

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE

The meeting was called to order by Chairman Kathe Decker at 9:00 a.m. on April 28, 2006 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

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

Copies of the most recent comparison studies of the 2006 School Finance Plans were distributed. (Attachment 1). Theresa Kiernan explained the differences in **SB 584; SB 501 and HB 2986**

Kathie Sparks spoke in regard to the total amount of state aid.

Question and answers followed.

Copies of a supplemental note to **SB 584** was distributed. (Attachment 2). This was explained to the Committee by Kathie Sparks and Theresa Kiernan.

Reference was made to the provisions contained in **HB 2986**. (Attachment 3).

The supplemental note on **Substitute for HB 2986** as recommended by the House Select Committee on School Finance was distributed. (Attachment 4). Kathie Sparks explained.

The Chair asked Staff for a comparison study of **HB 2986** as it originally came out of the Committee, as it came out of the House and as it came out of the Senate.

Copies of the revised **supplemental note on Substitute for HB 2986** were distributed. (Attachment 5). Kathie Sparks explained the requirement of the LDPA to conduct a professional cost study analysis every three years to determine the suitable provision for the financing of educational interest of the state. (Pg. 4)

Questions and answers followed.

The meeting was adjourned at 10:25 a.m. The next meeting will be held on the call of the Chair.

COMPARISON OF 2006 SCHOOL FINANCE PLANS

Current Law	Sub for Senate Bill No. 584	Senate Bill No. 584	Senate Bill No. 501	House Bill No. 2986	Umbarger 1	Umbarger 2	Schmidt
BSAPP \$4,257	\$4,307; \$4,357; \$4,407 \$28,450,000 \$28,800,000 \$29,000,000	\$4,307; \$4,357; \$4,427	\$4,297; \$4,376; \$4,497; \$4,618	\$4,307; \$4,356; \$4,391	\$4,307; \$4,357; \$4,407	\$4,307; \$4,357; \$4,407	\$4307; \$4357; \$4,407
At-risk Weighting .193	.268; .318; .368 \$43,500,000 \$28,850,000 \$29,000,000	.268; .318; .368	.225; .267; .307; .347	.268; .368; .482	.268; .318; .368	.268; .318; .368	.295
Nonproficient Pupil Weighting/ Fund None	\$446 per FTE nonproficient pupil; converted to a weighting. \$15,400,000 \$0 \$0	.029; below proficiency on the reading or math assessments; excludes at-risk pupils; nonproficient pupil education fund.	None	Deleted by HCW	None	\$446 per FTE	None
High At-risk Pupil or Density At-risk Pupil Weighting None	Density at-risk pupil weighting. If the enrollment of the district is more than 40% but less than 50% at- risk pupils, the weighting of the district is .04; .05 ; .06. If the enrollment of the district is 50% or more at- risk pupils, the weighting of the district is .08; .09; .10. \$21,400,000 \$3,400,000 \$3,500,000	Districts with an enrollment of at least 40% but less than 50% at-risk pupils receive a weighting of .04; districts with an enrollment of at least 50% at-risk pupils receive a weighting of .08.	None	Density at-risk pupil weighting. If enrollment is more than 40% but less than 50% at-risk pupils: .04; .05; .06. If enrollment is 50% or more at-risk pupils: .08; .09 ; .10. If enrollment is at least 35.1% at-risk pupils and there are at least 212.1 pupils per square mile: .08; .09 ; .10. (Estimated 35 USDs in 2006-2007.)	Density at-risk pupil weighting. If enrollment is more than 40% but less than 50% at-risk pupils: .04; .05 ; .06. If the enrollment 50% or more at-risk pupils: .08; .09; .10.	Density at-risk pupil weighting. If enrollment is more than 40% but less than 50% at-risk pupils: .04; .05 ; .06. If the enrollment is 50% or more at-risk pupils: .08; .09; .10.	None

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Current Law	Sub for Senate Bill No. 584	Senate Bill No. 584	Senate Bill No. 501	House Bill No. 2986	Umbarger 1	Umbarger 2	Schmidt
Bilingual Weighting .395	No change.	No change.	.482	No change.	No change.	No change.	No change.
Correlation Weighting/ High Enrollment Weighting Threshold 1,662	"High enrollment weighting" 1,637; 1,587; 1,537. \$11,700,000 \$23,400,000 \$23,400,000	1,637 in 2008-2009	No change.	"High enrollment weighting" 1,632; 1,602; 1,572.	"High enrollment weighting" 1,637; 1,612; 1,587.	"High enrollment weighting" 1,637; 1,587; 1,537.	1,632; 1,614; 1,601
Low Enrollment Weighting Below 1,662	Conforming amendments to change in high enrollment weighting threshold.	Conforming amendments to change in correlation weighting threshold.	No change.	Conforming amendments to change in high enrollment weighting threshold.	Conforming amendments to change in high enrollment weighting threshold.	Conforming amendments to change in high enrollment weighting threshold.	Conforming amendments to change in correlation weighting threshold.
School Facilities Weighting Maximum LOB.	LOB of at least 25%.	25% LOB or state prescribed percentage, whichever is less.	No change.	No change.	25% LOB.	No change.	25% LOB.
Ancillary Facilities Weighting Max LOB	LOB of at least 25%.	25% LOB or state prescribed percentage, whichever is less.	No change.	No change.	25% LOB.	No change.	25% LOB.
Special Education (Excess Cost) 92%.	95% in school year 2007-2008 and thereafter. \$30,300,000 \$36,750,000 \$26,000,000	92%; 95%; 98%	No change.	No change.	No change.	No change.	No change.

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Current Law	Sub for Senate Bill No. 584	Senate Bill No. 584	Senate Bill No. 501	House Bill No. 2986	Umbarger 1	Umbarger 2	Schmidt
<p>LOB/LOB State Aid/State Prescribed Percentage</p> <p>29%; 30%</p>	<p>No change in state prescribed percentage. Supplemental general state aid to be used to meet the requirements under the school performance accreditation system adopted by the state board, to provide mandated programs and services, and to improve student performance; state aid included in determining amount of state aid paid to school districts.</p>	<p>26.5%; 25%; 24%.</p>	<p>No change.</p>	<p>30%; 33%; cap is "lifted" if it is determined by law that the Legislature has made suitable provision for finance of education. LPA conducts cost analyses every three years. LOB in excess of state prescribed percentage not equalized. Supplemental general state aid to be used to meet the requirements under the school performance accreditation system adopted by the state board, to provide mandated programs and services and to improve student performance.</p>	<p>29%; 31%; 33%.</p>	<p>No change.</p>	<p>29%; 31%; equalized at 82.6 percentile.</p>
<p>Mandatory Student Performance Improvement Budget (MSPIB)</p> <p>None</p>	<p>None</p>	<p>Requires school districts to adopt a MSPIB of 2.5%; 5%; 6%; equalized to the 81.2 percentile; "recaptured" amounts are transferred to the general fund and equalized to the 100th percentile and additional state aid (difference between equalization at the 81.2 percentile and the 100th percentile) would be added to the general fund as additional spending power; to be used on mandated programs and services that improve student performance. Limited to two years.</p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>None</p>

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Current Law	Sub for Senate Bill No. 584	Senate Bill No. 584	Senate Bill No. 501	House Bill No. 2986	Umbarger 1	Umbarger 2	Schmidt
English for Speakers of Other Languages (ESOL) Grants None	None	None	None	Establishes a grant program under which school districts which reimburse teachers for the direct costs of attaining full-endorsement as ESOL teachers may apply for grants to cover the cost of such reimbursements.	Establishes a under which school districts which reimburse teachers for the direct costs of attaining full-endorsement as ESOL teachers may apply for grants to cover the cost of such reimbursements. grant program.	Establishes a under which school districts which reimburse teachers for the direct costs of attaining full-endorsement as ESOL teachers may apply for grants to cover the cost of such reimbursements. grant program.	None
Flexibility in Spending No specific provisions.	Allow flexibility in spending in at-risk, preschool-aged at-risk and bilingual programs; reports on expenditures. See All-Day.	Allows flexibility in spending at-risk, preschool-aged at-risk, bilingual, and vocational education programs for other programs; reports on expenditures and other information.	None	Allows flexibility in spending at-risk, preschool-aged at-risk, bilingual, and vocational education programs for other programs; reports on expenditures and other information.	None	None	None
All-Day Kindergarten Counted as 0.5 pupil.	.65 pupil in 2008-2009*; allow charging of fees for that portion not paid by the state and use of at-risk monies* to pay for that portion not paid by state. *Only in districts which provide half and full-day K.	Districts could use money received for at-risk students for all-day kindergarten programs, regardless of whether the student is at-risk or generates at-risk funding.	No change.	.65; .80; 1.0	.65; .80; 1.0	.65 in 2008-2009	None
Contingency Reserve Fund 4%	Raise cap to 6%	No change.	No change.	Cap raised from 4% to 6% for 2006-2007; will revert to 4% thereafter.	Cap raised from 4% to 6% for 2006-2007; will revert to 4% thereafter.	Cap raised from 4% to 6% for 2006-2007; will revert to 4% thereafter.	No change.
Cost of Living Levy Stayed by the Court.	No change.	No change	No change.	Repealed.	No change.	Equalized to the 81.2 percentile.	No change.

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Current Law	Sub for Senate Bill No. 584	Senate Bill No. 584	Senate Bill No. 501	House Bill No. 2986	Umbarger 1	Umbarger 2	Schmidt
Non-Severability Clause Severable	Non-Severability Clause to be added						
Appropriation	Included	None	Included	None	None	None	None
Total Amount of State Aid	\$150,750,000 \$121,200,000 \$110,900,000 3-Year Total: \$382,850,000	Fiscal impact: \$180,400,000 \$150,000,000 \$150,000,000 3-Year Total: \$480,400,000	Fiscal impact: \$100,300,000 \$115,000,000 \$140,000,000 3-Year Total: \$355,300,000 \$140,000,000 4-Year Total \$495,300,000	Fiscal impact: \$193,050,000 \$191,400,000 \$173,900,000 3-Year Total: \$558,350,000	Fiscal impact: \$183,250,000 \$152,900,000 \$161,000,000 3-Year Total: \$497,151,000		
Total of Mandatory LOB Transfer to U.S.D. General Funds		Fiscal impact: \$70,700,000 \$72,000,000 \$37,000,000	NA	NA	NA		
Total Increase to U.S.D. General Funds		Fiscal impact: \$251,100,000 \$222,000,000 \$187,000,000 3-Year Total \$660,100,000	NA	NA	NA		

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Note: The table above includes estimated increases in state aid under current law as well as increases due to proposed changes in the law.

*CORRECTED
SESSION OF 2006*

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SUBSTITUTE FOR SENATE BILL NO. 584**

As Amended by House Committee of the Whole

Brief*

House Substitute for Substitute for SB 584 is a three-year school finance plan with increased funding totaling \$458,200,000 over the three-year period. The bill includes the following major provisions:

Expenditures

- Base State Aid Per Pupil (BSAPP) would be increased by the following amounts:
 - School year 2006-2007--from \$4,257 to \$4,307 (\$50 increase), at a cost of \$28,450,000.
 - School year 2007-2008--from \$4,307 to \$4,357 (\$50 increase), at a cost of \$28,800,000.
 - School year 2008-2009--from \$4,357 to \$4,407 (\$50 increase), at a cost of \$29,000,000.

- The at-risk weighting would be increased by the following amounts:
 - School year 2006-2007--from 0.193 to 0.268, at a cost of \$43,500,000.
 - School year 2007-2008--from 0.268 to 0.318, at a cost of \$28,850,000.
 - School year 2008-2009--from 0.318 to 0.368, at a cost of \$29,000,000.

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

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- A new weighting called the "high density at-risk weighting" would be created for school districts with high percentages of students who receive free meals. Those districts in which at least 50 percent of the students are on free lunch or at least 35.1 percent are on free lunch and have enrollment density of at least 212.1 pupils per square mile would qualify. Those districts that qualify would receive an additional at-risk weighting in the amount of 0.084 in school year 2006-2007; 0.089 in school year 2007-2008; and 0.094 in school year 2008-2009. The weighting would generate the following amounts:
 - School year 2006-2007— \$21,400,000.
 - School year 2007-2008 – \$ 3,400,000.
 - School year 2008-2009 – \$ 3,500,000.

- A new weighting would be created for students who, based on state assessments, are not proficient in reading or math and who are not eligible for the federal free lunch program. This weighting would be computed on a percentage of students below proficient and not on free lunch divided by the number of students taking the test and applied to the enrollment (less the number of students on free lunch) of the school district. If the number of pupils enrolled in the district who are eligible for free lunch is greater than the number of at-risk pupils, as defined by the State Board, the State Board would be required to reduce the amount of money a district is entitled to receive as outlined in the formula. The provisions of this new weighting would expire June 30, 2007. The cost of the new weighting in FY 2007 would be \$10,000,000.

- The high enrollment weighting (formerly correlation weighting) threshold would be lowered by 25 students in school year 2006-2007; and 50 students each year for the next two years.

School year 2006-2007—from 1,662 to 1,637, (25 students) at a cost of \$11,700,000.

School year 2007-2008—from 1,637 to 1,587, (50 students) at a cost of \$23,400,000.

School year 2008-2009—from 1,587 to 1,537, (50 students) at a cost of \$23,400,000.

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- Pursuant to current law, the statutory percentage of special education excess cost would be increased for school year 2006-07, from 89.3 percent to 92.0 percent. The additional estimated cost would be as follows:
 - School year 2006-2007 -- \$30,300,000.
 - School year 2007-2008 – \$25,000,000.
 - School year 2008-2009 – \$25,000,000.

- The Local Option Budget authority would be increased and equalized to the 81.2 percentile.

School year 2006-2007– from 27 percent to 29 percent (current law), at a cost of \$31,000,000.

School year 2007-2008 – from 29 percent to 33 percent, at a cost of \$42,000,000.

School year 2008-2009–33 percent, at a cost of \$20,000,000.

- A resolution authorizing the adoption of a Local Option Budget in excess of 30 percent would require a school district election.

- The vocational education weighting would be increased from 0.5 to 0.62; however, ninth grade level vocation education courses would not qualify for funding. Ninth, tenth, eleventh and twelve grade students would be counted for funding if they are enrolled in a tenth, eleventh or twelfth grade course if the courses meet the curriculum requirements. This change in statute would not require any additional funding.

- A new English for Speakers of Other Languages (ESOL) Teacher Grant Program would be provided in the bill which would reimburse districts which have reimbursed teachers for direct costs, such as books, fees, tuition or other charges, to achieve full endorsement as an ESOL teacher. The State Board of Education would be required to give priority to those districts with the greatest need for ESOL teachers when approving applications for the program. Although the bill would not provide funding for the program, estimated expenditures for FY 2007 are \$500,000.

Policy Amendments

- The bill states that for the purposes of determining the total amount of state moneys paid to school districts, all moneys appropriated by the state for distribution to school districts would be deemed to be state moneys for educational and support services for school districts.
- Whenever the State Board of Education determines that a school has failed either to meet the accreditation requirements or provide the curriculum required by state law, the State Board will notify the school district. The notice will specify the accreditation requirements that the school has failed to meet and the curriculum that the school has failed to provide. The local board of education would be required to reallocate the resources of the district to remedy all deficiencies identified by the State Board and when making such reallocation, the local board would take into consideration the resource strategies of highly resource-efficient districts as identified in Phase III of the Kansas Education Resource Management Study conducted by Standard and Poor's (March 2006).
- The bill would create a Vocational Education Start Up Grant program in which any school district which desires to establish a vocational education program may submit an application for a grant for the purpose of paying the costs of establishing the new program, including operating expenses and acquiring equipment. The State Board would be required to establish standards and criteria for reviewing, evaluating and approving the grant applications. Each school district which is awarded a grant would be required to make periodic and special reports of statistical and financial information to the State Board as it may request. The grant program would be limited to the extent that appropriations are available.
- The bill would require that school districts in order to achieve uniform reporting of expenditures must report their expenditures in the manner required by the State Department of Education.
- The bill would amend the reporting requirements for the at-risk program, the four-year-old at-risk program, and the bilingual education program to require the following: specify the number of pupils served; type of services provided; research upon which the school district relied to determine the need for services; and results of providing such services.

- The bill would amend vocational education laws to provide that no course or program would be approved unless the course content is comparable to those offered in a technical college or area vocational school.
- The bill states that it is the public policy of the State of Kansas that neither the Legislature nor school districts would 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 federal law unless funding to comply with federal law, rules and regulations or standards is provided by the federal government in an amount deemed adequate by the Legislature. This provision would not apply to the Individuals with Disabilities Education Act (IDEA) or any rules and regulations adopted pursuant thereto.
- The bill would require that any school district that has experienced the greater of at least a 5 percent or at least a 50-pupil decline each year for the three previous school years must seek a recommendation from the Joint Committee on State Building Construction prior to issuing new bonds. The Building Committee would make a recommendation to the State Board of Education and if the State Board of Education, by a majority vote, does not recommend the building project, the district would not be entitled to receive state aid if it proceeds to issue such bonds. The bill would not require a district that does not receive state aid for construction projects to go before the Joint Committee on State Building Construction or the State Board of Education.
- The bill would provide that the provisions of this act would not be severable. If any provision of the act is held to be invalid or unconstitutional, the entire act would be null and void.
- The bill would require that on or before January 1, 2007, the State Board design an administration reorganization plan for school districts to be submitted to the 2007 Legislature for consideration.
- The bill would provide that the intent of the school finance act is to give school districts the greatest flexibility possible in the expenditure of moneys received by the districts to carry out their duties; 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. It would

also be the intent of the act to require greater accountability from school districts in the expenditure of such moneys.

- The bill states that "Cost of Living Weighting" means an additional component to the formula to apply on the basis of costs attributable to the necessity of enhancing salaries of teachers due to the high cost of living in the district.
- The bill would extend the six percent cap on the Contingency Reserve Fund balance for one additional year, FY 2007. Under current law, the cap would be four percent for FY 2007 and thereafter.
- The bill would clarify that of Supplemental General State Aid is funding that is intended to be used to meet the requirements of the performance accreditation system adopted by the State Board, to provide programs and services required by law and to improve student performance.
- The bill would change the requirement that the State Board of Education review curricular standards from three to seven years. In addition, the bill would provide clarification language about high academic standards for the core academic areas.
- The bill would provide that the increases in the amount of state aid attributable to the new weightings created by this act, the increases in the existing weightings and the increases in the amount of BSAPP would be deemed to satisfy the requirements of the Consumer Price Index-Urban provision in current law.
- The bill would require that each school district conduct a needs assessment of every attendance center on forms prescribed by the State Department of Education and use this information in preparing an attendance center and school district budget. In addition, each school district would be required to prepare a summary of the school district budget. The State Department would be required to take into consideration the best practices and standards established by the Government Finance Officers Association, the Legislative Division of Post Audit and the Association of School Business Officials when preparing and prescribing forms for the annual budgets.
- The bill would amend the capital outlay state aid payments statutes to be in accordance with the provisions of appropriation acts.

- The bill would establish an early high school graduation incentive program which would provide pupils attending public schools to receive a \$1,000 incentive bonus for graduating from high school in three years (one year earlier than normal). Pupils also could receive a one-time incentive bonus for a one-year tuition scholarship up to \$3,000 to attend a Kansas technical college or area vocational-technical school. These provisions in the bill would be subject to appropriations.
- The bill would require that all secondary schools which receive public moneys offer pregnancy-related instruction that will include information and materials specifically addressing human fetal development and gestation. Whenever any instruction discusses abortion, such information would be required to include a description of all methods of abortion and the fetal information would be required to include the probable physical sensations or pain a fetus feels or detects, or may feel or detect, during the various abortion procedures. A parent or legal guardian of a child may choose to remove the child from the instruction required by this act by notifying the school administration. Any school in violation of this act would be ineligible to receive general state aid.
- The bill would create an At-Risk Academy which would be administered by the state education institution designated by the State Board of Regents. Any district desiring to participate in the program would submit an application for the establishment of either a middle school or a high school at-risk academy in the district to the designated state education institution. The curriculum selected by the Regents institution would be age-appropriate and culturally relevant to the student population of the academy. The curriculum should provide a student-friendly education environment that is personalized, character-based and computer-integrated. Teachers and administrators of the academy would meet the same qualifications of those in public schools. The academy would meet or exceed the accreditation standards adopted by the State Board of Education and students would be required to take the state assessments. The Regents institution would be required to report its progress of implementation to the Legislative Education Planning Committee (LEPC) by September 1, 2006. The bill would require an annual report by the regents institution to the LEPC and the LEPC would be required to report to the Legislature in 2008 and 2009 on the program and make any recommendations about the program. Attendance at the academy would be limited to no more than 100

students and the parent or guardian of any student who is an at-risk pupil and who desires to attend the academy would submit an application to the state educational institution. The Regents institution would establish a lottery system for the selection of students when the number of applications exceeds the number of openings at the academy. The program would terminate as of June 30, 2009.

- The bill would amend statutes relating to the transportation of students, so that any pupil who lives 10 or more miles from the attendance center may attend another school with the approval of the receiving school district. Current law requires the pupil live 10 or more miles from the attendance center and nearer to an appropriate attendance center in a receiving school district.
- The bill would require the State Board of Education to designate 10 school districts which would provide, in school year 2006-2007, students in kindergarten and grades one through eight with character development programs and instruction which are appropriate for the grade-levels at which any such program or instruction is offered. Beginning in school year 2007-2008, all school districts would provide such programs and instruction. The State Board would develop a curriculum, materials, guidelines, standards, and objectives for character development within any existing appropriate subject-matter curriculum. "Character Development Program" would mean a program such as Character First or Character Counts or other similar program which is secular in nature and which stresses character qualities.
- The bill states that in any civil action in law or equity in which a legislative enactment is alleged to violate Article 6 of the *Constitution of the State of Kansas*, the Kansas Supreme Court would have appellate jurisdiction only and the district court would be the exclusive court of original jurisdiction.
- The bill would require the State Board to make recommendations to the Governor for adjustments to the amount of state aid to provide for the regional cost differences among the school districts in the state. In determining the amount of any adjustment, the State Board would be required to use data from the National Center for Educational Statistics, studies conducted by the Board, the Legislative Division of Post Audit, or other sources the Board deems appropriate. The State Board would be required to file these recommendations as part of the budget estimate.

- The bill also would provide technical clean-up to current law.

Background

Senate Substitute for SB 584 was the Senate Committee of the Whole proposal for funding public elementary and secondary education in Kansas for the next three-years.

The House Select Committee on School Finance amended the plan and made several policy amendments.

The House Committee of the Whole made several amendments to the bill recommended by the House Select Committee on School Finance.

The table below summarizes proposed changes and estimated increase in costs over the prior year:

Program	Current Law	School Year 2006-07	School Year 2007-08	School Year 2008-09
BSAPP	\$ 4,257	\$ 4,307 \$ 28,450,000	\$ 4,357 \$ 28,800,000	\$ 4,407 \$ 29,000,000
At-Risk	0.193	0.268 \$ 43,500,000	0.318 \$ 28,850,000	0.368 \$ 29,000,000
High Density At-Risk	N/A	0.084 \$ 21,400,000	0.089 \$ 3,400,000	0.094 \$ 3,500,000
Non-Proficient; Non-Free Lunch*	NA	0.029 \$ 10,000,000 (1 year only)		
High Enrollment Equalization	1,662	1,637 \$ 11,700,000	1,587 \$ 23,400,000	1,537 \$ 23,400,000
Special Education	89.3%	92.0% \$ 30,300,000	92.0% \$ 25,000,000	92.0% \$ 25,000,000
Supp. General State Aid (LOB)	27%	29.0% \$ 31,000,000	33.0% \$ 42,000,000	33.0% \$ 20,000,000
Bilingual Grant Program	N/A	\$ 500,000		
Total State Aid		\$176,850,000	\$151,450,000	\$129,900,000

*Program sunsets June 30, 2007.

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The table below shows the three-year *cumulative* increase of proposals contained in House Substitute for Substitute for SB 584.

Program	School Year 2006-2007	School Year 2007-2008	School Year 2008-2009
BSAPP	\$ 4,307 \$ 28,450,000	\$ 4,357 \$ 85,700,000	\$ 4,407 \$ 171,950,000
At-Risk	0.268 \$ 43,500,000	0.318 \$115,850,000	0.368 \$ 217,200,000
High Density At-Risk	0.084 \$ 21,400,000	0.089 \$ 46,200,000	0.094 \$ 74,500,000
Non-Proficient Non-Free Lunch*	0.029 \$ 10,000,000	\$ 10,000,000	\$ 10,000,000
High Enrollment Weighting	1,637 \$ 11,700,000	1,587 \$ 46,800,000	1,537 \$ 105,300,000
Special Education	92% \$ 30,300,000	92% \$ 85,600,000	92% \$ 165,900,000
Supp. General State Aid (LOB)	29% \$ 31,000,000	33% \$104,000,000	33% \$ 197,000,000
Bilingual Grant Program	\$ 500,000	\$ 1,000,000	\$ 1,500,000
Total State Aid	\$176,850,000	\$495,150,000	\$ 943,350,000

*Program sunsets June 30, 2007.

The following are provisions contained in House Bill No. 2986:

- Needs-Assessments and School District Budgets. Each district is required to conduct a needs-assessment of each attendance center in the district. District must consider the needs-assessment when preparing the budget of the district.
- School District Budget Forms. Under current law, budget forms are designed in a manner recommended by KSDE which must consider the best practices and standards established by the Governmental Finance Officers Association and the Association of School Business Officials. The bill requires also to consider recommendations by the Legislative Division of Post Audit for school district budget forms.
- Capital Outlay State Aid Fund. SB 3 created the Capital Outlay State Aid Fund and provided for transfers of state aid from the State General Fund; SB 3 also included an appropriation of money for the state aid. The bill clears up the confusion created by SB 3 by making capital outlay state aid payments subject to appropriation rather than being treated as revenue transfers.
- Payment for Remedial Classes. The bill requires the State Board of Education to pay public colleges and universities the excess cost of providing remedial courses to Kansas high school graduates who have taken the precollege curriculum prescribed by the Board of Regents. Students taking remedial courses must pass a competency exam. Amounts paid by the State Board of Education to be deducted from state aid payments to school district the student last attended.
- State Moneys for Educational and Support Services. The bill provides for the purposes of determining the total amount of state moneys paid to school districts, moneys provided to districts under the programs listed in the section and any other money appropriated by the state for distribution to school districts are deemed to be state moneys for educational and support services for school districts.
- School Finance Litigation. The bill repeals the provisions of law which: prohibit school districts from using general fund money to sue the state; require a notice of claim to be filed with Legislature prior to filing a suit; require a three-judge panel to be appointed to hear suits; and prohibit courts from closing schools or withholding money as a remedy in school finance litigation.
- Accreditation and Curriculum Requirements/ Reallocation of Resources. The bill provides that if a district fails to meet accreditation requirements or standards adopted by the State Board of Education or fails to provide the curriculum required by law, the district would have to reallocate the resources of the district to remedy such deficiencies identified by the State Board. Such reallocation would be based on benchmarks of highly resource-efficient districts as identified in *Kansas Education Resource Management Study* (March 2006) conducted by Standard and Poor's.

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- Vocational Education Grants. The bill establishes a grant program to pay start-up costs for new vocational education programs.
- Federal Mandates. The bill provides that neither state nor school districts are required to pay costs attributable to meeting the requirements of federal mandates if sufficient funding is not provided; specifies that this does not apply to IDEA.
- Capital Improvements State Aid. The bill provides that districts which qualify for capital improvements state aid and which have an extraordinary declining enrollment must advise and consult with the Joint Committee on Building Construction prior to issuing bonds for the construction of any new building.
- Annual Reports. The bill requires the State Department of Education to submit an annual report to the Legislature concerning improvement in student proficiency which is attributable to increases in state aid.
- Early Graduation Incentives. The bill requires the State Board of Education to establish an early high school graduation incentive program; students are eligible for \$1,000 incentive bonus for graduating one-year early and also are eligible for \$3,000 one-time tuition scholarship for attending a technical college or area vocational school.
- Expenditures for Instruction. The bill deletes language which required certain moneys received by districts under Senate Bill 3 for school year 2005-2006 to be spent on classroom instruction .
- CPI-U. Requirements deemed to have been met.
- Severability provision.

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**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR
HOUSE BILL NO. 2986**

As Recommended by House
Select Committee on School Finance

Brief*

Sub. for HB 2986 is a one-year school finance plan which would increase Base State Aid Per Pupil (BSAPP, increase the at-risk weighting, lower the threshold for high enrollment weighting (formerly correlation) threshold, create two new weightings called the high density at-risk weighting and non-proficient pupil weighting; restrict expenditures from the Vocational Education Fund for certain courses and increase the weighting, and equalize the cost-of-living weighting. The proposed plan would require an increase in state aid of \$177,495,000 for FY 2007. The bill would require school districts to conduct needs assessment of every attendance center on forms prescribed by the State Department of Education and use this information in preparing their attendance center and school district budgets. The State Board of Education would be required to design an administrative reorganization plan for school districts on or before January 1, 2007.

Major features of the bill are as follows:

Expenditures

- BSAPP would be increased from \$4,257 to \$4,307 (\$50 increase), at a cost of \$28,450,000.
- The at-risk weighting would be increased from 0.193 to 0.27 (0.077 increase), at a cost of \$46,500,000.
- A new weighting called the "high density at-risk weighting" of 0.048 would be created for the eleven school districts which either: have 212.1 students per square mile and poverty rate of 35.1 percent or 50 percent or greater at-risk. (The new weighting

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

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would be in addition to the current at-risk weighting). For the 2006-07 school year, districts which would qualify for the high at-risk pupil weighting are USD 500 (Kansas City), USD 443 (Dodge City), USD 259 (Wichita), USD 480 (Liberal), USD 501 (Topeka), USD 202 (Turner-Kansas City), USD 308 (Hutchinson), USD 453 (Leavenworth), USD 499 (Galena), USD 283 (Elk Valley), and USD 445 (Coffeyville). The bill would require that the moneys provided by the weighting be first be expended on at-risk programs for the grade-levels of the district which have the lowest proficiency scores on the math and reading state assessments. The cost of the new weighting in FY 2007 would be \$12,245,000.

- A new weighting called the "non-proficient pupil weighting" of 0.029 would be created for all school districts that have students who are not on free lunch and score below proficient in reading or math for the 2004-05 school year. This weighting would be computed on a percentage of students below proficient and not on free lunch divided by the number of students taking the test and applied to the enrollment (less the number of students on free lunch) of the school district. The cost of the new weighting in FY 2007 would be \$10,000,000.
- The high enrollment weighting (formerly correlation weighting) threshold would be lowered by 30 students in school year 2006-07 (From 1,662 to 1,632), at a cost of \$14,200,000.
- The statutory percentage of special education excess cost would be increased for school year 2006-07, from 89.3 percent to 92.0 percent, at a cost of \$30,300,000.
- The vocational education weighting would be increased from 0.5 to 0.62; however, ninth grade level vocation education courses would not qualify for funding; however ninth, tenth, eleventh and twelve grade students are counted for funding if they are enrolled in a tenth, eleventh or twelfth grade course if the courses meet the curriculum requirements. This change in statute would not require any additional funding.
- The cost-of-living-weighting as passed in the 2004 HB 2247 would be equalized by the state at the 81.2 percentile, at a cost of \$2,500,000.
- The Local Option Budget authority would increase from 27 percent to 29 percent (current law) and the increased state aid

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due to passage of the bill would be at a cost of \$32,800,000.

- A new English for Speakers of Other Languages (ESOL) Teacher Grant Program would be provided in the bill which will reimburse districts which have reimbursed teachers for direct costs, such as books, fees, tuition or other charges, to achieve full endorsement as a ESOL teacher. The State Board of Education would be required to give priority to those districts with the greatest need for ESOL teachers when approving applications for the Program. The bill would not provide funding for the Program; however, the Committee did recommend \$500,000 for FY 2007.

Policy Amendments

- The bill states that for the purposes of determining the total amount of state moneys paid to school districts, all moneys appropriated by the state for distribution to school districts would be deemed to be state moneys for educational and support services for school districts.
- Whenever the State Board of Education determines that a school has failed either to meet the accreditation requirements or provide the curriculum required by state law, the State Board will notify the school district. The resources of the school district will be reallocated on the basis of benchmarks of highly resource-efficient districts as identified in Phase III of the Kansas Education Resource Management Study conducted by Standard and Poor's (March 2006). The notice will specify the accreditation requirements that the school has failed to meet and the curriculum that the school has failed to provide. Upon receipt of the notice the local school board will reallocate resources to remedy all deficiencies identified by the State Board of Education.
- The bill would require that school districts in order to achieve uniform reporting of expenditures must report their expenditures in the manner required by the State Department of Education.
- The bill would create a Vocational Education Start Up Grant program in which any school district which desires to establish a vocational education program may submit an application for a grant for the purpose of paying the costs of establishing the new program, including operating expenses and acquiring equipment. The State Board would be required to establish standards and

criteria for reviewing, evaluating and approving the grant applications. Each school district which is awarded a grant would be required to make periodic and special reports of statistical and financial information to the State Board as it may request. The grant program would be limited to the extent that appropriations are available.

- The bill would amend the reporting requirements for at-risk program, four-year-old at-risk program, vocational education and bilingual education program to require the following: specify the number of pupils served; type of services provided; research upon which the school district relied to determine the need for services; and results of providing such services.
- The bill would amend vocational education law to provide that no course or program would be approved unless the course content is comparable to those offered in a technical college or area vocational school.
- The bill would clarify the intent of Supplemental General State Aid as amounts received would be used to meet the requirements of performance accreditation system adopted by the State Board, to provide programs and services required by law and to improve student performance.
- The bill would require that each school district to conduct a needs assessment of every attendance center on forms prescribed by the State Department of Education and use this information in preparing a attendance center and school district budget. In addition, each school district would be required to prepare a summary of the school district budget. The State Department would be required to take into consideration the best practices and standards established by the Government Finance Officers Association, Legislative Post Audit and the Association of School Business Officials when preparing and prescribing forms for the annual budgets.
- The bill would amend the capital outlay state aid payments statutes to be in accordance with the provisions of appropriation acts.
- The bill would require that on or before January 1, 2007, the State Board design an administration reorganization plan for school districts and the plan would be submitted to the 2007 Legislature for consideration.

- The bill states that it is the public policy of the State of Kansas that neither the Legislature nor school districts would 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 federal law unless funding to comply with federal law, rules and regulations or standards is provided by the federal government in an amount deemed adequate by the Legislature.
- The bill states that in any civil action in law or equity in which a legislative enactment is alleged to violate Article 6 of the *Constitution of the State of Kansas*, the Kansas Supreme Court would have appellate jurisdiction only and the district court would be the exclusive court of original jurisdiction.
- The bill would require that any school district that has experienced at least a 5 percent or at least a 50-pupil decline each year for the three previous school years must seek a recommendation from the Joint Committee on State Building construction prior to issuing new bonds. The Building Committee would make a recommendation to the State Board of Education and if the State Board of Education, by a majority vote, does not recommend the building project, the district would not be entitled to receive state aid if it proceeds to issue such bonds. The bill would not require a district that does not receive state aid for construction projects to go before the Joint Committee on State Building Construction or the State Board of Education.
- The bill would extend the six percent cap on the Contingency Reserve Fund balance for one additional year, FY 2007. Under current law, the cap would be four percent for FY 2007 and thereafter.
- The bill would require the State Board to make recommendations to the Governor for adjustments to the amount of state aid to provide for the regional cost differences among the school districts in the state. In determining the amount of any adjustment, the State Board would be required to use data from the National Center for Educational Statistics, studies conducted by the Board, Legislative Post Audit, or other sources the Board deems appropriate. The State Board would be required to file these recommendations as part of the budget estimate.
- The bill would establish a pilot program for the creation of At-Risk Pupil Academies in Wichita, Topeka, Kansas City and Garden

City school districts. Each district would establish a middle school at-risk academy and a high school at-risk academy limited to 100 pupils per academy. The parent or guardian of any at-risk pupil who desires to attend an academy would submit an application and the students would be selected by a lottery from the applications. Oversight and administration of the pilot project would be the responsibility of a regents institution designated by the State Board. The curriculum selected by the regents institution would be age-appropriate and culturally relevant to the student population of the academies. The curriculum should provide a student-friendly education environment that is personalized, character-based and computer-integrated. Teachers and administrators of the academies would meet the same qualifications of those in public schools. The academies would meet or exceed the accreditation standards adopted by the State Board and students would be required to take the state assessments. The regents institution would be required to report its progress of implementation to the Legislative Education Planning Committee (LEPC) by September 1, 2006. The bill would require an annual report by the regents institution to the LEPC and the LEPC would be required to report to the Legislature in 2008 and 2009 on the program and make any recommendations about the pilot program. The pilot program would terminate as of June 30, 2009.

- The bill would provide that the provisions of this act would not be severable. If any provision of the act is held to be invalid or unconstitutional, the entire act would be null and void.

Background

Sub. for HB 2986 is the House Select Committee on School Finance's proposal for FY 2007 funding of public elementary and secondary education in Kansas. The original bill was a three year proposal.

The fiscal note indicates that the original bill, according to the Department of Education would change state aid to school districts in the next three years as follows: FY 2007 state aid would increase \$174.995 million; FY 2008 state aid would increase \$164.7 million; and FY 2009 state aid would increase \$160.14 million.

The table below summarizes proposed changes and estimated increase in costs over the prior year:

Program	Current Law	School Year 2006-07
BSAPP	\$4,257	\$4,307 \$28,450,000
At-Risk Weighting	0.193	0.27 \$46,500,000
High Density At-Risk Weighting	N/A	0.048 \$12,245,000
Non-Proficient Pupil Weighting	N/A	0.029 \$10,000,000
High Enrollment Weighting	1,662 students	1,632 students \$14,200,000
Special Education Excess Cost	89.3 percent	92.0 percent \$30,300,000
Cost-of-Living Weighting	No cost to the State	equalized at 81.2 percentile \$2,500,000
Supplemental General State Aid	27 percent	29 percent \$32,800,000
English for Speakers of Other Languages Teacher Grant Program	N/A	(funding not included in the bill, however, recommended) \$500,000
Total Increase to USD General Funds		\$177,495,000

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**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR
HOUSE BILL NO. 2986**

As Amended by House Committee of the Whole

Brief*

Sub. for HB 2986 is a three-year school finance plan which would increase Base State Aid Per Pupil (BSAPP) and the at-risk weighting each of the three years, create and increase the percentage of the High Density At-Risk Weighting; lower the High Enrollment Equalization Weighting (formerly Correlation Weighting) and remove the cap on the Local Option Budget; however, the Supplement State Aid would be capped at 30 percent in FY 2006-07 and at 33 percent in FY 2007-08 and thereafter. The bill also would phase in over a three-year period funding for all-day kindergarten and make several policy amendments. The proposed plan would require an increase in state aid of \$558,350,000 over the three-year period.

Major features of the bill are as follows:

Expenditures

- BSAPP would be increased by the following amounts:

School year 2006-07--from \$4,257 to \$4,307 (\$50 increase), at a cost of \$28,450,000.

School year 2007-08--from \$4,307 to \$4,356 (\$49 increase), at a cost of \$28,800,000.

School year 2008-09--from \$4,356 to \$4,391 (\$35 increase), at a cost of \$20,000,000.
- The at-risk weighting would be increased by the following amounts:

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

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School year 2006-07—from 0.193 to 0.268, at a cost of \$44,500,000.

School year 2007-08—from 0.268 to 0.368, at a cost of \$60,000,00.

School year 2008-09—from 0.368 to .482, at a cost of \$68,400,000.

- A new weighting called the "high density at-risk weighting" based upon the school districts' percentage of free meal enrollment as follows:

School year 2006-07—school districts that have free meal percentages between 40.0 percent and 49.9 percent would receive an additional weighting of 0.04 percent and districts with 50.0 percent or more free meals would receive an additional weighting of 0.08 percent; and districts with a density of 212.1 students per square mile and a free lunch rate of 35.1 percent and above would receive an additional weighting of 0.08 percent at a cost of \$22,700,000.

School year 2007-08—school districts that have free meal percentages between 40.0 percent and 49.9 percent would receive an additional weighting of 0.05 percent and districts with 50.0 percent or more free meals would receive an additional weighting of 0.09 percent; and districts with a density of 212.1 students per square mile and a free lunch rate of 35.1 percent and above would receive an additional weighting of 0.09 percent at a cost of \$3,400,000.

School year 2008-09—school districts that have free meal percentages between 40.0 percent and 49.9 percent would receive an additional weighting of 0.6 percent and districts with 50.0 percent or more free meals would receive an additional weighting of 10.0 percent; and districts with a density of 212.1 students per square mile and a free lunch rate of 35.1 percent and above would receive an additional weighting of 0.10 percent at a cost of \$3,500,000.

- All-day kindergarten would be phased in over a three-year period.

School year 2006-07—full-time kindergarten students would be counted at 0.65 percent.

School year 2007-09—full-time kindergarten students would be counted at 0.80 percent.

School year 2008-09—full-time kindergarten students would be counted at 1.0 percent.

- The high enrollment weighting (formerly correlation weighting) threshold would be lowered by 30 students each year for three years.

School year 2006-07—from 1,662 to 1,632, at a cost of \$14,200,000.

School year 2007-08—from 1,632 to 1,602, at a cost of \$14,200,000.

School year 2008-09—from 1,602 to 1,572, at a cost of \$14,200,000.

- The statutory percentage of special education excess cost would be increased for school year 2006-07, from 89.3 percent to 92.0 percent, at a cost of \$30,300,000.

- The Local Option Budget authority would be increased and equalized to 81.2 percent.

School year 2006-07— from 27 percent to 30 percent, at a cost of \$37,000,000.

School year 2007-08 – from 30 percent to 33 percent, at a cost of \$37,000,000.

School year 2008-09—33 percent, at a cost of \$12,000,000.

- Authorizes school districts to levy an ad valorem tax for a local supplement aid fund similar to the current local option budget except there would be no equalization. This provision would begin in 2010-11 provided that the Legislature has appropriated

sufficient money to meet its constitutional duties to make suitable provisions for the financial education interests of the state. This provision would require a resolution with a protest petition. School districts must have the maximum LOB authorized to qualify under this provision.

- Requires the Legislative Division of Post Audit conduct a professional cost study analysis every three years to determine the suitable provision for the financing of educational interest of the state.
- A new English for Speakers of Other Languages (ESOL) Teacher Grant Program would be provided in the bill which will reimburse districts which have reimbursed teachers for direct costs, such as books, fees, tuition or other charges, to achieve full endorsement as a ESOL teacher. The State Board of Education would be required to give priority to those districts with the greatest need for ESOL teachers when approving applications for the Program. The bill would not provide funding for the Program; however, the Committee did recommend \$500,000 for FY 2007.

Policy Amendments

- The bill states that for the purposes of determining the total amount of state moneys paid to school districts, all moneys appropriated by the state for distribution to school districts would be deemed to be state moneys for educational and support services for school districts.
- Whenever the State Board of Education determines that a school has failed either to meet the accreditation requirements or provide the curriculum required by state law, the State Board will notify the school district. The resources of the school district will be reallocated on the basis of benchmarks of highly resource-efficient districts as identified in Phase III of the Kansas Education Resource Management Study conducted by Standard and Poor's (March 2006). The notice will specify the accreditation requirements that the school has failed to meet and the curriculum that the school has failed to provide. Upon receipt of the notice the local school board will reallocate resources to remedy all deficiencies identified by the State Board of Education.

- The bill would require that school districts in order to achieve uniform reporting of expenditures must report their expenditures in the manner required by the State Department of Education.
- The bill would create a Vocational Education Start Up Grant program in which any school district which desires to establish a vocational education program may submit an application for a grant for the purpose of paying the costs of establishing the new program, including operating expenses and acquiring equipment. The State Board would be required to establish standards and criteria for reviewing, evaluating and approving the grant applications. Each school district which is awarded a grant would be required to make periodic and special reports of statistical and financial information to the State Board as it may request. The grant program would be limited to the extent that appropriations are available.
- The bill would require the uniform reporting of the number of at-risk pupils provided service or assistance by school districts, the district would report the number of at-risk pupils served or assisted in the manner required by the State Board.
- The bill would require that the State Department of Education to submit to the Legislature an annual report which shows in detail the improvement in student proficiency that is attributed to increases in state aid appropriated by the Legislature.
- The bill would clarify the intent of Supplemental General State Aid as amounts received would be used to meet the requirements of the performance accreditation system adopted by the State Board, to provide programs and services required by law and to improve student performance.
- The bill would require that each school district conduct a needs assessment of every attendance center on forms prescribed by the State Department of Education. The local Board would be required to prepare a budget and a summary of the budget for the school district. When preparing the budget for the school district, the Board would consider the needs-assessment. The budget and summary would be in the form prescribed by the Director of Accounts and Reports. The budget and the summary of the proposed budget would be on file at the administrative offices of the school district and copies available upon request.

- The bill would amend the capital outlay state aid payments statutes to be in accordance with the provisions of appropriation acts.
- The bill would establish an early high school graduation incentive program which would provide pupils attending public schools to receive a \$1,000 incentive bonus for graduating from high school in three years (one year earlier than normal). Pupils also could receive a one-time incentive bonus for a one-year tuition scholarship up to \$3,000 to attend a Kansas technical college or area vocational-technical school. These provisions in the bill would be subject to appropriations.
- The bill states that it is the public policy of the State of Kansas that neither the Legislature nor school districts would 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 federal law unless funding to comply with federal law, rules and regulations or standards is provided by the federal government in an amount deemed adequate by the Legislature. This provision would not apply to the Individuals with Disabilities Education Act (IDEA) or any rules and regulations adopted pursuant thereto.
- The bill would require that any school district that has experienced at least a 5 percent or at least a 50-pupil decline each year for the three previous school years must seek a recommendation from the Joint Committee on State Building construction prior to issuing new bonds. The Building Committee would make a recommendation to the State Board of Education and if the State Board of Education, by a majority vote, does not recommend the building project, the district would not be entitled to receive state aid if it proceeds to issue such bonds. The bill would not require a district that does not receive state aid for construction projects to go before the Joint Committee on State Building Construction or the State Board of Education.
- The bill would extend the six percent cap on the Contingency Reserve Fund balance for one additional year, FY 2007. Under current law, the cap would be four percent for FY 2007 and thereafter.
- The bill would delete the provision in current law dealing with cost-of-living-weighting. This provision was stayed by the Kansas Supreme Court in 2005.

- The bill would require the State Department of Education to take into consideration best practices and standards established by the governmental financial Officers Association, Association of School Business Officials, and the Legislative Division of Post Audit.
- The bill would provide that the increases in the amount of state aid attributable to the new weightings created by this act, the increases in the existing weightings and the increases in the amount of BSAPP would be deemed to satisfy the requirements of the CPI-U statute.
- The bill would provide that students who graduate from Kansas high schools after May 1, 2007 and these graduates have taken precollege curriculum prescribed by the State board of Regents and these students are required to take remedial courses in a Kansas college or university, school districts would be required to compensate for the excess cost of these classes. The State Department of Education would be required to pay the colleges and universities and deduct the amount from state aid to school districts.
- The bill would provide that the provisions of this act would be severable. If any provision of the act is held to be invalid or unconstitutional, it would be presumed conclusively that the legislature would have enacted the remainder of the act without such invalid or unconstitutional provision.
- The bill would also provide technical clean-up to current law.
- The bill would repeal: KSA 72-64b01, which prohibits general fund money from being used to finance litigation; KSA 72-64b02, which requires a notice of claim to be filed with the Legislature prior to filing a suit alleging a violation of Article 6 of the *Kansas Constitution*; KSA 72-64b03, which requires appointment of a three-judge panel at the district court level to hear a suit alleging a violation of Article 6 of the *Kansas Constitution* and the panel or any master appointed has the authority to order schools closed or enjoin the distribution of funds for public education.
- The bill would allow school districts to spend money received for at-risk, preschool-aged at-risk, bilingual, and vocational education programs for other programs. All expenses attributable to at-risk, preschool-aged at-risk, bilingual, and vocational education programs would be required to be paid from

the program weighted fund. School districts would be required to make reports on expenditures and other information as required.

Background

Sub. for HB 2986 is the House Select Committee on School Finance's proposal for FY 2007 funding of public elementary and secondary education in Kansas. The original bill was a three-year proposal.

The House Committee of the Whole amended the original one-year plan to be a three-year plan and made several policy amendments.

The fiscal note indicates that the original bill, according to the Department of Education would change state aid to school districts in the next three years as follows: FY 2007 state aid would increase \$174.995 million; FY 2008 state aid would increase \$164.7 million; and FY 2009 state aid would increase \$160.14 million.

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The table below summarizes proposed changes and estimated increase in costs over the prior year:

Program	Current Law	School Year 2006-07	School Year 2007-08	School Year 2008-09
BSAPP	\$4,257	\$4,307 \$28,450,000	\$4,357 \$28,800,000	\$4,427 \$20,000,000
At-Risk	0.193	0.268 \$44,500,000	0.368 \$60,000,000	0.428 \$68,400,000
High Density At-Risk*	N/A	\$22,700,000	\$3,400,000	\$3,500,000
All-Day Kindergarten	0.5	0.65 \$15,400,000	0.80 \$23,000,000	1.0 \$30,800,000
High Enrollment Equalization	1,662	1,632 \$14,200,000	1,602 \$14,200,000	1,572 \$14,200,000
Special Education	89.3	92.0 \$30,300,000	92.0 \$25,000,000	92.0 \$25,000,000
Supp. General State Aid (LOB)	27.0	30.0 \$37,000,000	33.0 \$37,000,000	33.0 12,000,000
Bilingual Grant Program		\$500,000	0	0
Total State Aid		\$193,050,000	\$191,400,000	\$173,900,000

*See second bullet under expenditures.

The table below shows the three-year *cumulative* increase of proposals contained in Substitute for HB 2986.

Program	School Year 2006-07	School Year 2007-08	School Year 2008-09
BSAPP	\$4,307 \$28,450,000	\$4,357 \$85,700,000	\$4,391 \$162,950,000
At-Risk	0.268 \$44,500,000	0.368 \$149,000,000	0.482 \$321,900,000
High-Density At-Risk*	\$22,700,000	\$48,800,000	\$78,400,000
All-Day Kindergarten	0.65 \$15,400,000	0.80 \$53,800,000	1.0 \$123,000,000
High Enrollment Equalization	1,632 \$14,200,000	1,602 \$42,600,000	1,572 \$85,200,000
Special Education	92.0 \$30,300,000	No Change \$85,600,000	No Change \$165,900,000
Supp. General State Aid (LOB)	30.0 \$37,000,000	33.0 \$111,000,000	33.0 \$197,000,000
Bilingual Grant Program	\$500,000	\$1,000,000	\$1,500,000
Total State Aid	\$193,050,000	\$557,500,000	\$1,135,850,000

*See second bullet under expenditures.