

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE

The meeting was called to order by Chairman Kathe Decker at 9:15 A.M. on March 15, 2006 in Room 313-S of the Capitol.

All members were present except:
Valdenia Winn- excused

Committee staff present:
Kathie Sparks, Kansas Legislative Research
Theresa Kiernan, Revisor of Statutes Office
Ann Deitcher, Committee Secretary

Continuation of HB 2986 - concerning school districts; relating to school finance.

Theresa Kiernan explained the balloon amendments as well as the proposed amendments to **HB 2986** to the Committee. (Attachment 1).

Following a brief discussion, the Chair asked that Representative DeCastro work with Theresa on the wording in regard to page 1, lines 26 - 40 of **HB 2986**.

Representative O'Neal spoke of the proposed amendment to **HB 2986**.

A motion was made by Representative O'Neal and seconded by Representative Crow to accept this amendment to **HB 2986**. The motion passed on a voice vote.

Referring to the deletion on line 32 of page 12, the Chair requested that the deletion of the words "foundational level funds" be restored with the addition of the words from the balloon amendment "from amounts received as supplemental general state aid shall be used to meet the requirements of QPA, to provide programs and services required by law and to improve student performance."

Representative O'Neal made the motion to accept this as an amendment to **HB 2986**. Representative Hayzlett seconded the motion.

Representative Crow opposed this proposed amendment. She wanted the words "foundational level funds" to remain in the bill with no additions.

Following an explanation by Barb Hinton of the Division of LPO, Representatives O'Neal and Hayzlett requested a substitute motion to **HB 2986**.

A motion to this effect was made by Representative O'Neal and seconded by Representative Hayzlett and passed on a voice vote.

Representatives Crow, Flaharty and Phelps wished to be recorded as nay votes.

A motion was made by Representative Decker and seconded by Representative O'Neal to adopt the balloon amendment on page 13, line 42. The motion carried on a voice vote.

Representative Gordon moved for the adoption of the balloon amendment on page 15, line 9. Representative O'Neal seconded the motion and it passed on a voice vote.

A motion was made by Representative O'Neal and seconded by Representative Gordon to adopt into **HB 2986**, the amendment in new section 22. (Attachment 2).

Also included in this attachment was a plan that would enable the district court to be the exclusive court of original jurisdiction in any civil action in law or equity in which a legislative enactment is alleged to be unconstitutional.

CONTINUATION SHEET

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE at 9:15 A.M. on March 15, 2006 in Room 313-S of the Capitol.

It was decided that more work was needed on this amendment. Staff will work with Representatives O'Neal, Gordon and Crow.

Referring to page 18, following line 1, the following proposed amendments, (Attachment 3), would be inserted in **HB 2986**,

Representative O'Neal moved for the insertion of New Section 20. The motion was seconded by Representative Gordon and passed on a voice vote.

A motion was made by Representative O'Neal and seconded by Representative Hayzlett to insert New Section 21.

Following a discussion, it was decided that Representative O'Neal and Representative Crow would work together with Staff on the language of this amendment before bringing it back before the Committee.

It was moved by Representative O'Neal that New Section 24 be amended into **HB 2986**. Representative Merrick seconded the motion.

Representative O'Neal offered a second part to the proposed amendment's New Section 24 saying: that the LPO report found that although the state law doesn't require districts to transport all students who lived more than 2 ½ miles from school, the transportation funding formula helps pay for any students the district chooses to transport more than 2 ½ miles. Districts don't report how many of the students that do transport more than 2 ½ miles they're required to transport so without that information LPO wasn't able to calculate the cost of transporting more of those students than required by law to transport.

It was pointed out by Representative O'Neal that since non-mandated services were being paid for, they should receive a report from the districts the number of students that transport more than 2 ½ miles those who are required under state law to be transported.

An amendment to his motion was requested by Representative O'Neal and agreed to by Representative Merrick that would add this second part but was then withdrawn.

Representative O'Neal felt that in the future there should be a recording of actual usage in particular of those students that are being transported more than 2 ½ miles that are required to be transported under state law.

The Chair requested a letter to be drawn up by staff to the LCC asking for the LEPC or the 2010 Commission to do an in-depth study of transportation during the interim before any motions to this effect be made.

A motion was made by Representative Decker and seconded by Representative O'Neal to adopt the amendments to New Section 25. The motion passed on a voice vote.

Testimony was distributed from Karl Peterjohn of the Kansas Taxpayers Network regarding his organization's support of **HCR 5032**, that had been heard in Committee the previous day. (Attachment 4).

The meeting was adjourned at 10:55 a.m. The next meeting is scheduled for Thursday, March 16, 2006.

HOUSE BILL No. 2986

By Select Committee on School Finance

2-23

9 AN ACT concerning school districts; relating to school finance; amend-
10 ing K.S.A. 2005 Supp. 72-6407, 72-6410, 72-6413, 72-6414, 72-6414a,
11 72-6414b, 72-6421, 72-6434, 72-6442b, 72-8204c, 72-8814, 72-9509,
12 79-2926 and 79-2927a and repealing the existing sections.
13

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

15 New Section 1. It is the intent of this act to give school districts the
16 greatest flexibility possible in the expenditure of moneys received by dis-
17 tricts to carry out their duties under section 4 of article 6 of the consti-
18 tution of the state of Kansas to maintain, develop and operate local public
19 schools and to attain the public policy goal of the legislature to provide
20 an opportunity for all pupils of the state of Kansas to meet standards
21 established by the state board of education.

22 New Sec. 2. (a) For the purposes of determining the total amount
23 of state moneys paid to school districts, all moneys appropriated by the
24 state for the following purposes shall be deemed to be ~~foundational level~~

- 25 ~~money:~~
- 26 (1) Educable deaf-blind and severely handicapped children's pro-
27 grams aid;
- 28 (2) parent education;
- 29 (3) KPERS - employer contributions;
- 30 (4) school district juvenile detention facilities and Flint Hills job corp
31 center grants;
- 32 (5) school food assistance;
- 33 (6) governor's teaching excellence scholarships and awards;
- 34 (7) discretionary grants;
- 35 (8) mentor teacher program grants;
- 36 (9) professional development aid;
- 37 (10) ~~Teacher~~ service scholarships;
- 38 (11) special education teacher service scholarships; and
- 39 (12) any other moneys appropriated by the state for distribution to
40 school districts.

41 (b) The provisions of this section shall not apply to federal moneys
42 appropriated by the state.

43 New Sec. 3. Whenever the state board of education determines that

It also is the intent of this act to require greater accountability from school districts in the expenditure of moneys received by districts to carry out their duties under section 4 of article 6 of the constitution of the state of Kansas to maintain, develop and operate local public schools and to attain the public policy goal of the legislature to provide an opportunity for all pupils of the state of Kansas to meet standards established by the state board of education.

state moneys for educational and support services for school districts

teacher

Proposed

1-2

1 a school has failed either to meet the accreditation requirements estab-
 2 lished by rules and regulations or standards adopted by the state board
 3 or provide the curriculum required by state law, the state board shall so
 4 notify the school district in which the school is located. Such notice shall
 5 specify the accreditation requirements that the school has failed to meet
 6 and the curriculum that the school has failed to provide. Upon receipt of
 7 such notification, the board of education of such district shall reallocate
 8 resources to remedy all deficiencies identified by the state board.

The resources of the school district shall be reallocated on the basis of
 benchmarks of highly resource-efficient districts as identified identified
 in Phase III of the Kansas Education Resource Management Study conducted
 by Standard and Poors (March 2006).

9 New Sec. 4. (a) The density at-risk pupil weighting of each school
 10 district shall be determined by the state board by multiplying the number
 11 of at-risk pupils included in enrollment of the district by .1 in school year
 12 2006-2007, by .155 in school year 2007-2008 and by .242 in school year
 13 2008-2009 and each school year thereafter. The product is the density at-
 14 risk pupil weighting of the district.

15 (b) As used in this section, "school district" means any school district
 16 which had an enrollment in the preceding school year of at least 35.1%
 17 of pupils who were eligible for free ~~or reduced-price~~ meals under the
 18 national school lunch act and an enrollment density of at least 212.1 pupils
 19 per square mile.

20 New Sec. 5. (a) The board of education of any school district may
 21 reimburse ~~teachers~~ employed by the school district for the direct costs
 22 incurred by such teacher in attaining full endorsement as an ESOL
 23 teacher.

any teacher

24 (b) In each school year, to the extent that appropriations are available,
 25 each school district which has reimbursed teachers as authorized by sub-
 26 section (a) is eligible to receive a grant of state moneys in an amount to
 27 be determined by the state board of education.

28 (c) In order to be eligible for a grant of state moneys provided for by
 29 this section, the board of education of the school district shall submit to
 30 the state board an application for a grant and shall certify the amount
 31 expended in the school year in which the expenditure is made. The ap-
 32 plication and certification shall be prepared in such form and manner as
 33 required by the state board and shall be submitted at a time to be deter-
 34 mined and specified by the state board. Approval by the state board of
 35 applications for grants of state moneys is a prerequisite to the award of
 36 grants.

37 (d) Each school district which is awarded a grant under this section
 38 shall make such periodic and special reports of statistical and financial
 39 information to the state board as it may request.

40 (e) All moneys received by a school district under authority of this
 41 section shall be deposited in the general fund of the school district and
 42 shall be considered reimbursement of the district for the purpose of the
 43 school district finance and quality performance ~~act~~.

1 (f) The state board of education shall approve applications of school
 2 districts for grants, determine the amount of grants and be responsible
 3 for payment of grants to school districts. ~~If the amount of appropriations~~
 4 for the payment of grants under this section is insufficient to pay in full
 5 the amount each school district is determined to be eligible to receive for
 6 the school year, the state board shall prorate the amount appropriated
 7 among all school districts which are eligible to receive grants of state
 8 moneys in proportion to the amount each school district is determined
 9 to be eligible to receive.

10 (g) As used in this section:

11 (1) "ESOL" means English for speakers of other languages.

12 (2) "Direct costs" means the costs of books, fees, tuition or other
 13 charges for courses necessary to attain full endorsement as an ESOL
 14 teacher.

15 Sec. 6. K.S.A. 2005 Supp. 72-6407 is hereby amended to read as
 16 follows: 72-6407. (a) (1) "Pupil" means any person who is regularly en-
 17 rolled in a district and attending kindergarten or any of the grades one
 18 through 12 maintained by the district or who is regularly enrolled in a
 19 district and attending kindergarten or any of the grades one through 12
 20 in another district in accordance with an agreement entered into under
 21 authority of K.S.A. 72-8233, and amendments thereto, or who is regularly
 22 enrolled in a district and attending special education services provided
 23 for preschool-aged exceptional children by the district.

24 (2) Except as otherwise provided in paragraph (3) of this subsection,
 25 a pupil in attendance full time shall be counted as one pupil. A pupil in
 26 attendance part time shall be counted as that proportion of one pupil (to
 27 the nearest 1/10) that the pupil's attendance bears to full-time attendance.
 28 A pupil attending kindergarten shall be counted as 1/2 pupil. A pupil en-
 29 rolled in and attending an institution of postsecondary education which
 30 is authorized under the laws of this state to award academic degrees shall
 31 be counted as one pupil if the pupil's postsecondary education enrollment
 32 and attendance together with the pupil's attendance in either of the
 33 grades 11 or 12 is at least 5/6 time, otherwise the pupil shall be counted
 34 as that proportion of one pupil (to the nearest 1/10) that the total time of
 35 the pupil's postsecondary education attendance and attendance in grade
 36 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in
 37 and attending an area vocational school, area vocational-technical school
 38 or approved vocational education program shall be counted as one pupil
 39 if the pupil's vocational education enrollment and attendance together
 40 with the pupil's attendance in any of grades ~~nine through 12~~ is at least 5/6
 41 time, otherwise the pupil shall be counted as that proportion of one pupil
 42 (to the nearest 1/10) that the total time of the pupil's vocational education
 43 attendance and attendance in any of grades ~~nine through 12~~ bears to full-

When approving applications submitted pursuant to this section,
 the state board shall give priority to those districts with the greatest
 need for ESOL teachers.

New Sec. 6. In order to achieve consistent reporting of expenditures
 by school districts in school district budgets, districts shall report
 expenditures in the manner required by the state department of
 education.

Renumber sections

10, 11 or

1 time attendance. A pupil enrolled in a district and attending special ed-
2 ucation and related services, except special education and related services
3 for preschool-aged exceptional children, provided for by the district shall
4 be counted as one pupil. A pupil enrolled in a district and attending
5 special education and related services for preschool-aged exceptional chil-
6 dren provided for by the district shall be counted as ½ pupil. A preschool-
7 aged at-risk pupil enrolled in a district and receiving services under an
8 approved at-risk pupil assistance plan maintained by the district shall be
9 counted as ½ pupil. A pupil in the custody of the secretary of social and
10 rehabilitation services and enrolled in unified school district No. 259,
11 Sedgwick county, Kansas, but housed, maintained, and receiving educa-
12 tional services at the Judge James V. Riddel Boys Ranch, shall be counted
13 as two pupils.

14 (3) A pupil residing at the Flint Hills job corps center shall not be
15 counted. A pupil confined in and receiving educational services provided
16 for by a district at a juvenile detention facility shall not be counted. A
17 pupil enrolled in a district but housed, maintained, and receiving edu-
18 cational services at a state institution shall not be counted. A pupil en-
19 rolled in a virtual school in a district but who is not a resident of the state
20 of Kansas shall not be counted.

21 (b) "Preschool-aged exceptional children" means exceptional chil-
22 dren, except gifted children, who have attained the age of three years but
23 are under the age of eligibility for attendance at kindergarten.

24 (c) "At-risk pupils" means pupils who are eligible for free meals un-
25 der the national school lunch act and who are enrolled in a district which
26 maintains an approved at-risk pupil assistance plan.

27 (d) "Preschool-aged at-risk pupil" means an at-risk pupil who has
28 attained the age of four years, is under the age of eligibility for attendance
29 at kindergarten, and has been selected by the state board in accordance
30 with guidelines consonant with guidelines governing the selection of pu-
31 pils for participation in head start programs.

32 (e) "Enrollment" means: (1) (A) Subject to the provisions of para-
33 graph (1)(B), for districts scheduling the school days or school hours of
34 the school term on a trimestral or quarterly basis, the number of pupils
35 regularly enrolled in the district on September 20 plus the number of
36 pupils regularly enrolled in the district on February 20 less the number
37 of pupils regularly enrolled on February 20 who were counted in the
38 enrollment of the district on September 20; and for districts not specified
39 in this paragraph (1), the number of pupils regularly enrolled in the dis-
40 trict on September 20; (B) a pupil who is a foreign exchange student shall
41 not be counted unless such student is regularly enrolled in the district on
42 September 20 and attending kindergarten or any of the grades one
43 through 12 maintained by the district for at least one semester or two

5
1

1 quarters or the equivalent thereof;

2 (2) if enrollment in a district in any school year has decreased from

3 enrollment in the preceding school year, enrollment of the district in the

4 current school year means whichever is the greater of (A) enrollment in

5 the preceding school year minus enrollment in such school year of pre-

6 school-aged at-risk pupils, if any such pupils were enrolled, plus enroll-

7 ment in the current school year of preschool-aged at-risk pupils, if any

8 such pupils are enrolled, or (B) the sum of enrollment in the current

9 school year of preschool-aged at-risk pupils, if any such pupils are enrolled

10 and the average (mean) of the sum of (i) enrollment of the district in the

11 current school year minus enrollment in such school year of preschool-

12 aged at-risk pupils, if any such pupils are enrolled and (ii) enrollment in

13 the preceding school year minus enrollment in such school year of pre-

14 school-aged at-risk pupils, if any such pupils were enrolled and (iii) en-

15 rollment in the school year next preceding the preceding school year

16 minus enrollment in such school year of preschool-aged at-risk pupils, if

17 any such pupils were enrolled; or

18 (3) the number of pupils as determined under K.S.A. 72-6447 or

19 K.S.A. 2005 Supp. 72-6448, and amendments thereto.

20 (f) "Adjusted enrollment" means enrollment adjusted by adding at-

21 risk pupil weighting, program weighting, low enrollment weighting, if any,

22 ~~conclusion~~ weighting, if any, declining enrollment weighting, if any,

23 school facilities weighting, if any, ancillary school facilities weighting, if

24 any, cost of living weighting, if any, special education and related services

25 weighting, and transportation weighting to enrollment.

26 (g) "At-risk pupil weighting" means an addend component assigned

27 to enrollment of districts on the basis of enrollment of at-risk pupils.

28 (h) "Program weighting" means an addend component assigned to

29 enrollment of districts on the basis of pupil attendance in educational

30 programs which differ in cost from regular educational programs.

31 (i) "Low enrollment weighting" means an addend component as-

32 signed to enrollment of districts having under ~~1,662 enrollment~~

33 basis of costs attributable to maintenance of educational programs by such

34 districts in comparison with costs attributable to maintenance of educa-

35 tional programs by districts having ~~1,662 or over enrollment~~

36 (j) "School facilities weighting" means an addend component as-

37 signed to enrollment of districts on the basis of costs attributable to com-

38 mencing operation of new school facilities.

39 (k) "Transportation weighting" means an addend component as-

40 signed to enrollment of districts on the basis of costs attributable to the

41 provision or furnishing of transportation.

42 (l) "Cost of living weighting" means an addend component assigned

43 to enrollment of districts to which the provisions of K.S.A. 2005 Supp.

density at-risk pupil weighting, if any, high enrollment

1,632 enrollment in school year 2006-2007, under 1,602 enrollment in school year 2007-2008 and under 1,572 enrollment in school year 2008-2009

1,632 enrollment or over in school year 2006-2007, 1,602 enrollment or over in school year 2007-2008 and 1,572 enrollment or over in school year 2008-2009

1 72-6449, and amendments thereto, apply on the basis of costs attributable
2 to the cost of living in the district.

3 (m) “Ancillary school facilities weighting” means an addend compo-
4 nent assigned to enrollment of districts to which the provisions of K.S.A.
5 72-6441, and amendments thereto, apply on the basis of costs attributable
6 to commencing operation of new school facilities. Ancillary school facili-
7 ties weighting may be assigned to enrollment of a district only if the
8 district has levied a tax under authority of K.S.A. 72-6441, and amend-
9 ments thereto, and remitted the proceeds from such tax to the state trea-
10 surer. Ancillary school facilities weighting is in addition to assignment of
11 school facilities weighting to enrollment of any district eligible for such
12 weighting.

13 (n) “Juvenile detention facility” means: (1) Any secure public or pri-
14 vate facility which is used for the lawful custody of accused or adjudicated
15 juvenile offenders and which shall not be a jail;

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

22 (3) the Forbes Juvenile Attention Facility, the Sappa Valley Youth
23 Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clar-
24 ence M. Kelley Youth Center, the Clarence M. Kelley Transitional Living
25 Center, Trego County Secure Care Center, St. Francis Academy at At-
26 chison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina,
27 St. Francis Center at Salina, King’s Achievement Center, and Liberty
28 Juvenile Services and Treatment.

29 (o) “Special education and related services weighting” means an ad-
30 dend component assigned to enrollment of districts on the basis of costs
31 attributable to provision of special education and related services for pu-
32 pils determined to be exceptional children.

33 (p) “Virtual school” means any kindergarten or grades one through
34 12 course offered for credit that uses distance-learning technologies
35 which predominantly use internet-based methods to deliver instruction
36 and for which the course content is available on an “anytime, anyplace”
37 basis, but the instruction occurs asynchronously with the teacher and
38 pupil in separate locations, not necessarily located within a local education
39 agency.

40 (q) “Declining enrollment weighting” means an addend component
41 assigned to enrollment of districts to which the provisions of K.S.A. 2005
42 Supp. 72-6451, and amendments thereto, apply on the basis of reduced
43 revenues attributable to the declining enrollment of the district.

1 (r) ~~“Correlation weighting”~~ *“High enrollment weighting”* means an
 2 addend component assigned to enrollment of districts having ~~1,662~~ 1,632
 3 or over enrollment in school year 2006-2007, 1,602 or over enrollment in
 4 school year 2007-2008 and 1,572 or over in school year 2008-2009 and
 5 each school year thereafter on the basis of costs attributable to mainte-
 6 nance of educational programs by such districts as a correlate to low
 7 enrollment weighting assigned to enrollment of districts having under
 8 ~~1,662~~ 1,632 enrollment in school year 2006-2007, under 1,602 in school
 9 year 2007-2008 and under 1,572 in school year 2008-2009 and each
 10 school year thereafter.

11 (s) *“Density at-risk pupil weighting”* means an addend component
 12 assigned to enrollment of districts to which the provisions of section 4,
 13 and amendments thereto, apply.

14 Sec. 7. K.S.A. 2005 Supp. 72-6410 is hereby amended to read as
 15 follows: 72-6410. (a) “State financial aid” means an amount equal to the
 16 product obtained by multiplying base state aid per pupil by the adjusted
 17 enrollment of a district.

18 (b) “Base state aid per pupil” means an amount of state financial aid
 19 per pupil. Subject to the other provisions of this subsection, the amount
 20 of base state aid per pupil is ~~\$4,257~~ \$4,307 for school year 2006-2007,
 21 \$4,356 for school year 2007-2008 and \$4,391 for school year 2008-2009
 22 and each school year thereafter. The amount of base state aid per pupil
 23 is subject to reduction commensurate with any reduction under K.S.A.
 24 75-6704, and amendments thereto, in the amount of the appropriation
 25 from the state general fund for general state aid. If the amount of appro-
 26 priations for general state aid is insufficient to pay in full the amount each
 27 district is entitled to receive for any school year, the amount of base state
 28 aid per pupil for such school year is subject to reduction commensurate
 29 with the amount of the insufficiency.

30 (c) “Local effort” means the sum of an amount equal to the proceeds
 31 from the tax levied under authority of K.S.A. 72-6431, and amendments
 32 thereto, and an amount equal to any unexpended and unencumbered
 33 balance remaining in the general fund of the district, except amounts
 34 received by the district and authorized to be expended for the purposes
 35 specified in K.S.A. 72-6430, and amendments thereto, and an amount
 36 equal to any unexpended and unencumbered balances remaining in the
 37 program weighted funds of the district, except any amount in the voca-
 38 tional education fund of the district if the district is operating an area
 39 vocational school, and an amount equal to any remaining proceeds from
 40 taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amend-
 41 ments thereto, prior to the repeal of such statutory sections, and an
 42 amount equal to the amount deposited in the general fund in the current
 43 school year from amounts received in such year by the district under the

enrollment

1 provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto,
 2 and an amount equal to the amount deposited in the general fund in the
 3 current school year from amounts received in such year by the district
 4 pursuant to contracts made and entered into under authority of K.S.A.
 5 72-6757, and amendments thereto, and an amount equal to the amount
 6 credited to the general fund in the current school year from amounts
 7 distributed in such year to the district under the provisions of articles 17
 8 and 34 of chapter 12 of Kansas Statutes Annotated and under the pro-
 9 visions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated,
 10 and an amount equal to the amount of payments received by the district
 11 under the provisions of K.S.A. 72-979, and amendments thereto, and an
 12 amount equal to the amount of a grant, if any, received by the district
 13 under the provisions of K.S.A. 72-983, and amendments thereto, and an
 14 amount equal to 70% of the federal impact aid of the district.

15 (d) "Federal impact aid" means an amount equal to the federally
 16 qualified percentage of the amount of moneys a district receives in the
 17 current school year under the provisions of title I of public law 874 and
 18 congressional appropriations therefor, excluding amounts received for as-
 19 sistance in cases of major disaster and amounts received under the low-
 20 rent housing program. The amount of federal impact aid defined herein
 21 as an amount equal to the federally qualified percentage of the amount
 22 of moneys provided for the district under title I of public law 874 shall
 23 be determined by the state board in accordance with terms and conditions
 24 imposed under the provisions of the public law and rules and regulations
 25 thereunder.

26 Sec. 8. K.S.A. 2005 Supp. 72-6413 is hereby amended to read as
 27 follows: 72-6413. The program weighting of each district shall be deter-
 28 mined by the state board as follows:

29 (a) Compute full time equivalent enrollment in programs of bilingual
 30 education and multiply the computed enrollment by .395;

31 (b) compute full time equivalent enrollment in approved vocational
 32 education programs and multiply the computed enrollment by ~~0.5~~ .62;

33 (c) add the products obtained under (a) and (b). The sum is the pro-
 34 gram weighting of the district.

35 Sec. 9. K.S.A. 2005 Supp. 72-6414 is hereby amended to read as
 36 follows: 72-6414. (a) The at-risk pupil weighting of each district shall be
 37 determined by the state board by multiplying the number of at-risk pupils
 38 included in enrollment of the district by ~~.193~~ .27 for school year 2006-
 39 2007, .37 for school year 2007-2008 and .484 for school year 2008-2009
 40 and each school year thereafter. The product is the at-risk pupil weighting
 41 of the district.

42 (b) Except as provided in subsection (d), of the amount a district
 43 receives from the at-risk pupil weighting, an amount produced by a pupil

Sec. . KSA 2005 Supp 72-6412 amend to conform to threshold
 change in high enrollment weighting.

Renumber sections

1 weighting of .01 shall be used by the district for achieving mastery of
2 basic reading skills by completion of the third grade in accordance with
3 standards and outcomes of mastery identified by the state board under
4 K.S.A. 72-7534, and amendments thereto.

5 (c) A district shall include such information in its at-risk pupil assis-
6 tance plan as the state board may require regarding the district's reme-
7 diation strategies and the results thereof in achieving the third grade
8 reading standards and outcomes of mastery identified by the state board.
9 The reporting requirements shall include information documenting re-
10 mediation strategies and improvement made by pupils who performed
11 below the expected standard on the second grade diagnostic reading test
12 prescribed by the state board.

13 (d) A district whose pupils substantially achieve the state board stan-
14 dards and outcomes of mastery of reading skills upon completion of third
15 grade may be released, upon request, by the state board from the require-
16 ments of subsection (b).

17 Sec. 10. K.S.A. 2005 Supp. 72-6414a is hereby amended to read as
18 follows: 72-6414a. (a) There is hereby established in every district a fund
19 which shall be called the at-risk education fund, which fund shall consist
20 of all moneys deposited therein or transferred thereto according to law.
21 ~~Notwithstanding any other provision of law, all moneys received by the~~
22 ~~district from whatever source for at-risk assistance plans or programs shall~~
23 ~~be credited to the at-risk education fund established by this section.~~ The
24 expenses of a district directly attributable to providing at-risk assistance
25 or programs shall be paid from the at-risk education fund.

26 (b) Any balance remaining in the at-risk education fund at the end
27 of the budget year shall be carried forward into the at-risk education fund
28 for succeeding budget years. Such fund shall not be subject to the pro-
29 visions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In
30 preparing the budget of such school district, the amounts credited to and
31 the amount on hand in the at-risk education fund, and the amount ex-
32 pended therefrom shall be included in the annual budget for the infor-
33 mation of the residents of the school district. Interest earned on the in-
34 vestment of moneys in any such fund shall be credited to that fund.

35 (c) *Each year the board of education of each school district shall pre-
36 pare and submit to the state board a report on the at-risk program or
37 assistance provided by the district. Such report shall include information
38 specifying the number of pupils who were served or provided assistance,
39 the type of service provided, the research upon which the district relied
40 in determining that a need for service or assistance existed, the results of
41 providing such service or assistance and any other information required
42 by the state board.*

43 Sec. 11. K.S.A. 2005 Supp. 72-6414b is hereby amended to read as

91-1

1 follows: 72-6414b. (a) There is hereby established in every district a fund
 2 which shall be called the preschool-aged at-risk education fund, which
 3 fund shall consist of all moneys deposited therein or transferred thereto
 4 according to law. ~~Notwithstanding any other provision of law, all moneys~~
 5 ~~received by the district from whatever source for preschool-aged at-risk~~
 6 ~~assistance plans or programs shall be credited to the preschool-aged at-~~
 7 ~~risk education fund established by this section.~~ The expenses of a district
 8 directly attributable to providing preschool-aged at-risk assistance or pro-
 9 grams shall be paid from the preschool-aged at-risk education fund.

10 (b) Any balance remaining in the preschool-aged at-risk education
 11 fund at the end of the budget year shall be carried forward into the
 12 preschool-aged at-risk education fund for succeeding budget years. Such
 13 fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-
 14 2937, and amendments thereto. In preparing the budget of such school
 15 district, the amounts credited to and the amount on hand in the pre-
 16 school-aged at-risk education fund, and the amount expended therefrom
 17 shall be included in the annual budget for the information of the residents
 18 of the school district. Interest earned on the investment of moneys in any
 19 such fund shall be credited to that fund.

20 (c) *Each year the board of education of each school district shall pre-*
 21 *pare and submit to the state board a report on the preschool-aged at-risk*
 22 *program or assistance provided by the district. Such report shall include*
 23 *information specifying the number of pupils who were served or provided*
 24 *assistance, the type of service provided, the research upon which the dis-*
 25 *trict relied in determining that a need for service or assistance existed,*
 26 *the results of providing such service or assistance and any other infor-*
 27 *mation required by the state board.*

28 Sec. 12. K.S.A. 2005 Supp. 72-6421 is hereby amended to read as
 29 follows: 72-6421. (a) There is hereby established in every district a fund
 30 which shall be called the vocational education fund. ~~All moneys received~~
 31 ~~by a district for any course or program authorized and approved under~~
 32 ~~the provisions of article 44 of chapter 72 of Kansas Statutes Annotated,~~
 33 ~~except for courses and programs conducted in an area vocational school,~~
 34 ~~shall be credited to the vocational education fund.~~ All moneys received
 35 by the district from tuition, fees or charges ~~or from any other source for~~
 36 ~~vocational education courses or programs, except for courses and pro-~~
 37 ~~grams conducted in an area vocational school,~~ shall be credited to the
 38 vocational education fund. ~~The expenses of a district directly attributable~~
 39 ~~to vocational education~~ *Only those expenses of a district directly attrib-*
 40 *utable to vocational education courses offered at grade-levels 10, 11 or 12*
 41 *for which the course-content is ~~the same as~~ the course-content of voca-*
 42 *tional educational courses offered at an area vocational-technical school,*
 43 *technical college or other postsecondary educational institution as defined*

comparable to

1 by K.S.A. 74-3201b, and amendments thereto, shall be paid from the
2 vocational education fund.

3 (b) Obligations of a district pursuant to lawful agreements made un-
4 der K.S.A. 72-4421, and amendments thereto, shall be paid from the
5 vocational education fund established by this section. If any such agree-
6 ment expresses an obligation of a district in terms of a mill levy, such
7 obligation shall be construed to mean an amount equal to that which
8 would be produced by the levy.

9 (c) Any balance remaining in the vocational education fund at the
10 end of the budget year shall be carried forward into the vocational edu-
11 cation fund for succeeding budget years. Such fund shall not be subject
12 to the provisions of K.S.A. 79-2925 through 79-2937, and amendments
13 thereto. In preparing the budget of such school district, the amounts
14 credited to and the amount on hand in the vocational education fund,
15 and the amount expended therefrom shall be included in the annual
16 budget for the information of the residents of the school district. Interest
17 earned on the investment of moneys in any such fund shall be credited
18 to that fund.

19 (d) *Each year the board of education of each school district shall*
20 *prepare and submit to the state board a report on the vocational education*
21 *program and courses provided by the district. Such report shall include*
22 *information specifying the number of pupils who were enrolled in the*
23 *vocational education program and in each vocational education course*
24 *offered by the district, an itemization of the cost of each vocational edu-*
25 *cation course provided by the district, the research upon which the district*
26 *relied in determining that a need for the course or program existed, the*
27 *results of providing such course or program and any other information*
28 *required by the state board.*

29 Sec. 13. K.S.A. 2005 Supp. 72-6434 is hereby amended to read as
30 follows: 72-6434. (a) In each school year, each district that has adopted a
31 local option budget is eligible for entitlement to an amount of supple-
32 mental general state aid. Entitlement of a district to supplemental general
33 state aid shall be determined by the state board as provided in this sub-
34 section. The state board shall:

35 (1) Determine the amount of the assessed valuation per pupil in the
36 preceding school year of each district in the state;

37 (2) rank the districts from low to high on the basis of the amounts of
38 assessed valuation per pupil determined under (1);

39 (3) identify the amount of the assessed valuation per pupil located at
40 the 81.2 percentile of the amounts ranked under (2);

41 (4) divide the assessed valuation per pupil of the district in the pre-
42 ceding school year by the amount identified under (3);

43 (5) subtract the ratio obtained under (4) from 1.0. If the resulting

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1 ratio equals or exceeds 1.0, the eligibility of the district for entitlement
 2 to supplemental general state aid shall lapse. If the resulting ratio is less
 3 than 1.0, the district is entitled to receive supplemental general state aid
 4 in an amount which shall be determined by the state board by multiplying
 5 the amount of the local option budget of the district by such ratio. The
 6 product is the amount of supplemental general state aid the district is
 7 entitled to receive for the school year.

8 (b) If the amount of appropriations for supplemental general state
 9 aid is less than the amount each district is entitled to receive for the school
 10 year, the state board shall prorate the amount appropriated among the
 11 districts in proportion to the amount each district is entitled to receive.

12 (c) The state board shall prescribe the dates upon which the distri-
 13 bution of payments of supplemental general state aid to school districts
 14 shall be due. Payments of supplemental general state aid shall be distrib-
 15 uted to districts on the dates prescribed by the state board. The state
 16 board shall certify to the director of accounts and reports the amount due
 17 each district, and the director of accounts and reports shall draw a warrant
 18 on the state treasurer payable to the treasurer of the district. Upon receipt
 19 of the warrant, the treasurer of the district shall credit the amount thereof
 20 to the supplemental general fund of the district to be used for the pur-
 21 poses of such fund.

22 (d) If any amount of supplemental general state aid that is due to be
 23 paid during the month of June of a school year pursuant to the other
 24 provisions of this section is not paid on or before June 30 of such school
 25 year, then such payment shall be paid on or after the ensuing July 1, as
 26 soon as moneys are available therefor. Any payment of supplemental gen-
 27 eral state aid that is due to be paid during the month of June of a school
 28 year and that is paid to school districts on or after the ensuing July 1 shall
 29 be recorded and accounted for by school districts as a receipt for the
 30 school year ending on the preceding June 30.

31 (e) *Amounts paid as supplemental general state aid to school districts*
 32 *are hereby deemed to be ~~foundational level funds~~*

33 Sec. 14. K.S.A. 2005 Supp. 72-6442b is hereby amended to read as
 34 follows: 72-6442b. ~~The correlation weighting of each district with 1,662~~
 35 ~~or over enrollment shall be determined by the state board as follows:~~

36 ~~—(a) Determine the schedule amount for a district with 1,662 enroll-~~
 37 ~~ment as derived from the linear transition under (d) of K.S.A. 72-6412,~~
 38 ~~and amendments thereto, and subtract the amount determined under (c)~~
 39 ~~of K.S.A. 72-6412, and amendments thereto, from the schedule amount~~
 40 ~~so determined;~~

41 ~~—(b) divide the remainder obtained under (a) by the amount deter-~~
 42 ~~mined under (c) of K.S.A. 72-6412, and amendments thereto, and mul-~~
 43 ~~tiple the quotient by the enrollment of the district in the current school~~

state moneys for educational and support services for school districts. Amounts received as supplemental general state aid shall be used to meet the requirements of QPA, to provide programs and services required by law and to improve student performance.

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1 year. The product is the correlation weighting of the district. (a) For
2 school year 2006-2007, the high enrollment weighting of each district with
3 1,632 or over enrollment shall be determined by the state board as follows:

4 (1) Determine the schedule amount for a district with 1,632 enroll-
5 ment as derived from the linear transition under (d) of K.S.A. 72-6412,
6 and amendments thereto, and subtract the amount determined under (c)
7 of K.S.A. 72-6412, and amendments thereto, from the schedule amount
8 so determined;

9 (2) divide the remainder obtained under (1) by the amount deter-
10 mined under (c) of K.S.A. 72-6412, and amendments thereto, and multiply
11 the quotient by the enrollment of the district in the current school year.
12 The product is the high enrollment weighting of the district.

13 (b) For school year 2007-2008, the high enrollment weighting of each
14 district with 1,602 or over enrollment shall be determined by the state
15 board as follows:

16 (1) Determine the schedule amount for a district with 1,602 enroll-
17 ment as derived from the linear transition under (d) of K.S.A. 72-6412,
18 and amendments thereto, and subtract the amount determined under (c)
19 of K.S.A. 72-6412, and amendments thereto, from the schedule amount
20 so determined;

21 (2) divide the remainder obtained under (1) by the amount deter-
22 mined under (c) of K.S.A. 72-6412, and amendments thereto, and multiply
23 the quotient by the enrollment of the district in the current school year.
24 The product is the high enrollment weighting of the district.

25 (c) For school year 2008-2009 and each school year thereafter, the
26 high enrollment weighting of each district with 1,572 or over enrollment
27 shall be determined by the state board as follows:

28 (1) Determine the schedule amount for a district with 1,572 enroll-
29 ment as derived from the linear transition under (d) of K.S.A. 72-6412,
30 and amendments thereto, and subtract the amount determined under (c)
31 of K.S.A. 72-6412, and amendments thereto, from the schedule amount
32 so determined;

33 (2) divide the remainder obtained under (1) by the amount deter-
34 mined under (c) of K.S.A. 72-6412, and amendments thereto, and multiply
35 the quotient by the enrollment of the district in the current school year.
36 The product is the high enrollment weighting of the district.

37 Sec. 15. K.S.A. 2005 Supp. 72-8204c is hereby amended to read as
38 follows: 72-8204c. (a) Each year the board of education of a school district
39 shall conduct a needs-assessment of each attendance center in the district.
40 The needs-assessment shall be prepared in the manner and on forms pre-
41 scribed by the state board. Based upon such needs-assessment, the board
42 shall prepare a budget ~~and a summary of the proposed budget.~~ Such
43 budget and summary shall be in the form prescribed by the director

for each attendance center and the school district and a summary of the budget of the school district.

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1 pursuant to K.S.A. 79-2926, and amendments thereto.

2 (b) The budget and the summary of the proposed budget shall be on
3 file at the administrative offices of the school district. Copies of such
4 budget and summary shall be available upon request.

5 (c) The notice required to be published by K.S.A. 79-2929, and
6 amendments thereto, shall include a statement that the budget and the
7 summary of the proposed budget is on file at the administrative offices
8 of the district and that copies of such budget and summary are available
9 upon request.

10 Sec. 16. K.S.A. 2005 Supp. 72-9509 is hereby amended to read as
11 follows: 72-9509. (a) There is hereby established in every school district
12 a fund which shall be called the "bilingual education fund," which fund
13 shall consist of all moneys deposited therein or transferred thereto ac-
14 cording to law. ~~Notwithstanding any other provision of law, all moneys~~
15 ~~received by the school district from whatever source for bilingual edu-~~
16 ~~cation programs established under this act shall be credited to the fund~~
17 ~~established by this section.~~ The expenses of a district directly attributable
18 to such bilingual education programs shall be paid from the bilingual
19 education fund.

20 (b) Any balance remaining in the bilingual education fund at the end
21 of the budget year shall be carried forward into the bilingual education
22 fund for succeeding budget years. Such fund shall not be subject to the
23 provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto.
24 In preparing the budget of such school district, the amounts credited to
25 and the amount on hand in the bilingual education fund, and the amount
26 expended therefrom shall be included in the annual budget for the in-
27 formation of the residents of the school district. Interest earned on the
28 investment of moneys in any such fund shall be credited to that fund.

29 (c) *Each year the board of education of each school district shall pre-*
30 *pare and submit to the state board a report on the bilingual education*
31 *program and assistance provided by the district. Such report shall include*
32 *information specifying the number of pupils who were served or provided*
33 *assistance, the type of service provided, the research upon which the dis-*
34 *trict relied in determining that a need for service or assistance existed,*
35 *the results of providing such service or assistance and any other infor-*
36 *mation required by the state board.*

37 Sec. 17. K.S.A. 2005 Supp. 79-2926 is hereby amended to read as
38 follows: 79-2926. (a) Subject to the provisions of subsection (b), the di-
39 rector of accounts and reports shall prepare and prescribe forms for the
40 annual budgets of all taxing subdivisions or municipalities of the state.
41 Such forms shall show the information required by this act necessary and
42 proper to disclose complete information as to the financial condition of
43 such taxing subdivision or municipality, and the receipts and expenditures

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1 thereof, both past and anticipated.
 2 (b) (1) ~~From and after July 1, 2004 and~~ Based upon recommenda-
 3 tions by the state department of education, the director shall prepare and
 4 prescribe forms for the annual budget and a summary of the proposed
 5 budget of school districts. The state department of education shall make
 6 such recommendations ~~after considering the best practices and standards~~
 7 ~~established by the government finance officers association and the asso-~~
 8 ~~ciation of school business officials based on budget reporting standards~~
 9 ~~established by the legislative division of post audit.~~
 10 (2) (A) The school district budget form shall include a separate table
 11 outlining the aggregate amount of expenditures for salaries and wages for
 12 the following categories:
 13 (i) Certified and noncertified administrators;
 14 (ii) persons employed full-time as teachers;
 15 (iii) other certified employees who are not employed full-time as
 16 teachers;
 17 (iv) classified employees;
 18 (v) other positions designated by the state department of education;
 19 and
 20 (vi) substitutes and other temporary employees.
 21 (B) The school district budget form shall show the number of full-
 22 time employee positions specified in paragraph (A) of this subsection and
 23 the average salaries or wages for such positions.
 24 (C) The school district budget form shall show any other information
 25 recommended by the state department of education.
 26 (3) The summary of the proposed budget form shall include:
 27 (A) An overview of the proposed budget of the school district and the
 28 budgetary process;
 29 (B) a summary of the changes in the proposed budget from the pre-
 30 vious budget year;
 31 (C) a summary of the estimated expenditures to be made and reve-
 32 nues to be received in the ensuing budget year and the sources of such
 33 revenue;
 34 (D) the internet website address for school building report cards
 35 compiled by the state department of education; and
 36 (E) any other information specified by the state department of
 37 education.
 38 (4) Nothing in this subsection (b) shall be construed as limiting the
 39 authority of school districts to develop and provide material or informa-
 40 tion in addition to that required by the state department of education.
 41 (5) The state department of education shall provide technical advice
 42 and assistance to school districts to insure compliance with the provisions
 43 of this section.

taking into consideration the best practices and standards
 established by the government finance officers association
 and the association of school business officials and
 recommendations of

1 (c) All such budget and tax levy forms shall be printed by the division
2 of printing in such quantity as required by the director. The director shall
3 deliver the forms for school districts to the clerk of the board of education
4 of each school district. The forms for all other taxing subdivisions or mu-
5 nicipalities of the state shall be delivered by the director to the county
6 clerk of each county, who shall deliver the same to the presiding officer
7 of the governing body of the respective taxing subdivisions or municipal-
8 ities within the county.

9 Sec. 18. K.S.A. 2005 Supp. 79-2927a is hereby amended to read as
10 follows: 79-2927a. (a) When preparing the budget for a school district,
11 the board of education of the district shall budget to expend only the
12 amount estimated to be spent from each fund of the school district. *The*
13 *budget of the school district shall be based upon the needs-assessment*
14 *required by K.S.A. 72-8204c, and amendments thereto.*

15 (b) Except as provided by this subsection, any unexpended moneys
16 remaining in a fund of a school district at the end of the budget year may
17 be carried forward into such fund for succeeding budget years. The pro-
18 visions of this subsection shall not apply to the general fund or the sup-
19 plemental general fund of the school district.

20 (c) Whenever unexpended moneys in a school district fund are car-
21 ried forward into such fund for the succeeding budget year, the budget
22 of the school district shall reflect the ending balance in such fund which
23 the school district estimates will be carried forward to the succeeding
24 budget year.

25 (d) If the board of education determines it is necessary to expend
26 moneys which had been budgeted to be carried forward into the next
27 succeeding budget year, the board shall amend its previously adopted
28 budget. Any amended budget shall be subject to the same publication,
29 notice and public hearing requirements as is required by K.S.A. 79-2929,
30 and amendments thereto, for the adoption of the original budget.

31 Sec. 19. K.S.A. 2005 Supp. 72-8814 is hereby amended to read as
32 follows: 72-8814. (a) ~~There is hereby established in the state treasury the~~
33 ~~school district capital outlay state aid fund. Such fund shall consist of all~~
34 ~~amounts transferred thereto under the provisions of subsection (c).~~

35 ~~(b)~~ In each school year, each school district which levies a tax pur-
36 suant to K.S.A. 72-8801 et seq., and amendments thereto, shall be entitled
37 to receive payment ~~from the school district~~ for capital outlay state aid
38 fund in an amount determined by the state board of education as provided
39 in this subsection. The state board of education shall:

40 (1) Determine the amount of the assessed valuation per pupil (AVPP)
41 of each school district in the state and round such amount to the nearest
42 \$1,000. The rounded amount is the AVPP of a school district for the
43 purposes of this section;

- 1 (2) determine the median AVPP of all school districts;
- 2 (3) prepare a schedule of dollar amounts using the amount of the
3 median AVPP of all school districts as the point of beginning. The sched-
4 ule of dollar amounts shall range upward in equal \$1,000 intervals from
5 the point of beginning to and including an amount that is equal to the
6 amount of the AVPP of the school district with the highest AVPP of all
7 school districts and shall range downward in equal \$1,000 intervals from
8 the point of beginning to and including an amount that is equal to the
9 amount of the AVPP of the school district with the lowest AVPP of all
10 school districts;
- 11 (4) determine a state aid percentage factor for each school district by
12 assigning a state aid computation percentage to the amount of the median
13 AVPP shown on the schedule, decreasing the state aid computation per-
14 centage assigned to the amount of the median AVPP by one percentage
15 point for each \$1,000 interval above the amount of the median AVPP,
16 and increasing the state aid computation percentage assigned to the
17 amount of the median AVPP by one percentage point for each \$1,000
18 interval below the amount of the median AVPP. The state aid percentage
19 factor of a school district is the percentage assigned to the schedule
20 amount that is equal to the amount of the AVPP of the school district,
21 except that the state aid percentage factor of a school district shall not
22 exceed 100%. The state aid computation percentage is 25%;
- 23 (5) determine the amount levied by each school district pursuant to
24 K.S.A. 72-8801 et seq., and amendments thereto;
- 25 (6) multiply the amount computed under (5), but not to exceed 8
26 mills, by the applicable state aid percentage factor. The product is the
27 amount of payment the school district is entitled to receive ~~from the~~
28 ~~school district for capital outlay state aid fund~~ in the school year.
- 29 ~~(e) (b)~~ The state board shall certify to the director of accounts and
30 reports the entitlements of school districts determined under the provi-
31 sions of subsection (b), ~~and an amount equal thereto shall be transferred~~
32 ~~by the director from the state general fund to the school district (a) for~~
33 ~~payment of capital outlay state aid fund for distribution~~ to school districts
34 *in accordance with the provisions of appropriation acts.*
- 35 ~~(d) (c)~~ Payments ~~from the school district for capital outlay state aid~~
36 ~~fund~~ shall be distributed to school districts at times determined by the
37 state board of education. The state board of education shall certify to the
38 director of accounts and reports the amount due each school district en-
39 titled to payment ~~from the fund of capital outlay state aid~~, and the di-
40 rector of accounts and reports shall draw a warrant on the state treasurer
41 payable to the treasurer of the school district. Upon receipt of the warrant,
42 the treasurer of the school district shall credit the amount thereof to the
43 capital outlay fund of the school district to be used for the purposes of

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1 such fund.

2 Sec. 20. K.S.A. 2005 Supp. 72-6407, 72-6410, 72-6413, 72-6414, 72-
3 6414a, 72-6414b, 72-6421, 72-6434, 72-6442b, 72-8204c, 72-8814, 72-
4 9509, 79-2926 and 79-2927a are hereby repealed.

5 Sec. 21. This act shall take effect and be in force from and after its
6 publication in the statute book.

New Sec. 22. In any civil action in law or equity in which a legislative enactment is alleged to be unconstitutional, the supreme court shall have appellate jurisdiction only.

New Sec. 23. In any civil action in law or equity in which a legislative enactment is alleged to be unconstitutional, the district court shall be the exclusive court of original jurisdiction.

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Gordon
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w/ staff +
Craw*

Proposed Amendments
House Bill No. 2986

On page 18, following line 1, by inserting:

New Sec. 20. On or before January 1, 2007, the state board shall design an administration reorganization plan for school districts. On or before the first day of the 2007 legislative session, the state board shall submit such plan to the legislature for consideration thereby.

New Sec. 21. It is the public policy of the state of Kansas that the legislature shall not be required to pay any costs attributable to meeting federal law or rules and regulations or standards adopted by the state board in conformance with such federal law unless funding to comply with such federal law, rules and regulations or standards is provided by the federal government in an amount deemed adequate by the legislature.

New Sec. 22. The supreme court shall not have original jurisdiction in any suit in law or equity challenging the constitutionality of new legislative enactments.

New Sec. 23. The state board shall design a uniform system for the reporting of expenditures from the local option budget of the district. When reporting expenditures from the local option budget of the district, districts shall report such expenditures according to the system designed by the state board.

New Sec. 24. The state board shall not reimburse school districts for costs attributed to the transportation of students who are not required by law to be provided transportation.

New Sec. 25. (a) As used in this section:

(1) "School district" or "district" means a school district which has an extraordinary declining enrollment.

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

(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 if 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 unless approved by the state board.

(d) The provisions of this section shall not apply to any district which is not entitled to state aid under K.S.A. 75-2319, and amendments thereto.

KANSAS TAXPAYERS NETWORK

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March 14, 2006

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Testimony Supporting HCR 5032

By Karl Peterjohn, Executive Director

Kansas was at a crossroads last summer. Today, this state remains close to these crossroads despite being headed in the wrong fiscal direction. Last July, the legislature ended their special session and quietly acquiesced to the most recent judicial edict issued by the appointed members of the Kansas Supreme Court when it came to state spending for public school finance. At that time, many observers and more than a few legislators viewed this as a surrender of the power of the purse by the legislature.

This is a critical power that all elected legislative bodies have historically possessed in Kansas and in the other 49 states going back to the colonial days. This was a momentous and huge surrender of power. Under the court's continued ruling the Kansas legislature is in many ways being transformed into an elected advisory body that must submit itself, if the court will allow—no legislators were able to even address their judicial masters in front of the court last year, to additional judicial edicts and orders.

Now the legislature must decide if a judicial oligarchy may continue to exercise the power of the purse that was surrendered by the legislature in Kansas last summer. HCR 5032 would clearly place this power back with the legislature. It is unfortunate that the clear language of the Kansas Constitution, specifically Article 2 Section 24, was ignored by these judges as part of a series of partial rulings that specified a specific amount to be appropriated. It is also an outrage that these partial rulings continue to hang over Kansas like an omnipresent fiscal thundercloud waiting to swoop back down onto the people and their property.

It is also outrageous that an appointed judiciary would have the contempt for the republican principle called out in Article IV Section 4 of the U.S. Constitution to engage in such tyrannical behavior.

It is also important to note that in states like Texas, which also has a school finance lawsuit in front of it, their highest state court made a specific denial of fiscal authority as part of that school finance ruling. There is supposed to be a balance of power between the branches of government that are out of balance here.

HCR 5032 does not address all of the issues created by the Kansas Supreme Court's school finance rulings during 2005. HCR 5032 does attempt to restore the historic fiscal powers with elected as opposed to appointed officials. While the record setting \$5 billion Kansas General Fund and \$11 billion All Funds budgets adopted in 2005 are far from perfect from a taxpayers' perspective, it is critical this responsibility is performed by officials answerable to the citizens of Kansas.

As Winston Churchill said, democracy is the worst form of government, except for all the rest. HCR 5032 is needed to restore the fiscal powers to the democratic republic called for by the U.S. Constitution in general and Article IV Section 4 of that document in particular for Kansas government.

Select Committee on School Finance

Date: 3-15-06

Attachment # 4-1

Economy, taxpayers lose in school lawsuits

BY KARL PETERJOHN

Kansas has been spending more per pupil in total tax funds for K-12 than all of the states in our region, more than the average in the entire United States, and does so with lower than average income.

Now, school district lawyers prevaricate that, despite last year's double-digit hike in state spending, school funding somehow is falling behind



Peterjohn

inflation ("School funding plans aren't constitutional," March 5 Opinion).

It would be a delirious day for Kansas workers if the average Kansas wage grew at the same rate that spending on public schools grew last year, or even since the last time school district lawyers won a lawsuit against the state for more spending, in 1992.

When these lawyers say "constitutionally suitable education," they should actually quote the Kansas Constitution, which says in Article 6, Section 6 (b), "The legislature shall make suitable provision for finance of the educational interests of the state." The phrase "suitable education" is not used, let alone defined, in the Kansas Constitution.

Sadly, the seven activist judges on the Kansas Supreme Court have ignored this clear sentence for some judicial legislating from the bench. The Supreme Court's ludicrous 2005 school finance ruling that claims that a specific dollar amount of additional spending is somehow contained in an unnamed segment of the Kansas Constitution has placed all Kansas government at risk.

Article IV, Section 4, of the U.S. Constitution guarantees this state a republican form of government. These judges have put our republic in jeopardy with their usurpation in this

case. Appropriation by appointed judicial fiat is abhorrent to this republican guarantee in the U.S. Constitution.

The court's spending edict has dramatically raised the risk and uncertainty of the fiscal and business climate in this state. This is hurting our state's economy and will provide another reason for this state to be bypassed by business and growth. Jobs and income will lag even more as long as our appointed judicial oligarchy continues to reign over spending.

The Legislature must rein in this activist court, resume control over this state's fiscal matters and penalize school districts that are putting their lawsuits ahead of educational spending.

If school districts lost \$10 in state aid for every dollar spent on suing the state, these lawsuits would cease.

Ironically, the Legislative Division of Post Audit report that these lawyers praise would actually widen the disparity in state funding between the mid-size school districts suing the state and the larger urban districts that are not.

After this lawsuit ends, another will be filed. The post audit report is based upon the dubious research of William Duncombe and John Yinger, two New York professors who also are backing the school finance lawsuit in New York over that state's supposedly "inadequate" public school funding. New York's school spending is already among the highest level of all 50 states — so higher is never enough there, or here.

As long as the legal gravy train supporting these lawsuits continues to prosper, Kansans will suffer. Kansas high school and college graduates will receive their diplomas, but many will not find jobs in this oligarchic, risky and litigious environment of legal edicts that trash many of the principles of limited government that we fought a revolution over in 1776.

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