .10; and*

41 (2) *multiply the product obtained under (1) by .9406*. The product is
 42 the at-risk pupil weighting of the district.

43 (b) Except as provided in subsection (d), of the amount a district re-

1 initiate, at any time after the final levy is certified to the county clerk
2 under any current authorization, procedures to renew the authority to
3 increase the local option budget subject to the conditions and in the
4 manner specified in provisions (2) and (3) of this subsection.

5 (B) The provisions of subpart (A) do not apply to the board of any
6 district that is continuously and permanently authorized to increase the
7 local option budget of the district.

8 (9) As used in this subsection:

9 (A) "Authorized to increase a local option budget" means either that a
10 district has held a special election under provision (2)(B) by which au-
11 thority of the board to increase a local option budget was approved, or
12 that a district has adopted a resolution under provision (2) (A), has pub-
13 lished the same, and either that the resolution was not protested or that
14 it was protested and an election was held by which the authority of the
15 board to increase a local option budget was approved.

16 (B) "State prescribed percentage" means ~~25%~~ 30%.

17 (c) To the extent the provisions of the foregoing subsections conflict
18 with this subsection, this subsection shall control. Any district that is au-
19 thorized to adopt a local option budget in the 1997-98 school year under
20 a resolution which authorized the adoption of such budget in accordance
21 with the provisions of this section prior to its amendment by this act may
22 continue to operate under such resolution for the period of time specified
23 in the resolution or may abandon the resolution and operate under the
24 provisions of this section as amended by this act. Any such district shall
25 operate under the provisions of this section as amended by this act after
26 the period of time specified in the resolution has expired.

27 (d) (1) There is hereby established in every district that adopts a local
28 option budget a fund which shall be called the supplemental general fund.
29 The fund shall consist of all amounts deposited therein or credited thereto
30 according to law.

31 (2) Subject to the limitation imposed under provision (3), amounts in
32 the supplemental general fund may be expended for any purpose for
33 which expenditures from the general fund are authorized or may be trans-
34 ferred to the general fund of the district or to any program weighted fund
35 or categorical fund of the district.

36 (3) Amounts in the supplemental general fund may not be expended
37 nor transferred to the general fund of the district for the purpose of
38 making payments under any lease-purchase agreement involving the ac-
39 quisition of land or buildings which is entered into pursuant to the pro-
40 visions of K.S.A. 72-8225, and amendments thereto.

41 (4) Any unexpended and unencumbered cash balance remaining in the
42 supplemental general fund of a district at the conclusion of any school
43 year in which a local option budget is adopted shall be disposed of as

1 all amounts transferred thereto under the provisions of subsection (c).

2 (b) In each school year, each school district which is obligated to make
3 payments from its capital outlay fund established pursuant to K.S.A. 72-
4 8803, and amendments thereto, shall be entitled to receive payment from
5 the school district capital outlay supplemental fund in an amount deter-
6 mined by the state board of education as provided in this subsection. The
7 state board of education shall:

8 (1) Determine the amount of the assessed valuation per pupil (AVPP)
9 of each school district in the state and round such amount to the nearest
10 \$1,000. The rounded amount is the AVPP of a school district for the
11 purposes of this section;

12 (2) determine the median AVPP of all school districts;

13 (3) prepare a schedule of dollar amounts using the amount of the me-
14 dian AVPP of all school districts as the point of beginning. The schedule
15 of dollar amounts shall range upward in equal \$1,000 intervals from the
16 point of beginning to and including an amount that is equal to the amount
17 of the AVPP of the school district with the highest AVPP of all school
18 districts and shall range downward in equal \$1,000 intervals from the
19 point of beginning to and including an amount that is equal to the amount
20 of the AVPP of the school district with the lowest AVPP of all school
21 districts;

22 (4) determine a state aid percentage factor for each school district by
23 assigning a state aid computation percentage to the amount of the median
24 AVPP shown on the schedule, decreasing the state aid computation per-
25 centage assigned to the amount of the median AVPP by one percentage
26 point for each \$1,000 interval above the amount of the median AVPP,
27 and increasing the state aid computation percentage assigned to the
28 amount of the median AVPP by one percentage point for each \$1,000
29 interval below the amount of the median AVPP. The state aid percentage
30 factor of a school district is the percentage assigned to the schedule
31 amount that is equal to the amount of the AVPP of the school district,
32 except that the state aid percentage factor of a school district shall not
33 exceed 100%. The state aid computation percentage is 25% for capital
34 outlay obligations incurred by a school district on or after the effective
35 date of this act under K.S.A. 72-8801 et seq., and amendments thereto;

36 (5) determine the amount that a school district levied pursuant to
37 K.S.A. 72-8801 et seq., and amendments thereto, but not to exceed four
38 mills; ~~or~~ λ

and

39 (6) multiply the amount determined under paragraph (5) by the appli-
40 cable state aid percentage factor. The product is the amount of payment
41 the school district is entitled to receive from the school district capital
42 outlay supplemental fund in the school year.

43 (c) The state board of education shall certify to the director of accounts

1 incidental to the control of asbestos-containing material in buildings of
 2 school districts and includes, but not by way of limitation, any activity
 3 undertaken for the removal or encapsulation of asbestos-containing ma-
 4 terial, for any remodeling, renovation, replacement, rehabilitation or
 5 other restoration necessitated by such removal or encapsulation, for con-
 6 ducting inspections, reinspections and periodic surveillance of buildings,
 7 performing response actions, and developing, implementing and updating
 8 operations and maintenance programs and management plans;

9 (4) "asbestos" means the asbestiform varieties of chrysotile (serpen-
 10 tine), crocidolite (riebeckite), amosite (cummingtonitegrunerite), antho-
 11 phyllite, tremolite, and actinolite; and

12 (5) "asbestos-containing material" means any material or product which
 13 contains more than 1% asbestos.

14 New Sec. 21. From and after the effective date of this act no school
 15 district may adopt or renew a resolution imposing a tax levy in excess of
 16 the statutorily prescribed mill rate fixed by subsection (b)(2)(A) of K.S.A.
 17 72-8801, and amendments thereto. Any school district making a levy in
 18 excess of such amount may continue to make such levy until the expiration
 19 of the resolution under which such levy is made.

20 Sec. 22. K.S.A. 2004 Supp. 79-5040 is hereby amended to read as fol-
 21 lows: 79-5040. ~~(a) In 1999, and in each year thereafter,~~ All existing stat-
 22 utory fund mill levy rate and aggregate levy rate limitations on taxing
 23 subdivisions are hereby suspended.

24 *(b) The provisions of subsection (a) shall not apply to the fund mill levy*
 25 *rate and aggregate levy rate limitations imposed by K.S.A. 72-8801 et*
 26 *seq., and amendments thereto.*

27 Sec. 23. K.S.A. 72-6405 is hereby amended to read as follows: 72-6405.
 28 ~~(a)~~ K.S.A. 72-6405 through 72-6440, *sections 14, 15, 16 and 19,* and
 29 amendments thereto, shall be known and may be cited as the school
 30 district finance and quality performance act.

31 ~~(b) The provisions of this section shall take effect and be in force from~~
 32 ~~and after July 1, 1992.~~

33 Sec. 24. K.S.A. ~~46-1225,~~ 72-979, 72-6405, 72-6410, 72-6412, 72-6413,
 34 72-6414, 72-6415, 72-6433, 72-6442, 72-6433b and 72-8801 and K.S.A.
 35 2004 Supp. 46-1208a, 72-978, 72-6407, 72-6434 and 79-5040 are hereby
 36 repealed.

46-1225

37 Sec. 25. This act shall take effect and be in force from and after its
 38 publication in the statute book.

Section 1. Amend K.S.A. 72-6433 by striking the current provisions and inserting in lieu thereof:

(a) As used in this section, "state prescribed percentage" means 25%.

(b) The board of education of any school district, by resolution, may adopt a local option budget which is equal to the state-wide average local option budget adopted by school districts for school year 2004-2005, but not more than the state prescribed percentage.

(c) The board of education of any school district, by resolution, may adopt a local option budget which exceeds the state prescribed percentage, but not to exceed 30% of the general fund budget of the district. Such resolution authorizing the adoption of a local option budget in excess of the state prescribed percentage shall state that the amount of the local option budget may be increased as authorized by the resolution unless a petition in opposition to such increase, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication. If no petition is filed in accordance with the provisions of the resolution, the board is authorized to increase the local option budget of the district. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether the board shall be authorized to increase the local option budget of the district. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

Select Comm. on School Finance

Date 2-23-05

Attachment # 9

Skills for Success funding

Sec. 7. The legislature shall make appropriations necessary for the implementation of the provisions of sections 1 through 6, and amendments thereto. Such appropriations shall not exceed \$20,000,000, in the aggregate, from one or more funds in the state treasury.

Select Comm. on School Finance
Date 2-23-05
Attachment # 10

PROPOSED AMENDMENT TO HB 2474
[Skills for Success]

Section 1. As used in sections 2 through 6, and amendments thereto:

(a) "District" or "school district" means any school district in the state of Kansas;

(b) "program" means the Kansas skills for success in school program;

(c) "department" or "department of education" means the Kansas department of education; and

(d) "state board" means the state board of education.

Sec. 2. (a) Each school district shall prepare a plan for identifying grade-level markers which indicate whether a child is progressing adequately toward acquisition of the reading and mathematics skill-sets designed by the state board of education and for diagnosing each child's skill level in mathematics and reading. The district shall use assessments or diagnostic reviews during kindergarten and each of the grades one through three to determine a child's level of performance and to target specialized interventions to bring the child up to grade-level in reading and mathematics. The district's plan shall embed such assessments or diagnostic reviews into the curriculum and implement a measure to check each child's progress during the fall or spring semesters, or both.

(b) The district shall establish a plan for providing each child needing assistance with locally-determined interventions based on input from teachers and parents for the individual child. The plan may include a restructured school day, additional school days, summer school, individualized instruction and any other intervention the district deems necessary. The district may require attendance at such interventions unless a parent requests in writing that the child not attend. The plan shall not include a requirement for full-day kindergarten attendance. In addition,

any plan providing for interventions shall include implementation of a first grade reading intervention which meets the following specifications: A research-based reading intervention method designed for first-graders with a proven track record of success, with sustained learning over time using a short-term, one-on-one tutoring intervention when deemed necessary or intensive research-based small group tutoring. The diagnostic reviews or assessments may be implemented in addition to current assessments or diagnostic reviews, or in lieu of current assessments or diagnostic reviews. If the district currently has appropriate grade level markers, or offers appropriate diagnostic reviews or assessments or tracking procedures for interventions, the district may continue to use such locally determined practices as long as the district continues to meet quality performance accreditation requirements. School districts shall continue to implement the second grade reading diagnostic currently required by the state board.

(c) If a child has been identified as needing assistance, the district's plan shall create a mechanism to track the child's interventions and progress. The district shall determine the methods by which the child's progress is measured. When a child has accomplished the district-determined level of accomplishment, no further tracking will be necessary unless the child falls behind in another grade. If the child does not achieve the appropriate grade-level markers in reading or mathematics despite intervention, the district shall take whatever action which it deems is in the best educational interest of the child to reach the grade-level markers. Such action may include, but is not limited to, other more intensive interventions or retention at current grade-level unless a parent refuses in writing to allow the child to be retained. If a parent refuses to allow retention, the parent shall be provided information on the skills the child requires to succeed at the next grade-level.

(d) When it is appropriate, districts are encouraged to utilize community volunteers or community-based organizations in

the carrying out of intervention plans adopted pursuant to this section.

Sec. 3. (a) In school year 2006-2007 and each school year thereafter, any district which has established a plan of interventions pursuant to section 2, and amendments thereto, shall be entitled to receive a grant from the state board to supplement amounts expended by the district for maintenance of such plan of interventions. The board of education of any such district may submit an application for a grant under the Kansas skills for success in school program. The application shall be prepared in such form and manner as required by the state board. Such application shall be accompanied by any information required by the state board. No grant may be awarded pursuant to this section unless the state board approves the district's plan of interventions.

(b) Grant moneys received under subsection (a) shall be deposited in the general fund of the school district and shall be considered reimbursements for the purpose of the school district finance and quality performance act.

(c) The board of education of any district which is awarded a grant for maintenance of a plan of interventions under the Kansas skills for success in school program shall make such periodic and special reports to the state board of education as it may request.

Sec. 4. (a) On or before January 1, 2006, the state board of education shall adopt rules and regulations for the implementation of this act and the awarding and administration of grants to school districts for maintenance of plans of interventions under the Kansas skills for success in school program.

(b) The state board shall:

(1) Establish standards and criteria for reviewing, evaluating and approving plans of interventions and applications for grants;

(2) conduct a needs-assessment survey of school districts

applying for grants;

(3) evaluate and approve plans of interventions;

(4) establish priorities in accordance with the findings of the needs assessment survey for the award of grants and the amount of such grants;

(5) be responsible for awarding grants to school districts; and

(6) request of and receive from each school district which is awarded a grant for maintenance of a plan of interventions reports containing information with regard to the effectiveness of the plan.

(c) In evaluating and approving plans of interventions maintained under the Kansas skills for success in school program and for the awarding of grants, the state board shall consider:

(1) The level of effort exhibited by districts in the establishment and maintenance of plans of interventions;

(2) the amounts budgeted by districts for the establishment and maintenance of plans of interventions; and

(3) the potential effectiveness of the plans of interventions for which applications for the grants are made.

(d) The amount of a grant shall be determined by the state board in accordance with established priorities, but shall not exceed the amount of actual expenses incurred by the district in the establishment and maintenance of the district's plan of interventions.

(e) Upon request of the board of education of any school district, the state board of education shall provide technical advice and assistance regarding the establishment and maintenance of a plan of skills for success in school interventions or an application for a grant.

Sec. 5. On or before November 1, 2005, the state board of education shall report its progress on the implementation of the Kansas skills for success in school program to the legislative education council. The board shall submit other reports as requested by the chairperson of the legislative education

council. On or before September 1, 2006 and each year thereafter, the state board shall make an annual report on the program to the legislative education council. Annual reports also shall include data relating to and supporting evaluations of goals, objectives and outcomes established by the state board of education and other information requested by the council. On or before the first day of the 2007 legislative session and each year thereafter, the legislative education council shall prepare and submit to the legislature a report on the program and any recommendations relating thereto.

Sec. 6. Within the limits of appropriations therefor, the state department of education shall provide for teacher training to implement the interventions authorized by this act.



Kansas State Board of Education

Kansas State Education Building

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District 7

Carol Rupe
District 8

Iris Van Meter
District 9

Steve Abrams
District 10

February 9, 2005

Honorable Stephen Morris
President
Kansas Senate
State Capitol – Room 359-E
Topeka, Kansas 66612

Dear Mr. President:

As you are aware, the Kansas State Board of Education is committed to student learning, as we know you are.

We do not believe that forced consolidation of schools when student learning is being achieved, is the best educational policy for the State of Kansas. As a general policy, the KSBE has always been in favor of local control regarding the issue of school district boundaries.

However, the Board has had reports about a potential coming shortage of Administrative staff to operate the districts and thus it would seem to be appropriate for the Legislature to pursue Administrative Reorganization of public schools in Kansas. The KSBE is well positioned to help design and implement an administrative reorganization plan commiserate with our commitment to student learning.

I thank you for your efforts, and please do not hesitate to contact me if I can be of assistance.

Sincerely,

Steve E. Abrams
Chairman, KSBE

Select Comm. on School Finance

Date 2-23-05

Attachment # 12

New Section 1. (a) The state board of education shall design and implement an administrative reorganization plan for school districts.

Sec. 2. K.S.A. 2004 Supp. 72-8205 is hereby amended to read as follows: (a) The board shall meet at least once each month. During the month of July of each year, the board shall adopt a resolution specifying a regular meeting time of the board and the regular hour of commencement of the meeting, as well as the day of the week and the week of the month. Such resolution also shall specify the alternative date and time of any meeting if the regular meeting date occurs on a Sunday or on a legal holiday or on a holiday specified by the board. Such resolution also shall specify the regular meeting place of the board and may specify that any regular meeting may be adjourned to another time and place. If the board cancels a regularly-scheduled meeting because of an emergency, within 24 hours of such cancellation, the board shall establish and give notice of the new meeting date and time. Special meetings may be called at any time by the president of the board or by joint action of any three members of the board. Unless waived, written notice, stating the time and place of any special meeting and the purpose for which called shall be given each member of the board at least two days in advance of the special meeting and no business other than that stated in the notice shall be transacted at such meeting. A majority of the full membership of the board shall constitute a quorum for the purpose of conducting any business of the school district, and the vote of a majority of the full membership of the board shall be required for the passage of any motion or resolution. Any member who abstains from voting shall be counted as having voted against the motion or resolution. If a member announces a conflict of interest with regard to the issue, the member may leave the meeting until the voting on the issue is concluded and the member who abstains from voting thereby shall not be counted as having voted.

(b) Except as otherwise provided by law, the board shall have and may exercise the same powers and authorities as were immediately prior to this act conferred uniformly upon boards of education in cities of the first class, and, in addition thereto, the powers and authority expressly conferred by law.

(c) The board shall have authority to prescribe courses of study for each year of the school program and to adopt rules and regulations for teaching in the school district and general government thereof, and to approve and adopt suitable textbooks and study material for use therein subject to the plans, methods, rules and regulations of the state board of education.

(d) The board may provide legal counsel at district expense to any members of the board of education, or school district officers or employees who are sued in situations relating to and arising out of the performance of their office or employment. No teacher or other employment contract shall make reference to or incorporate the provisions of this subsection, nor shall the provisions of this subsection be construed as any part of the consideration of employment of any teacher, officer or other employee of the board.

(e) (1) The board may transact all school district business and adopt policies that the board deems appropriate to perform its constitutional duty to maintain, develop and operate local public schools.

(2) The power granted by this subsection shall not be construed to relieve a board from compliance with *the provisions of section 1, and amendments thereto, and any other provision of state law.*

The power granted by this subsection shall not be construed to relieve any other unit of

government of its duties and responsibilities which are prescribed by law, nor to create any responsibility on the part of a school district to assume the duties or responsibilities which are required of another unit of government.

(3) The board shall exercise the power granted by this subsection by resolution of the board of education.

New Section 1. (a) As used in this section:

(1) "School district" or "district" means a school district which : (A) Has an extraordinary declining enrollment; (B) does not qualify for low enrollment weighting; and (C) has adopted a local option budget in an amount which equals the state prescribed percentage under K.S.A. 72-6433, and amendments thereto.

(2) "Extraordinary declining enrollment" means an enrollment which has declined during the preceding three school years at an average rate of at least 15% or by at least 150 pupils.

(b) (1) The board of any district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the district each year in an amount not to exceed the amount authorized by the state board of tax appeals under this section for the purpose of replacing revenues lost as a result of the declining enrollment of the district. The state board of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the amount of revenues lost which are directly attributable to the decline in enrollment of the district.

(2) The board of tax appeals shall certify to the state board of education the amount authorized to be produced by the levy of a tax under this subsection.

(3) The state board of tax appeals may adopt rules and regulations necessary to properly effectuate the provisions of this subsection, including rules relating to the evidence required in support of a district's claim that reductions in state funding under the provisions of the school district finance and quality performance act as a result of the district's declining enrollment exceed the district's ability to make expenditure reductions.

(4) Any district is authorized to adopt and has adopted a local option budget in an amount equal to the state prescribed percentage of the amount of state financial aid determined for the district in the current school year.

(c) The board of education of may continue to levy such tax under authority of this section for each year the district continues to sustain the three-year average decline in either the numerical or percentage specified in subsection (a).

(d) There is hereby established in every district a fund which shall be called the declining enrollment fund. Such fund shall consist of all moneys deposited therein or transferred thereto according to law. The proceeds from the tax levied by a district under authority of this section shall be credited to the declining enrollment fund of the district. Moneys in such fund shall be used for the payment of expenses of the school district as determined by the board of education of the district.

Section 1. 72-6410. Definitions; state aid; local effort; federal impact aid. (a) "State financial aid" means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

(b) "Base state aid per pupil" means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is \$3,890. The amount of base state aid per pupil is subject to reduction commensurate with any reduction under K. S.A. 75-6704, and amendments thereto, in the amount of the appropriation from the state general fund for general state aid. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive for any school year, the amount of base state aid per pupil for such school year is subject to reduction commensurate with the amount of the insufficiency.

(c) "Local effort" means the sum of an amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431, and amendments thereto, and an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K. S.A. 72-6430, and amendments thereto, and an amount equal to any unexpended and unencumbered balances remaining in the program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area vocational school, and an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to the repeal of such statutory sections, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto, and an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 17 and 34 of chapter 12 of Kansas Statutes Annotated and under the provisions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, and an amount equal to the amount of payments received by the district under the provisions of K.S.A. 72-979, and amendments thereto, and an amount equal to the amount of a grant, if any, received by the district under the provisions of K.S.A. 72-983, and amendments thereto, and an amount equal to ~~75%~~ 70% of the federal impact aid of the district.

(d) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid defined herein as an amount equal to the federally qualified 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.

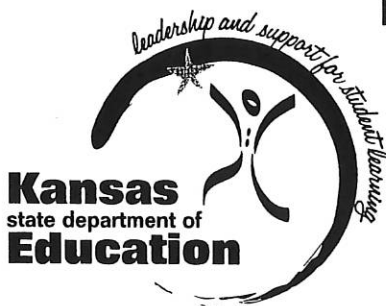
Section 1. 72-6410. Definitions; state aid; local effort; federal impact aid. (a) "State financial aid" means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

(b) "Base state aid per pupil" means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is \$3,890. The amount of base state aid per pupil is subject to reduction commensurate with any reduction under K. S.A. 75-6704, and amendments thereto, in the amount of the appropriation from the state general fund for general state aid. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive for any school year, the amount of base state aid per pupil for such school year is subject to reduction commensurate with the amount of the insufficiency.

(c) "Local effort" means the sum of an amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431, and amendments thereto, and an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K. S.A. 72-6430, and amendments thereto, and an amount equal to any unexpended and unencumbered balances remaining in the program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area vocational school, and an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to the repeal of such statutory sections, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto, and an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 17 and 34 of chapter 12 of Kansas Statutes Annotated and under the provisions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, and an amount equal to the amount of payments received by the district under the provisions of K.S.A. 72-979, and amendments thereto, and an amount equal to the amount of a grant, if any, received by the district under the provisions of K.S.A. 72-983, and amendments thereto, **and an amount equal to 0% of the federal impact aid of the district for school year 2005-2006 and school year 2006-2007**, and an amount equal to 75% of the federal impact aid of the district **for school year 2007-2008 and each school year thereafter**.

(d) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid defined herein as an amount equal to the federally qualified 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.

Select Comm. on School Finance
Date 2-23-05
Attachment # 16



Division of Fiscal and Administrative Services

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785-296-0459 (fax)

120 SE 10th Avenue • Topeka, KS 66612-1182 • (785) 296-6338 (TTY) • www.ksde.org

February 16, 2005

TO: Rep. Kathe Decker

FROM : Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: School Finance

Attached is a computer printout (L0534) which provides the effects on school districts of the tentative decisions made to date on school finance. Our records indicate that there has been no changes made in transportation and ancillary facilities weighting and that the Committee has agreed to the following.

- Eliminate correlation weighting, lower low enrollment weighting, and raise the base state aid per pupil (BSAPP) to \$4,107. This change in and of itself will result in no changes in expenditures.
- Expand the at-risk definition to include reduced priced lunches and expend approximately \$18 million additional state aid.
- Reduce vocational education weighting from .50 to .15 and add the savings to the BSAPP.
- Increase bilingual education funding by approximately \$11 million.
- Increase special education funding to 85 percent of excess cost.
- Equalize the capital outlay levy up to four mills using the bond and interest state aid ratios.
- Add an additional \$110 to BSAPP
- Skills for Success tentatively approved which provides \$20 million of Children's Initiatives funds primarily for reading and mathematics for grades K-3. This is not reflected in computer printout L0522.

Select Comm. on School Finance
Date 2-23-05
Attachment # 17-1

COLUMN EXPLANATION

- Column
- 1 -- September 20, 2004, FTE enrollment
 - 2 -- 2004-50 Eliminate correlation weighting, lower low enrollment weighting, and raise BSAPP to \$4,107 plus \$110 on the BSAPP (\$80 on the BSAPP and \$30 due to savings on vocational education weighting reduction)
 - 3 -- 2004-05 Broaden the definition of at-risk to include reduced priced lunches
 - 4 -- 2004-05 Decrease the vocational education weighting from .50 to .15
 - 5 -- 2004-05 Increase bilingual education funding from .2 to .4
 - 6 -- Total (Columns 2 + 3 + 4 + 5)
 - 7 -- 2004-05 Estimated increase in special education state aid at 85 percent of excess cost (\$1,580 per teacher)
 - 8 -- Equalize capital outlay up to four mills using bond and interest state aid ratios
 - 9 -- Total (Columns 6 + 7 + 8)

STATE COST

Expand at-risk definition to include reduced priced lunches	\$ 18,600,000
Reduce vocational education weighting from .5 to .15 and increase BSAPP	(19,500,000)
Increase bilingual weighting from .2 to .4	11,000,000
Increase special education from 81.7%to 85% of excess cost	17,700,000
Equalize capital outlay up to four mills	15,000,000
Increase BSAPP by \$110	55,000,000
Increase local option budget state aid	5,000,000
 TOTAL	 \$ 102,800,000

In addition, the House Select Committee on School Finance has recommended a Skills for Success program which will cost approximately \$20 million funded from the Children's Initiatives Fund.

17-4

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	TOTAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)
DISTRICT NAME	#	9/20/04	BPP							

ALLEN	001									
MARMATON VALLEY	D0256	373.5	60,137	34,158	-32,685	0	61,610	19,418	0	81,028
IOLA	D0257	1,437.5	174,515	72,954	-84,993	0	162,476	72,411	0	234,887
HUMBOLDT	D0258	524.5	82,456	26,145	-29,700	0	78,901	27,097	0	105,998
ANDERSON	002									
GARNETT	D0365	1,081.5	145,068	68,315	-74,216	0	139,167	42,060	49,434	230,661
CREST	D0479	236.0	43,560	11,386	-20,432	0	34,514	12,134	0	46,648
ATCHISON	003									
ATCHISON CO COM	D0377	741.0	108,757	40,062	-42,304	0	106,515	38,915	0	145,430
ATCHISON PUBLIC	D0409	1,565.2	182,985	89,400	-86,854	0	185,531	76,962	68,373	330,866
BARBER	004									
BARBER COUNTY N	D0254	587.0	92,378	35,001	-31,912	0	95,467	28,693	13,806	137,966
SOUTH BARBER	D0255	267.0	47,344	14,338	-15,236	0	46,446	13,019	840	60,305
BARTON	005									
CLAFLIN	D0354	297.5	51,293	18,133	-15,201	0	54,225	13,351	16,530	84,106
ELLINWOOD PUBLI	D0355	514.0	79,816	37,953	-45,288	0	72,481	20,508	0	92,989
GREAT BEND	D0428	3,042.6	336,809	129,462	-130,668	156,451	492,054	87,722	152,509	732,285
HOISINGTON	D0431	613.8	97,933	48,917	-29,700	0	117,150	25,359	0	142,509
BOURBON	006									
FORT SCOTT	D0234	1,958.6	216,689	107,112	-82,747	2,952	244,006	58,729	24,821	327,556
UNIONTOWN	D0235	430.0	72,765	22,772	-27,102	0	68,435	16,306	0	84,741
BROWN	007									
HIAWATHA	D0415	886.3	133,595	51,447	-53,081	0	131,961	58,302	44,732	234,995
SOUTH BROWN COU	D0430	657.6	98,571	44,279	-34,896	15,181	123,135	42,091	0	165,226
BUTLER	008									
BLUESTEM	D0205	715.9	106,271	29,941	-53,081	0	83,131	30,431	36,582	150,144
REMINGTON-WHITE	D0206	523.7	81,884	21,928	-14,850	5,482	94,444	23,921	20,329	138,694
CIRCLE	D0375	1,497.7	177,452	56,930	-84,643	0	149,739	52,314	0	202,053
ANDOVER	D0385	3,643.2	400,752	66,629	-117,643	1,687	351,425	112,812	173,455	637,692
ROSE HILL PUBLI	D0394	1,741.5	197,373	35,001	-94,613	0	137,761	60,467	83,491	281,719
DOUGLASS PUBLIC	D0396	828.2	122,914	28,676	-22,995	0	128,595	35,819	39,567	203,981
AUGUSTA	D0402	2,112.0	232,320	75,484	-85,345	0	222,459	72,427	106,824	401,710
EL DORADO	D0490	2,143.0	235,730	76,328	-41,566	1,265	271,757	80,627	106,628	459,012
FLINTHILLS	D0492	319.0	51,854	21,928	-15,201	0	58,581	14,362	13,974	86,917
CHASE	009									
CHASE COUNTY	D0284	454.0	72,127	33,736	-25,242	0	80,621	19,513	0	100,134

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME	#	FTE	\$110	10%	15%	.40		EQUALIZED	TOTAL
DISTRICT NAME	#	ENROLL	BASE	AT RISK	VOC EDUC	BILINGUAL	TOTAL	CAPITAL	(6 + 7 + 8)
		9/20/04	BPP				SPED EDUC	OUTLAY	

CHAUTAQUA	010								
CEDAR VALE	D0285	164.5	35,409	8,856	-3,335	0	40,930	7,489	48,419
CHAUTAQUA COUN	D0286	429.0	68,992	29,097	-19,660	0	78,429	21,813	117,748
CHEROKEE	011								
RIVERTON	D0404	810.1	116,996	41,748	-88,715	0	70,029	40,970	139,218
COLUMBUS	D0493	1,209.0	161,700	61,147	-97,597	0	125,250	65,001	234,965
GALENA	D0499	761.0	111,122	42,592	-52,695	0	101,019	6,676	133,670
BAXTER SPRINGS	D0508	855.0	121,847	53,978	-49,746	843	126,922	29,009	155,931
CHEYENNE	012								
CHEYLIN	D0103	158.5	32,890	11,386	-5,582	0	38,694	6,557	45,251
ST FRANCIS COMM	D0297	326.0	57,574	21,085	0	0	78,659	10,112	89,850
CLARK	013								
MINNEOLA	D0219	268.5	46,299	6,326	0	0	52,625	11,376	69,135
ASHLAND	D0220	216.4	42,097	14,760	-18,185	0	38,672	11,297	49,969
CLAY	014								
CLAY CENTER	D0379	1,371.6	173,173	78,436	-83,484	0	168,125	52,124	220,249
CLOUD	015								
CONCORDIA	D0333	1,059.3	147,620	64,942	-59,014	0	153,548	53,372	262,090
SOUTHERN CLOUD	D0334	234.0	42,702	14,760	-14,078	0	43,384	10,649	56,446
COFFEY	016								
LEBO-WAVERLY	D0243	566.9	87,593	24,880	-34,896	0	77,577	22,910	100,487
BURLINGTON	D0244	846.0	120,901	32,893	-25,979	0	127,815	46,183	173,998
LEROY-GRIDLEY	D0245	258.0	48,279	10,543	0	0	58,822	12,735	76,639
COMANCHE	017								
COMANCHE COUNTY	D0300	308.5	50,270	16,446	-7,056	0	59,660	13,462	73,122
COWLEY	018								
CENTRAL	D0462	346.1	55,902	14,338	-12,638	0	57,602	13,730	71,332
UDALL	D0463	365.4	58,839	19,820	-14,078	0	64,581	14,773	79,354
WINFIELD	D0465	2,481.7	277,552	151,812	-157,699	19,820	291,485	108,356	505,304
ARKANSAS CITY	D0470	2,831.8	313,676	161,089	-136,214	56,086	394,637	115,071	555,734
DEXTER	D0471	225.8	41,745	10,964	-2,212	0	50,497	8,295	58,792
CRAWFORD	019								
NORTHEAST	D0246	577.0	88,220	35,845	-10,040	0	114,025	18,549	132,574
CHEROKEE	D0247	795.0	117,810	42,592	-25,593	0	134,809	29,341	164,150
GIRARD	D0248	1,037.5	142,362	29,519	-65,299	0	106,582	35,266	193,898
FRONTENAC PUBLI	D0249	742.0	108,878	43,013	-23,381	0	128,510	24,237	152,747
PITTSBURG	D0250	2,484.9	273,339	100,786	-102,407	48,496	320,214	82,065	505,090

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	FTE	\$110	10%	15%	.40			EQUALIZED	TOTAL	
DISTRICT NAME	ENROLL	BASE	AT RISK	VOC EDUC	BILINGUAL	TOTAL	\$1580	CAPITAL	(6 + 7 + 8)	
	9/20/04	BPP					SPED EDUC	OUTLAY		
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	
DECATUR	020									
OBERLIN	D0294	431.5	69,806	23,194	-23,767	0	69,233	15,768	11,964	96,965
PRAIRIE HEIGHTS	D0295	30.5	13,409	422	-2,598	0	11,233	3,223	0	14,456
DICKINSON	021									
SOLOMON	D0393	403.4	65,098	19,820	-33,387	0	51,531	10,902	21,551	83,984
ABILENE	D0435	1,408.7	171,919	95,726	-104,302	0	163,343	37,794	71,733	272,870
CHAPMAN	D0473	955.9	137,324	51,869	-80,535	0	108,658	26,828	36,025	171,511
RURAL VISTA	D0481	428.8	67,936	37,953	-49,009	0	56,880	11,234	10,661	78,775
HERINGTON	D0487	508.5	79,057	22,772	-16,325	0	85,504	13,493	0	98,997
DONIPHAN	022									
WATHENA	D0406	374.5	60,577	8,856	-20,397	0	49,036	15,547	0	64,583
HIGHLAND	D0425	250.5	46,299	10,543	-19,696	0	37,146	13,904	0	51,050
TROY PUBLIC SCH	D0429	372.0	61,446	14,338	-10,040	0	65,744	15,784	0	81,528
MIDWAY SCHOOLS	D0433	202.0	40,425	8,012	-9,654	0	38,783	12,640	0	51,423
ELWOOD	D0486	291.0	56,485	11,808	-6,670	0	61,623	13,477	0	75,100
DOUGLAS	023									
BALDWIN CITY	D0348	1,307.1	164,186	50,182	-22,995	0	191,373	48,885	66,447	306,705
EUDORA	D0491	1,234.7	158,433	46,387	-115,782	0	89,038	41,633	65,890	196,561
LAWRENCE	D0497	9,757.0	1,073,270	398,928	-343,309	169,945	1,298,834	470,097	0	1,768,931
EDWARDS	024									
KINSLEY-OFFERLE	D0347	316.3	51,447	17,711	-9,654	24,880	84,384	17,175	0	101,559
LEWIS	D0502	139.5	30,228	9,277	0	0	39,505	7,189	0	46,694
ELK	025									
WEST ELK	D0282	431.3	72,127	25,302	-32,649	0	64,780	28,472	21,080	114,332
ELK VALLEY	D0283	202.0	38,742	16,868	-15,939	0	39,671	16,227	0	55,898
ELLIS	026									
ELLIS	D0388	374.2	60,049	19,820	-30,438	0	49,431	15,452	12,476	77,359
VICTORIA	D0432	264.8	47,036	7,591	-21,169	0	33,458	11,755	7,308	52,521
HAYS	D0489	2,905.1	332,640	123,136	-217,872	6,747	244,651	138,661	88,646	471,958
ELLSWORTH	027									
ELLSWORTH	D0327	590.0	94,446	25,724	-62,350	0	57,820	16,732	30,630	105,182
LORRAINE	D0328	426.5	73,249	20,242	-31,175	0	62,316	12,450	0	74,766
FINNEY	028									
HOLCOMB	D0363	851.0	123,035	67,894	-27,068	43,013	206,874	25,422	0	232,296
GARDEN CITY	D0457	6,970.6	776,149	371,939	-166,266	844,243	1,826,065	257,082	410,133	2,493,280
FORD	029									
SPEARVILLE	D0381	341.0	55,297	17,290	-21,521	0	51,066	14,220	17,305	82,591
DODGE CITY	D0443	5,674.1	624,151	320,492	-263,863	1,524,446	2,205,226	229,463	287,062	2,721,751
BUCKLIN	D0459	254.0	46,178	11,808	0	5,482	63,468	12,198	2,849	78,515

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COUNTY NAME	#	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
DISTRICT NAME	#	FTE ENROLL 9/20/04	\$110 BASE BPP	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	TOTAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)

FRANKLIN	030									
WEST FRANKLIN	D0287	876.3	128,986	52,291	-59,752	0	121,525	47,147	0	168,672
CENTRAL HEIGHTS	D0288	615.6	95,040	29,941	-40,092	0	84,889	23,068	0	107,957
WELLSVILLE	D0289	797.6	115,379	32,893	-28,963	0	119,309	34,175	39,390	192,874
OTTAWA	D0290	2,339.7	261,261	75,906	-130,281	4,639	211,525	87,848	125,073	424,446
GEARY	031									
JUNCTION CITY	D0475	6,078.1	668,591	534,294	-86,117	158,138	1,274,906	273,877	177,157	1,725,940
GOVE	032									
GRINNELL PUBLIC	D0291	120.0	28,105	5,060	-10,040	0	23,125	7,142	1,118	31,385
WHEATLAND	D0292	186.0	36,619	10,964	-4,810	0	42,773	13,967	2,849	59,589
QUINTER PUBLIC	D0293	329.5	57,079	13,073	-18,958	0	51,194	23,447	17,441	92,082
GRAHAM	033									
HILL CITY	D0281	407.1	66,462	35,001	-30,052	0	71,411	21,741	10,366	103,518
GRANT	034									
ULYSSES	D0214	1,691.1	189,233	70,846	-67,159	87,292	280,212	47,732	0	327,944
GRAY	035									
CIMARRON-ENSIGN	D0102	647.2	98,802	23,194	-40,829	44,700	125,867	27,618	28,275	181,760
MONTEZUMA	D0371	242.1	43,615	17,711	-386	32,049	92,989	7,695	5,254	105,938
COPELAND	D0476	115.5	27,137	5,904	-1,475	22,350	53,916	4,614	0	58,530
INGALLS	D0477	251.1	45,529	14,338	0	31,628	91,495	11,487	5,678	108,660
GREELEY	036									
GREELEY COUNTY	D0200	269.7	47,817	11,808	-30,824	25,724	54,525	9,385	0	63,910
GREENWOOD	037									
MADISON-VIRGIL	D0386	243.5	46,145	17,711	-13,727	0	50,129	11,502	5,933	67,564
EUREKA	D0389	676.0	102,674	35,423	-54,942	422	83,577	35,755	33,361	152,693
HAMILTON	D0390	109.5	26,697	12,229	0	0	38,926	8,263	1,386	48,575
HAMILTON	038									
SYRACUSE	D0494	468.0	76,109	21,928	-12,638	75,484	160,883	14,773	0	175,656
HARPER	039									
ANTHONY-HARPER	D0361	909.3	132,396	61,990	-45,639	0	148,747	42,376	48,701	239,824
ATTICA	D0511	128.5	28,193	17,711	-10,778	0	35,126	6,130	0	41,256
HARVEY	040									
BURRTON	D0369	254.7	45,276	8,012	-10,040	0	43,248	7,631	11,366	62,245
NEWTON	D0373	3,466.3	382,030	207,898	-180,765	100,365	509,528	137,428	178,533	825,489
SEDGWICK PUBLIC	D0439	520.5	80,685	21,085	-29,314	0	72,456	15,200	23,291	110,947
HALSTEAD	D0440	687.3	103,906	29,519	-42,655	0	90,770	26,497	34,272	151,539
HEBETON	D0460	767.5	114,972	16,868	-22,258	2,952	112,534	30,668	0	143,202

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	TOTAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)
DISTRICT NAME	#	9/20/04	BPP							

HASKELL	041									
SUBLETTE	D0374	479.5	75,064	20,242	-2,247	52,713	145,772	13,541	0	159,313
SATANTA	D0507	389.5	64,174	22,350	-22,258	85,605	149,871	12,861	0	162,732
HODGEMAN	042									
JETMORE	D0227	297.0	49,016	18,977	-9,268	0	58,725	13,098	11,819	83,642
HANSTON	D0228	91.5	23,683	2,952	-4,810	0	21,825	5,514	0	27,339
JACKSON	043									
NORTH JACKSON	D0335	421.0	67,177	23,615	-30,824	0	59,968	13,225	16,213	89,406
HOLTON	D0336	1,111.0	148,258	35,423	-77,937	0	105,744	43,687	17,097	166,528
ROYAL VALLEY	D0337	924.5	129,349	51,869	-68,669	0	112,549	33,591	41,309	187,449
JEFFERSON	044									
VALLEY FALLS	D0338	431.4	68,310	20,663	-17,799	0	71,174	14,410	0	85,584
JEFFERSON COUNT	D0339	490.3	77,902	20,242	-36,019	0	62,125	20,777	24,631	107,533
JEFFERSON WEST	D0340	948.5	132,099	36,688	-34,896	0	133,891	36,609	48,427	218,927
OSKALOOSA PUBLI	D0341	616.8	97,724	25,302	-50,097	0	72,929	30,715	22,775	126,419
MCLOUTH	D0342	561.6	86,196	16,868	-36,757	0	66,307	24,206	27,980	118,493
PERRY PUBLIC SC	D0343	965.0	134,981	43,013	-71,618	1,687	108,063	41,665	43,545	193,273
JEWELL	045									
WHITE ROCK	D0104	122.5	29,557	9,699	-2,598	0	36,658	5,088	0	41,746
MANKATO	D0278	217.5	41,800	16,446	-9,268	0	48,978	3,429	10,521	62,928
JEWELL	D0279	168.0	34,595	10,543	-35,985	0	9,153	6,209	2,528	17,890
JOHNSON	046									
BLUE VALLEY	D0229	18,389.0	2,022,790	86,449	-657,655	31,206	1,482,790	619,787	0	2,102,577
SPRING HILL	D0230	1,608.0	183,887	32,893	-71,232	0	145,548	62,995	70,774	279,317
GARDNER-EDGERTO	D0231	3,406.3	374,693	133,679	-144,008	1,265	365,629	124,678	116,143	606,450
DESOTO	D0232	4,553.1	500,841	86,870	-133,968	70,846	524,589	148,378	128,215	801,182
OLATHE	D0233	22,480.2	2,472,822	381,639	-920,394	185,548	2,119,615	817,302	353,837	3,290,754
SHAWNEE MISSION	D0512	27,874.9	3,110,349	540,619	-1,132,333	243,743	2,762,378	912,387	0	3,674,765
KEARNY	047									
LAKIN	D0215	649.5	101,695	24,037	-11,129	37,953	152,556	20,761	0	173,317
DEERFIELD	D0216	336.1	54,417	12,229	-32,298	87,292	121,640	10,159	0	131,799
KINGMAN	048									
KINGMAN-NORWICH	D0331	1,103.3	152,570	71,267	-63,087	0	160,750	54,241	13,641	228,632
CUNNINGHAM	D0332	229.0	44,869	17,290	-2,949	0	59,210	11,992	0	71,202
KIOWA	049									
GREENSBURG	D0422	298.7	49,962	16,025	-10,743	0	55,244	13,304	881	69,429
MULLINVILLE	D0424	144.0	31,713	7,169	0	0	38,882	4,851	0	43,733
HAVILAND	D0474	169.5	34,793	16,025	0	0	50,818	7,489	0	58,307

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	TOTAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)
DISTRICT NAME	#	9/20/04	BPP							

LABETTE	050									
PARSONS	D0503	1,484.9	179,245	93,617	-121,364	0	151,498	60,119	74,499	286,116
OSWEGO	D0504	494.0	80,135	32,893	-11,129	0	101,899	16,385	13,910	132,194
CHETOPA	D0505	293.2	48,455	24,037	-8,917	0	63,575	14,789	12,610	90,974
LABETTE COUNTY	D0506	1,643.7	186,395	111,751	-175,148	0	122,998	59,203	77,605	259,806
LANE	051									
HEALY PUBLIC SC	D0468	117.5	25,432	5,904	-10,006	3,795	25,125	7,884	3,505	36,514
DIGHTON	D0482	241.3	44,539	17,290	-5,196	0	56,633	11,250	0	67,883
LEAVENWORTH	052									
FT LEAVENWORTH	D0207	1,643.0	197,890	43,857	0	0	241,747	45,567	3,540	290,854
EASTON	D0449	706.0	104,544	23,615	-57,927	0	70,232	23,210	38,843	132,285
LEAVENWORTH	D0453	3,960.8	444,169	185,548	-220,470	26,145	435,392	155,203	206,920	797,515
BASEHOR-LINWOOD	D0458	2,026.0	222,860	18,133	-89,452	0	151,541	45,046	109,541	306,128
TONGANOXIE	D0464	1,560.0	181,203	48,074	-65,334	0	163,943	41,191	78,765	283,899
LANSING	D0469	2,089.5	229,845	22,772	-49,009	0	203,608	45,188	108,678	357,474
LINCOLN	053									
LINCOLN	D0298	358.3	59,631	19,398	-18,185	422	61,266	18,217	11,436	90,919
SYLVAN GROVE	D0299	162.0	32,967	7,169	-4,459	0	35,677	2,639	0	38,316
LINN	054									
PLEASANTON	D0344	400.5	63,877	22,350	-34,510	0	51,717	13,778	19,082	84,577
JAYHAWK	D0346	564.0	90,695	27,832	-37,494	0	81,033	23,747	29,276	134,056
PRAIRIE VIEW	D0362	1,004.6	137,544	53,556	-52,344	4,639	143,395	41,191	0	184,586
LOGAN	055									
OAKLEY	D0274	409.9	68,442	18,133	-34,510	0	52,065	29,198	4,975	86,238
TRIPLAINS	D0275	94.5	20,933	7,591	0	0	28,524	4,361	0	32,885
LYON	056									
NORTH LYON COUN	D0251	590.5	95,964	26,989	-28,928	0	94,025	24,379	31,111	149,515
SOUTHERN LYON C	D0252	565.5	91,091	28,676	-28,963	0	90,804	23,005	14,296	128,105
EMPORIA	D0253	4,606.7	513,898	222,658	-162,193	680,202	1,254,565	154,761	240,812	1,650,138
MARION	057									
CENTRE	D0397	256.5	45,650	13,916	-15,587	0	43,979	15,136	4,211	63,326
PEABODY-BURNS	D0398	414.5	68,167	18,133	-31,912	0	54,388	25,185	0	79,573
MARION-FLORENCE	D0408	651.2	98,384	45,122	-15,236	0	128,270	37,130	0	165,400
DURHAM-HILLSBOR	D0410	666.0	99,616	48,435	-51,572	0	91,479	38,220	32,758	162,457
GOESSEL	D0411	282.5	47,872	17,711	-27,840	0	37,743	16,748	14,802	69,293
MARSHALL	058									
MARYSVILLE	D0364	759.2	115,445	38,375	-52,731	0	101,089	37,478	20,710	159,277
VERMILLION	D0380	546.5	85,954	24,880	-56,417	0	54,417	16,195	0	70,612
AYRILL	D0488	309.6	52,382	15,181	-17,448	0	50,115	10,365	12,333	72,813
HEIGHTS	D0498	380.5	64,207	25,302	-20,397	0	69,112	20,951	17,477	107,540

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	TOTAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)
DISTRICT NAME	#	9/20/04	BPP							

MCPHERSON	059									
SMOKY VALLEY	D0400	950.1	132,011	40,483	-38,617	0	133,877	37,667	43,887	215,431
MCPHERSON	D0418	2,408.5	266,970	69,581	-138,040	1,687	200,198	97,612	76,951	374,761
CANTON-GALVA	D0419	395.1	66,011	18,133	-23,767	0	60,377	17,538	5,351	83,266
MOUNDRIDGE	D0423	414.5	66,363	17,711	-15,587	0	68,487	17,001	0	85,488
INMAN	D0448	438.5	70,708	12,229	-29,350	0	53,587	17,949	0	71,536
MEADE										
	060									
FOWLER	D0225	164.8	33,462	7,169	0	6,326	46,957	7,868	0	54,825
MEADE	D0226	479.0	78,397	30,784	-22,258	3,374	90,297	20,224	0	110,521
MIAMI										
	061									
OSAWATOMIE	D0367	1,147.0	153,351	65,364	-16,676	0	202,039	41,459	0	243,498
PAOLA	D0368	2,009.7	226,237	49,761	-110,586	0	165,412	94,200	93,434	353,046
LOUISBURG	D0416	1,424.5	172,678	39,218	-105,391	0	106,505	60,324	19,374	186,203
MITCHELL										
	062									
WACONDA	D0272	341.2	62,832	22,772	-23,381	0	62,223	11,724	12,904	86,851
BELOIT	D0273	757.5	110,715	47,230	-41,180	843	117,608	49,012	30,517	197,137
MONTGOMERY										
	063									
CANEY VALLEY	D0436	830.1	127,534	43,013	-48,237	0	122,310	29,056	0	151,366
COFFEYVILLE	D0445	1,860.0	207,603	86,870	-148,853	0	145,620	76,156	44,823	266,599
INDEPENDENCE	D0446	1,922.8	215,534	96,991	-75,339	0	237,186	67,482	72,722	377,390
CHERRYVALE	D0447	597.6	91,718	36,688	-15,201	0	113,205	22,626	0	135,831
MORRIS										
	064									
MORRIS COUNTY	D0417	860.2	128,348	52,713	-72,390	0	108,671	44,840	41,602	195,113
MORTON										
	065									
ROLLA	D0217	205.5	40,986	8,856	-12,990	25,724	62,576	7,789	0	70,365
ELKHART	D0218	675.7	100,815	17,290	-20,397	64,942	162,650	18,123	0	180,773
NEMAHA										
	066									
SABETHA	D0441	921.9	130,702	31,206	-30,438	0	131,470	30,146	47,447	209,063
NEMAHA VALLEY S	D0442	498.9	77,737	22,350	-56,066	0	44,021	18,091	0	62,112
B & B	D0451	227.0	43,208	17,711	-11,902	0	49,017	6,778	0	55,795
NEOSHO										
	067									
ERIE-ST PAUL	D0101	1,070.4	143,946	65,364	-74,953	0	134,357	52,014	54,557	240,928
CHANUTE PUBLIC	D0413	1,793.2	202,796	93,196	-64,596	4,217	235,613	92,714	88,221	416,548
NESS										
	068									
WESTERN PLAINS	D0106	189.5	38,049	10,543	-2,949	0	45,643	9,433	0	55,076
NES TRE LA GO	D0301	28.0	7,315	2,530	0	0	9,845	2,970	0	12,815
NESS CITY	D0303	259.5	46,057	12,229	-18,923	0	39,363	11,913	0	51,276

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)
DISTRICT NAME	#	9/20/04	BPP						

NORTON	069								
NORTON COMMUNIT	D0211	649.4	101,244	46,387	-18,571	0	129,060	36,451	165,511
NORTHERN VALLEY	D0212	196.5	38,005	15,603	-2,984	0	50,624	9,053	66,159
WEST SOLOMON VA	D0213	63.0	15,730	2,109	-2,212	0	15,627	3,808	19,435
OSAGE	070								
OSAGE CITY	D0420	731.5	108,372	35,845	-10,392	0	133,825	35,977	207,434
LYNDON	D0421	432.0	70,939	14,760	-21,907	0	63,792	21,709	97,369
SANTA FE TRAIL	D0434	1,262.0	160,644	61,568	-91,278	0	130,934	59,756	253,731
BURLINGAME	D0454	337.0	57,222	19,398	-22,995	0	53,625	16,890	70,515
MARAIS DES CYGN	D0456	263.0	46,156	13,073	-20,046	0	39,183	12,877	64,121
OSBORNE	071								
OSBORNE COUNTY	D0392	386.6	64,911	27,832	-23,030	0	69,713	21,346	110,784
OTTAWA	072								
NORTH OTTAWA CO	D0239	538.7	87,428	42,170	-31,948	0	97,650	16,353	125,363
TWIN VALLEY	D0240	631.0	95,216	39,218	-45,288	0	89,146	17,664	106,810
PAWNEE	073								
FT LARNED	D0495	927.0	129,624	58,616	-38,231	0	150,009	51,397	202,451
PAWNEE HEIGHTS	D0496	177.5	38,148	16,446	-2,247	0	52,347	11,013	63,549
PHILLIPS	074								
EASTERN HEIGHTS	D0324	152.0	31,735	9,277	-12,604	0	28,408	7,979	41,978
PHILLIPSBURG	D0325	607.0	94,303	34,579	-33,035	0	95,847	33,401	160,476
LOGAN	D0326	184.0	37,466	13,916	-6,670	0	44,712	10,317	57,990
POTTAWATOMIE	075								
WAMEGO	D0320	1,281.5	164,516	43,435	-99,844	0	108,107	61,999	240,193
KAW VALLEY	D0321	1,067.5	143,671	46,809	-66,458	0	124,022	63,153	187,175
ONAGA-HAVENSVIL	D0322	370.0	59,433	20,242	-24,856	0	54,819	11,471	83,425
ROCK CREEK	D0323	728.6	107,866	30,784	-31,561	0	107,089	31,758	138,847
PRATT	076								
PRATT	D0382	1,127.9	150,755	60,303	-59,366	0	151,692	55,142	265,230
SKYLINE SCHOOLS	D0438	418.3	70,136	25,302	-15,939	843	80,342	16,701	97,043
RAWLINS	077								
RAWLINS COUNTY	D0105	346.5	61,886	29,941	-17,062	0	74,765	12,466	98,798
RENO	078								
HUTCHINSON PUBL	D0308	4,640.7	510,906	211,272	-334,778	16,446	403,846	161,697	791,218
NICKERSON	D0309	1,102.5	149,094	75,906	-59,366	3,374	169,008	46,815	236,941
FAIRFIELD	D0310	377.0	61,050	23,615	-1,089	0	83,576	15,958	99,534
PRETTY PRAIRIE	D0311	298.9	50,798	22,350	-16,711	0	56,437	12,545	80,776
HAVEN PUBLIC SC	D0312	1,062.5	146,861	67,894	-38,583	0	176,172	46,863	223,035
R	D0313	2,161.8	237,798	102,051	-88,329	4,639	256,159	90,028	443,105

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	TOTAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)
DISTRICT NAME	#	9/20/04	BPP							

REPUBLIC	079									
PIKE VALLEY	D0426	260.5	45,848	15,603	-15,201	0	46,250	12,514	0	58,764
BELLEVILLE	D0427	458.0	75,108	26,145	-13,376	0	87,877	22,689	0	110,566
HILLCREST RURAL	D0455	116.0	26,609	10,543	-2,984	0	34,168	5,972	0	40,140
RICE	080									
STERLING	D0376	504.3	78,903	37,531	-28,963	0	87,471	27,113	12,825	127,409
CHASE	D0401	147.7	33,396	5,904	-8,180	0	31,120	10,049	0	41,169
LYONS	D0405	840.1	121,099	45,965	-35,985	49,339	180,418	47,210	22,029	249,657
LITTLE RIVER	D0444	281.0	47,432	18,977	-10,040	0	56,369	16,069	0	72,438
RILEY	081									
RILEY COUNTY	D0378	646.0	97,108	34,579	-36,757	0	94,930	22,152	0	117,082
MANHATTAN	D0383	4,960.4	561,891	218,441	-208,955	65,785	637,162	225,434	98,259	960,855
BLUE VALLEY	D0384	244.5	44,176	11,808	-21,521	0	34,463	10,902	0	45,365
ROOKS	082									
PALCO	D0269	142.5	30,899	9,699	-7,794	0	32,804	9,812	0	42,616
PLAINVILLE	D0270	371.3	60,324	22,772	-32,649	0	50,447	20,129	11,495	82,071
STOCKTON	D0271	354.0	58,960	27,411	-13,727	0	72,644	19,687	9,631	101,962
RUSH	083									
LACROSSE	D0395	305.0	55,891	14,760	-13,376	0	57,275	14,441	8,409	80,125
OTIS-BISON	D0403	218.0	42,669	13,494	0	0	56,163	10,965	0	67,128
RUSSELL	084									
PARADISE	D0399	148.0	31,229	13,494	-1,861	0	42,862	8,121	0	50,983
RUSSELL COUNTY	D0407	997.5	137,126	40,062	-24,470	0	152,718	41,538	40,796	235,052
SALINE	085									
SALINA	D0305	7,122.3	792,539	347,059	-236,795	88,135	990,938	279,407	304,409	1,574,754
SOUTHEAST OF SA	D0306	686.0	102,102	22,350	-57,154	0	67,298	17,996	0	85,294
ELL-SALINE	D0307	450.8	71,049	32,893	-43,427	0	60,515	11,992	17,889	90,396
SCOTT	086									
SCOTT COUNTY	D0466	884.8	127,743	51,869	-27,454	77,171	229,329	26,939	0	256,268
SEDGWICK	087									
WICHITA	D0259	45,249.3	4,999,808	2,342,544	-1,750,599	2,466,102	8,057,855	1,545,145	1,981,927	11,584,927
DERBY	D0260	6,417.3	705,914	307,841	-322,526	25,302	716,531	229,874	317,286	1,263,691
HAYSVILLE	D0261	4,379.0	484,253	221,814	-173,322	35,001	567,746	167,464	200,898	936,108
VALLEY CENTER P	D0262	2,377.0	261,470	72,111	-71,267	0	262,314	72,127	122,025	456,466
MULVANE	D0263	1,881.1	206,921	70,002	-97,983	0	178,940	52,693	0	231,633
CLEARWATER	D0264	1,243.8	159,203	42,592	-41,952	0	159,843	38,584	58,926	257,353
GODDARD	D0265	4,094.4	450,384	123,136	-26,330	0	547,190	117,410	206,692	871,292
MAIZE	D0266	5,740.0	631,400	69,581	-59,752	5,904	647,133	176,770	294,307	1,118,210
RENWICK	D0267	1,933.8	218,427	87,292	-53,047	0	252,672	59,771	105,670	418,113
CHENEY	D0268	746.2	109,692	19,398	-54,205	0	74,885	22,262	38,156	135,303

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)	
DISTRICT NAME	#	9/20/04	BPP				TOTAL			

SEWARD	088									
LIBERAL	D0480	4,180.6	467,379	165,728	-124,699	705,082	1,213,490	91,103	118,458	1,423,051
KISMET-PLAINS	D0483	667.0	107,382	36,266	-5,547	157,294	295,395	31,205	4,646	331,246
SHAWNEE	089									
SEAMAN	D0345	3,322.4	365,464	111,751	-162,580	0	314,635	139,372	114,112	568,119
SILVER LAKE	D0372	731.5	107,613	14,760	-40,829	0	81,544	30,826	20,016	132,386
AUBURN WASHBURN	D0437	5,006.6	550,726	154,764	-148,818	8,856	565,528	205,400	29,306	800,234
SHAWNEE HEIGHTS	D0450	3,356.9	369,259	92,774	-130,281	6,747	338,499	113,381	160,641	612,521
TOPEKA PUBLIC S	D0501	12,963.9	1,467,895	576,042	-296,512	109,642	1,857,067	626,912	643,066	3,127,045
SHERIDAN	090									
HOXIE COMMUNITY	D0412	316.5	54,153	10,543	-15,973	0	48,723	20,951	905	70,579
SHERMAN	091									
GOODLAND	D0352	950.5	135,256	34,579	-74,602	47,652	142,885	38,204	35,732	216,821
SMITH	092									
SMITH CENTER	D0237	455.0	74,723	25,724	-29,700	0	70,747	25,707	4,403	100,857
WEST SMITH COUN	D0238	182.5	37,598	9,699	-11,480	0	35,817	10,381	0	46,198
STAFFORD	093									
STAFFORD	D0349	314.4	51,854	22,772	-15,236	0	59,390	13,051	14,668	87,109
ST JOHN-HUDSON	D0350	402.9	67,463	18,133	-34,510	843	51,929	18,249	7,873	78,051
MACKSVILLE	D0351	288.4	49,687	18,555	-4,073	7,169	71,338	12,924	0	84,262
STANTON	094									
STANTON COUNTY	D0452	466.5	77,385	27,832	-16,711	59,881	148,387	15,468	0	163,855
STEVENS	095									
MOSCOW PUBLIC S	D0209	235.6	43,747	5,482	-2,949	55,243	101,523	8,184	0	109,707
HUGOTON PUBLIC	D0210	1,023.4	139,403	44,700	-21,135	62,833	225,801	28,551	0	254,352
SUMNER	096									
WELLINGTON	D0353	1,650.7	188,584	80,123	-93,524	0	175,183	80,896	33,379	289,458
CONWAY SPRINGS	D0356	566.5	86,845	33,314	-34,510	0	85,649	16,985	0	102,634
BELLE PLAINE	D0357	770.0	116,677	33,314	-66,808	0	83,183	43,150	33,808	160,141
OXFORD	D0358	404.5	64,460	18,977	-16,325	0	67,112	20,793	0	87,905
ARGONIA PUBLIC	D0359	212.3	41,118	7,591	-7,056	0	41,653	12,766	7,851	62,270
CALDWELL	D0360	301.0	49,126	19,398	-11,165	0	57,359	15,911	0	73,270
SOUTH HAVEN	D0509	224.0	41,536	19,820	-20,046	0	41,310	12,624	0	53,934
THOMAS	097									
BREWSTER	D0314	128.8	29,887	9,277	-3,721	0	35,443	10,080	0	45,523
COLBY PUBLIC SC	D0315	1,025.4	139,590	53,978	-64,175	1,265	130,658	39,595	0	170,253
GOLDEN PLAINS	D0316	190.8	37,466	11,386	-3,335	422	45,939	14,188	8,288	68,415

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17-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME	#	FTE ENROLL	\$110 BASE	10% AT RISK	15% VOC EDUC	.40 BILINGUAL	\$1580 SPED EDUC	EQUALIZED CAPITAL OUTLAY	TOTAL (6 + 7 + 8)
DISTRICT NAME	#	9/20/04	BPP				TOTAL		

TREGO	098								
WAKEENEY	D0208	381.0	61,853	23,194	-11,129	0	73,918	17,427	91,345
WABAUNSEE	099								
MILL CREEK VALL	D0329	460.9	74,624	15,603	-49,360	0	40,867	22,341	74,027
MISSION VALLEY	D0330	497.0	77,484	27,832	-43,813	0	61,503	23,447	97,780
WALLACE	100								
WALLACE COUNTY	D0241	217.3	42,273	16,446	-5,582	0	53,137	10,381	63,518
WESKAN	D0242	131.0	27,841	5,482	-1,861	0	31,462	6,431	38,548
WASHINGTON	101								
NORTH CENTRAL	D0221	113.5	25,883	8,012	-4,073	0	29,822	5,767	35,589
WASHINGTON SCHO	D0222	353.5	57,002	32,893	-20,783	0	69,112	13,857	82,969
BARNES	D0223	384.2	61,512	32,471	-59,014	0	34,969	15,152	60,914
CLIFTON-CLYDE	D0224	315.0	52,954	16,868	-18,185	0	51,637	15,200	75,758
WICHITA	102								
LEOTI	D0467	482.3	76,395	21,085	-9,304	59,881	148,057	14,315	162,372
WILSON	103								
ALTOONA-MIDWAY	D0387	231.0	45,122	15,181	-8,917	0	51,386	12,735	64,121
NEODESHA	D0461	729.6	112,156	50,604	-40,057	0	122,703	30,842	179,995
FREDONIA	D0484	739.2	109,868	37,110	-25,242	0	121,736	30,478	187,869
WOODSON	104								
WOODSON	D0366	498.5	82,038	32,471	-33,421	0	81,088	25,770	106,858
WYANDOTTE	105								
TURNER-KANSAS C	D0202	3,650.8	401,588	217,597	-148,432	96,148	566,901	140,699	888,604
PIPER-KANSAS CI	D0203	1,346.0	167,123	17,290	-78,323	0	106,090	37,730	210,111
BONNER SPRINGS	D0204	2,190.0	240,900	68,315	-66,036	27,411	270,590	62,331	433,541
KANSAS CITY	D0500	19,144.5	2,137,960	928,583	-1,045,479	1,487,336	3,508,400	575,894	4,693,483

STATE TOTALS		442,372.7		18,617,226		10,864,682		16,800,864	94,186,081
			54,399,455		-19,500,635		64,380,728	13,004,489	

Section 1. K.S.A. 2004 Supp. 72-6404.....

(e) "Enrollment" means:

(1) (A) **Subject to the provisions of paragraph (1)(B)**, for districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the number of pupils regularly enrolled in the district on September 20 plus the number of pupils regularly enrolled in the district on February 20 less the number of pupils regularly enrolled on February 20 who were counted in the enrollment of the district on September 20; and for districts not specified in this clause **paragraph (1)**, the number of pupils regularly enrolled in the district on September 20;

(B) a pupil who is a foreign exchange student shall not be counted unless such student is regularly enrolled in the district on September 20 and attending kindergarten or any of the grades one through 12 maintained by the district for at least one ~~trimester~~ or two quarters or the equivalent thereof:

semester

(2) if enrollment in a district in any school year has decreased from enrollment in the preceding school year, enrollment of the district in the current school year means whichever is the greater of (A) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled, or (B) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled and the average (mean) of the sum of (i) enrollment of the district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled and (ii) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled and (iii) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled; or

(3) the number of pupils as determined under K.S.A. 72-6447, and amendments thereto.

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The basis of the bill directs individual districts to negotiate with sending districts to have funding follow the student. If agreement cannot be reached and a good faith effort has been shown, the Kansas district may ask the State Board of Education to allow the district funding but the State Board cannot exceed the state average.

Basically it gives us a statute to mirror neighbors so our districts will be more inclined to negotiate.

I'm sure you will hear from the ^{same} past arguments that these people live, work, pay taxes in our communities. I accept that, HOWEVER, it cuts the same the other way. Kansans work in their states, own property, pay taxes. But out neighbor states feel no obligation to us and I want a level playing field.

I also want to point out, NOTHING in this bill closes schools as was implied yesterday.

Fiscal information: Currently 571 students x \$9,480 (State Average) = \$5,413,080

New Section II/B I will ^{leave} lead to wisdom of the committee, however the amount will probably be higher after the new finance plans are completed.

I'll stand for questions.

**HOUSE SELECT COMMITTEE ON SCHOOL FINANCE
MINORITY REPORT
HB2474**

We, the undersigned, object to House Bill 2474, which will result in increased inequity in the funding of Kansas schools by providing extra budget and spending authority to school districts in the wealthiest communities in the state while continuing to shortchange other districts. This bill provides inadequate state funding, especially for school districts that educate the largest numbers of economically disadvantaged students and students with special needs. We hereby provide our objections to the following provisions of House Bill 2474, which was passed by the House Select Committee on School Finance on February 23, 2005.

ANCILLARY WEIGHTING FOR DISTRICTS WITH ENROLLMENT GROWTH

- The proposal to continue the ancillary services weighting for extraordinary enrollment growth has no rational basis. Ancillary weighting was originally explained as authority to levy local taxes to pay costs associated with commencing operation of new school facilities. The present statute still ties this weighting to districts opening new facilities. The new facility weighting is being eliminated in HB2474, an admission that there is no rational basis for additional funding for new facilities, much less another overlay of additional weighting ancillary to new facility weighting.
- Ancillary weighting provides three suburban districts with \$22,709,000 in additional funding over other districts in the state. The rational basis for the weighting and the amount of funding is approved by the BOTA, which is a body designed to regulate taxes, not educational costs.
- Ancillary weighting is provided to districts which are experiencing rapid growth. Growth in number of students is addressed by the foundation formula which provides additional budget per pupil for each additional student.
- Ancillary weighting is not allowed for any district which does not levy a full Local Option Budget. The LOB is for extras, not the ordinary costs of providing each child an equal opportunity for education. Therefore, it is not rational to require levying LOB authority in order to access the general costs of providing educational services.
- Ancillary weighting was created as a political compromise in order to provide additional funding to Johnson County schools and is designed to limit its use by other school districts. The lack of a rational basis is exemplified by the fact that this weighting is providing an additional \$497 per student in Blue Valley schools, \$558 per student in Olathe schools, and \$225 per student in De Soto schools.

This is in addition to the budget per pupil which these districts receive for new pupils.

- Attached hereto is Exhibit A, showing the assessed valuation, average teacher salary,
- Attach hereto is

ANCILLARY WEIGHTING FOR DECLINING ENROLLMENT

- The proposal to create a new taxing authority and revenue source for districts with “extraordinary declining enrollment” does not have a rational basis. The proposal does not address any real costs associated with extraordinary declining enrollment that are not already addressed in present law. Kansas law already addresses declining enrollment, including situations when the decline continues over three years. The present law allows districts to maintain funding for the lost students for the time necessary for the district to make adjustments in staffing and other matters to address the smaller student body.
- It was clear from testimony and discussion in committee that this provision is intended to benefit Shawnee Mission school district and to try and obtain votes from that delegation for the House bill. The funding source is not available to smaller, rural districts that are experiencing the greatest effects from declining student enrollment. It is clearly more difficult for a small district to adjust to loss of students and funding than for a very large suburban district like Shawnee Mission, the second largest school district in the state. Testimony before the committee was that Shawnee Mission is averaging a loss of 400 students per year. This is a loss of 1.4% per year in students. The present provision for declining enrollment clearly provides time for Shawnee Mission to make adjustments in its budget and operations to this decline.
- Like the Ancillary weighting for three different Johnson County school districts with growing student populations, the proposed new ancillary weighting delegates to the Board of Tax Appeals the authority to define what evidence is required to support a claim for extra funding for declining enrollment and the authority to decide what amount of funding the district may add with local property taxes.
- This funding is not allowed for any district which does not levy a full Local Option Budget. This may also be intended to limit its use by districts outside Johnson County. This limitation does not have a rational basis. The LOB is for extras, not the ordinary costs of providing each child an equal opportunity for education. Therefore, it is not rational to require levying LOB authority in order to access funding for the general costs of educational services.
- There is no set limit on this ancillary weighting. There is no limits on what it can be used to fund and no requirement that it be used to fund the actual effects of declining enrollment. The provision appears to be unlimited in time as well as in scope and can be provided into perpetuity.

AT RISK WEIGHTING

- At risk weighting, as proposed, would add those students who are eligible for reduced price lunches to the definition of at risk student for the purpose of

counting the number of weighted students. This change has a rational basis because a strong correlation between the number of low income students and the number of failing students has been clearly shown.

- However, it is irrational to just identify more students in school districts who are likely to need at risk services. This limits the change in at risk funding to merely counting more economically disadvantaged students. The Supreme Court upheld the district court finding that state school funding is inadequate and inequitable because the state is not providing suitable funding to address the special needs of economically disadvantaged and minority students. There has been strong evidence provided to the committee that the present weighting at 0.1 for at risk funding is too low to provide the needed at risk programs in school districts across the state. This is supported by the 2001 Augenblick & Meyers study and the recent survey by the State Board of Education requested by the Senate Education Committee. It is also supported by the fact that Kansas has a very low weighting in comparison to other states. The state is presently spending \$50 million on all at risk students in the state while three wealthy suburban districts are spending \$20 million provided by ancillary weighting. This is a clear example of the inequity in the present formula and its disparate impact on low income as compared with higher income students. At risk weighting, based upon cost studies conducted by this state and the weighting used in other states, should be at least 0.25.
- The committee selected the mere addition of reduced lunch students rather than raising the weighting factor because increasing the weighting factor to 0.25 costs \$87 million and adding reduced lunch kids only costs \$18 million. This amounts to selecting the least costly rather than the rational method of funding the educational interests of the state, at the expense of the most vulnerable students. The Supreme Court found that present funding is not suitable because it does not adequately address the special educational needs of low income and at risk students. This proposal clearly does not adequately respond to that finding.
- The proposal for funding grants for school districts to apply for funds for K-3 programs is not designed to address at risk students. It was stated in committee that the intent is to provide funding for school districts which do not qualify for at risk funds based upon numbers of low income and minority students. The funding comes from the Childrens Trust Fund, which is not intended to fund K-12 education. The \$20 million which is taken from the Children's Trust Fund must be taken from community based programs that serve children already. This just amounts to a shift in funding already serving children at the local level.
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BASE STATE AID PER PUPIL

- The proposal to increase state base aid per pupil by \$80 would provide an actual increase in state funding per pupil that is about half the annual inflation rate and, therefore, provides no actual increase in state foundation funding per pupil. The lower vocational weighting and application of \$20 million thereby to base state

aid per pupil and removing correlation weighting and reallocating the funds to base state aid per pupil is not an actual increase in state aid but taking existing state funding from one pocket and placing it in another. The transfers of these funds is an effort to provide the appearance of raising the base

LOCAL OPTION BUDGET

- The proposal is to increase LOB authority for all districts by 5% without any state funding for the additional 5% authority. The inequity of this provision is exemplified by the fact that in Galena, it will require a levy of 18.90 mills in an area with low incomes and high poverty, while in Shawnee Mission, one of the wealthiest areas in the state, it only requires a levy of 2.37 mills.
- In addition, another 5% authority without state match is provided for school districts with the highest residential property valuations in the state. These provisions create more inequity instead of less in the state funding formula. This "COLA" LOB is provided for additional local funding for teacher pay for 17 school districts with average residential values 125% of the statewide average. This provision is designed to provide additional funding for school districts in Johnson County and all 6 Johnson County school districts are among the 17 districts benefitted. In fact, Blue Valley, DeSoto, Olathe, and Shawnee Mission all qualify for 5% LOB because their average appraisal of residences is between \$193,794 and \$314,936. These districts can levy 1% of additional LOB at a mill levy of approximately 0.5 mills. Another district on the list of 17, Lansing, must levy 1.22 mills for each 1% of LOB. This inequitable provision isn't even equitable among the 17 districts identified as recipients.
- Both proposals are exactly the opposite of what is required to address the Supreme Court opinion. The Supreme Court affirmed the lower court's finding that funding for public schools is inadequate and inequitable. School districts with high property valuation per pupil may access this 10% increase in spending per pupil at a much lower cost for their taxpayers than school districts with lower valuations per pupil. The failure to equalize the first 5% for all school districts denies less wealthy school districts from the opportunity to access this additional funding. The second 5% in LOB authority is clearly targeted at the most wealthy school districts in the state and clearly intended for teacher salaries and benefits.
- These provisions support the claim by those of us who oppose these provisions that there is need for more state funding for schools than this bill provides. It allows for school districts who are able to obtain LOB authority to increase their spending on general education by 5% or 10% if the districts have high priced housing. The Supreme Court found that the fact that school districts are now utilizing the LOB for general costs of providing education is an indication that state funding is inadequate. To provide additional LOB authority for the very basic school costs associated with teaching staff goes directly against the Court's findings. The Legislature must provide suitable state funding for the educational interests of the state. If school districts are allowed to levy local taxes to supplement that funding, the items funded must be extras. Teachers

are not extras.

VOCATIONAL WEIGHTING

- The proposal to decrease vocational weighting from 0.5 to 0.15 has no rational basis. If the Augenblick & Meyer study is the basis for this change, then it is also a rational basis for much larger increases in at risk and bilingual weighting and a much larger increase in base state aid per pupil.
- To place the vocational programs now being offered in jeopardy without a careful study of the costs of providing those programs goes against the goals in the proposal, one of which is to provide “training or preparation for advanced training in either academic or vocational skills to enable students to choose and pursue life work intelligently” and “development of sufficient levels of academic and vocational skills to enable students to compete favorably in academics and the job market.”

BILINGUAL WEIGHTING

- The proposal is to increase bilingual weighting by \$11 million and to adjust the weighting factor to provide that amount of additional state funding. The \$11 million is about what school districts are spending this school year over what the state in funding for bilingual programs. Although there is a rational basis for adding \$11 million, there is evidence before the Legislature that additional funding is needed.
- The joint interim committee on school finance last summer heard testimony from several school districts with large percentages of students who need bilingual services. Emporia provided testimony that the state funding for bilingual programs for their students is presently \$864,398 less than they are actually spending and an additional \$3,930,398 is needed to fund the staff, caseloads, programs, training and time needed to provide bilingual services.

IMPACT AID

- The proposal is to allow school districts that receive federal impact aid to retain 30% rather than 25% of that aid without reduction in state aid. This provision was added without prior discussion in the committee and without any public hearings. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt Federal property, or that have experienced increased expenditures due to the enrollment of federally connected children, including children living on Indian lands. To be eligible for assistance a local school district must educate at least 400 such children in average daily attendance, or the federally connected children must make up at least 3 % of the school district's total average daily attendance. A higher amount of impact aid is provided for “A” students, whose parents work and live on federal land, and for “B” students, whose parents work on federal land and live off federal land.
- In Kansas, the impact aid is received by Fort Leavenworth and Junction City

school districts and in smaller amounts by Derby, Manhattan and Leavenworth districts. Leavenworth school district provides high school services for the Fort Leavenworth school district.

- Until a few years ago, the impact aid received by districts was deducted 100% from the state aid those districts receive. In 2001, this was changed to allow districts to keep 25% of the impact aid without decreasing state aid. In Leavenworth that does not amount to a huge amount of money but it is a big amount for Fort Leavenworth and Junction City.
- The additional 5% of impact aid provides additional funding amounting to several hundred thousand dollars to Fort Leavenworth and Junction City and a small amount to Derby, Manhattan and Leavenworth. In addition, the proposal allows districts to retain the full 100% of impact aid attributable to new students who will be counted in a second count created in legislation passed this session. This provides additional state funding to the affected districts. This provision is a method of benefitting a handful of districts rather than providing equitable funding for all students. It primarily benefits two districts, Fort Leavenworth and Junction City.

Representative Bruce Larkin, District 62

Representative Marti Crow, District 41

Representative Valdenia Winn, District 34