

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE

The meeting was called to order by Chairman Kathe Decker at 8:00 A.M. on April 29, 2006 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

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

Copies of proposals of the House for Substitute for **SB 584** were distributed. (Attachments 1 and 2). Kathie Sparks explained their contents to the Committee.

The Chair then called the Committee's attention to the copies of the comparison of policies of the Select Committee on School Finance and the policies of the House Committee of the Whole which were not included in any version of the senate bill or addressed by the Senate. (Attachment 3).

Distributed also were copies of Comparison of 2006 School Finance Plans. These included Current Law; Substitute to **SB 584 (SCW)**; Substitute to **HB 2986 (House Comm.)** and Substitute **HB 2986 (HCW)**. (Attachment 4), and the section-by-section explanations to **HB 2986**, (Attachment 5).

Representative Decker said it was her intent to go through these printout and work it much in the way of a conference committee and to make decisions in each of the areas that are listed beginning with policy before moving back to the money issue.

State Moneys for Educational and Support Service. (Attachment 4, section 1).

Accreditation and Curriculum Requirements/Reallocation of Researches. (Attachment 4, section 2).

Vocational Education Grants/Courses. (Attachment 4, sections 5, 26 and 30).

Reporting of Expenditures. (Attachment 4, section 6). Unchanged.

Regional Cost Differences. (Attachment 4, section 7). Unchanged.

Federal Mandates. (Attachment 4, section 8). Unchanged.

School Finance Litigation. (Attachment 4, sections 9 and 10). Unchanged.

Needs Assessment. (Attachment 4, sections 35 and 39). Unchanged.

School District Budget Forms. (Attachment 4, section 38). Unchanged.

Capital Outlay State Aid Fund. (Attachment 4, section 36). Unchanged.

Payment for Remedial Classes. (Attachment 4, section 33). Unchanged.

U.S.D. Reorganization. (Attachment 4, section 19). Unchanged.

At-risk Academies. (Attachment 4, sections 13 through 18). There was some discussion regarding making this a private project (pilot program) and letting the district decide whether it would be a high school or middle school. The Chair asked the Committee's support to do at-risk academies. Following a discussion, it was decided to leave this out of the bill at this time.

CONTINUATION SHEET

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE at 8:00 A.M. on April 29, 2006 in Room 313-S of the Capitol.

Capital Improvements State Aid.

Regarding New Section 20, (a)(2), a motion was made by Representative Decker and seconded by Representative O'Neal to adopt this amendment. The motion carried on a voice vote.

Representatives Crow, Phelps and Winn voted no and requested to be recorded.

CPI-U. (Attachment 4, section 29). Unchanged.

Program Reporting. (Attachment 4, sections 17, 18, 19 and 25). Unchanged.

Effective Date. (Attachment 4.) Unchanged.

A copy of House floor amendment was distributed. (Attachment 6)

Representative O'Neal moved for a policy amendment to adopt a merit pay system for certified teachers endorsed to teach mathematics, science or reading who voluntarily elect to waive the application of K.S.A. 72-5436 to 72-5446, and amendments thereto. The motion was seconded by Representative Hayzlett and passed on a voice vote.

Representatives Crow, Phelps and Winn requested their no votes be recorded.

Base State Aid Per Pupil.

Would be increased during 2006-2007 from \$4,257 to \$4,302, at a cost of \$25,800,000; 2007-2008 from \$4,302 to \$4,347, at a cost of \$26,000,000 and 2008-2009 from \$4,347 to \$4,392, at a cost of \$26,200,000.

At-Risk Weighting.

Increased during the school year 2006-2007 from 0.193 to 0.263; 2007-2008 from 0.263 to 0.308 and 2008-2009 from 0.308 to .353.

Nonproficient Pupil Weighting/Fund.

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 Committee agreed that this provision be sunsetted until next year.

High Density At-risk Weighting.

The House Committee applies this to those districts in which at least 50% of the students are on free lunch or at least 35.1 are on free lunch and have enrollment density of at least 212.1 pupils per sq. mile would qualify.

A motion was made by Representative Winn and seconded by Representative Crow to raise the at-risk weighting from 21.4 to 22.7. The motion failed on a voice vote.

Representative Decker moved that they go with the Senate amount of money, 21.4, but stay with the language of the House. The motion was seconded by Representative O'Neal and passed on a voice vote.

Correlation Weighting/High Enrollment Weighting Threshold.

The high enrollment weighting (formerly correlation weighting) threshold would be lowered by 30 students each year for 3 years.

CONTINUATION SHEET

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE at 8:00 A.M. on April 29, 2006 in Room 313-S of the Capitol.

A motion was made by Representative Decker and seconded by Representative O'Neal for an across-the-board increase of \$14,200,000 for all three years. The motion carried on a voice vote.

Low Enrollment Weighting.

Committee agreed to keep current law.

School Facilities and Ancillary Facilities Weighting.

Representative Decker made the motion that was seconded by Representative O'Neal to keep current law. The motion was withdrawn.

The Committee agreed to leave the Senate's recommendation for the LOB at 25% but for just one more year.

Special Education (Excess Cost).

The Committee agreed to leave special education excess cost for school year 2006-2007, at current law of 92.0%.

LOB/LOB State Aid/State Prescribed Percentage.

The Committee agreed that the Senate language regarding the LOB be accepted.

Representative Decker made the motion to accept the Senate language regarding the LOB state aid. Representative O'Neal seconded the motion that passed on a voice vote.

Representatives Crow, Phelps and Winn requested their no votes be recorded.

A motion was made by Representative Merrick and seconded by Representative Gordon to increase over the years, 2006-07 by 30; 2007-08 by 31 and 2008-09 by 33. The motion failed.

All Day Kindergarten.

The Committee agreed to leave as current law.

English for Speakers of Other Languages Grants.

Subject to appropriations, would allow districts to reimburse teachers for actual expenses related to teachers attaining full endorsement as ESOL teachers.

The Committee recommended \$500,000 for FY 2007.

Contingency Reserve Fund.

Representative Decker made the motion to maintain the House position of the cap being raised from 4% to 6% for 2006-2007 and reverting to 4% thereafter. The motion was seconded by Representative O'Neal and passed on a voice vote.

Cost of Living Levy.

A motion was made by Representative Decker and seconded by Representative O'Neal to take out the house language and add the language of what the amendment would correct with the words "necessity of enhancing salaries of teachers due to the high cost of living". The motion carried on a voice vote.

Representatives Crow, Phelps and Winn requested their no votes be recorded.

A motion was made by Representative Decker that these amendments be passed out of Committee and placed in **Substitute SB 584**. Representative O'Neal seconded the motion which passed on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE at 8:00 A.M. on April 29, 2006 in Room 313-S of the Capitol.

A motion was made by Representative O'Neal that Theresa Kiernan of the Revisor of Statutes Office be given the authority to make any technical changes needed for conforming amendments and for these to be placed in **Substitute SB 584**. The motion was seconded by Representative Merrick and passed on a voice vote.

Representative Decker made the motion that was seconded by Representative O'Neal for approval of the Select Committee minutes of April 28, 2006. The motion passed on a voice vote.

The meeting was adjourned at 2:45 p.m. There are no other meetings of the House Select Committee on School Finance scheduled at this time.

House Proposal for Sub for SB 584				
Program	Current Law	School Year 2006-07	School Year 2007-08	School Year 2008-09
BSAPP	\$ 4,257	\$ 4,302 \$ 25,800,000	\$ 4,347 \$ 26,000,000	\$ 4,392 \$ 26,200,000
At-Risk	0.193	0.263 \$ 40,500,000	0.308 \$ 25,850,000	0.353 \$ 26,000,000
At-Risk: Non-Proficient Non-Free Lunch		0.029 \$ 10,000,000	0.029 \$ -	0.029 \$ -
At-Risk: High Density		.04/.08 \$ 21,400,000	.05/.09 \$ 3,400,000	.06/.10 \$ 3,500,000
High Enrollment Weighting	1,662	1,632 \$ 14,200,000	1,602 \$ 14,200,000	1,572 \$ 14,200,000
Special Ed.	92%	92% \$ 30,300,000	92% \$ 25,500,000	92% \$ 25,500,000
Supp. General State Aid (LOB)	27%	29% \$ 31,000,000	30% \$ 22,000,000	30% \$ 15,000,000
Total New State Aid		<u>\$ 173,200,000</u>	<u>\$ 116,950,000</u>	<u>\$ 110,400,000</u>
Total for 3-years		\$ 400,550,000		

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House Proposal for Sub for SB 584

Program	Current Law	School Year 2006-07	School Year 2007-08	School Year 2008-09
BSAPP	\$ 4,257	\$ 4,302 \$ 25,800,000	\$ 4,347 \$ 26,000,000	\$ 4,347 \$ 3,000,000
At-Risk	0.193	0.263 \$ 40,500,000	0.308 \$ 25,850,000	0.308 \$ 3,000,000
At-Risk: Non-Proficient Non-Free Lunch		0.029 \$ 10,000,000	0.029 \$ -	0.029 \$ -
At-Risk: High Density		.04/.08 \$ 21,400,000	.05/.09 \$ 3,400,000	05/09 -06/10 \$ 3,500,000
High Enrollment Weighting	1,662	1,632 \$ 14,200,000	1,602 \$ 14,200,000	1,602 \$ -
Special Ed.	92%	92% \$ 30,300,000	92% \$ 25,500,000	92% \$ 25,500,000
Supp. General State Aid (LOB)	27%	29% \$ 31,000,000	30% \$ 22,000,000	30% \$ 13,000,000
Total New State Aid		<u>\$ 173,200,000</u>	<u>\$ 116,950,000</u>	<u>\$ 48,000,000</u>
Total for 3-years		\$ 338,150,000 2,500,000		

\$1 335,650,000

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The following is a comparison of the policies of the Select Committee on School Finance and the policies of the House Committee of the Whole which were not included in any version of the senate bill or addressed by the Senate.

Policy	Select Committee	House Comm of the Whole
State Moneys for Educational and Support Services	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.	Same
Accreditation and Curriculum Requirements/ Reallocation of Resources	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 <i>Kansas Education Resource Management Study</i> (March 2006) conducted by Standard and Poor's.	Same
Vocational Education Grants/Courses	Grant program to pay start-up costs for new vocational education programs. No voc.ed money expended on 9 th grade level courses	Same except deleted the restriction relating to 9 th grade level courses.
Reporting of Expenditures	Uniform reporting of expenditures is required.	Same
Regional cost differences	SBOE to make recommendations for adjustment in amount of state aid paid to districts using data from NCES, LPA cost study or other studies conducted or deemed appropriate by the board.	Deleted
Federal Mandates	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.	Same
School Finance Litigation	Supreme Court has appellate jurisdiction only; district court is exclusive court of original jurisdiction.	Deleted the jurisdiction provisions of the committee and repealed 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.
Needs Assessment	Needs-assessment of each attendance center in the district. District must consider the needs-assessment when preparing the budget of the district.	Same
School District Budget Forms	Consider recommendations by the Legislative Division of Post Audit for school district budget forms.	Same

Capital Outlay State Aid Fund	Capital outlay state aid payments subject to appropriation rather than being treated as revenue transfers.	Same
Payment for Remedial Classes	None	SBOE required to pay colleges and universities the cost of providing remedial courses to Kansas high school graduates who have taken the precollege curriculum prescribed by the Board of Regents.; competency exam. Amounts deducted from state aid payments to school district the student last attended.
State Moneys for Educational and Support Services	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.	Same
U.S.D. Reorganization	SBOE directed to design an administrative reorganization plan.	Deleted
At-risk Pupil Academies	Three-year pilot program in four districts; middle and high school academy in each district	Deleted
Capital Improvements State Aid	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. If the committee recommends against the issuance, the district will receive aid only upon the approval of the SBOE.	Same
Annual Reports	None	Dept. of Ed. required to submit an annual report to the Legislature concerning improvement in student proficiency which is attributable to increases in state aid.
Early Graduation Incentives	None	SBOE required 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	None	Deletes language which required certain moneys received by districts under SB 3 for school year 2005-2006 to be spent on instruction .
CPI-U	Requirements deemed to have been met.	Requirement to increase state aid to school districts deemed to have been met.
Program Reporting	Required reports of expenditures program weighted programs and results of providing the program.	Deleted.
Effective Date	Statute Book	Issuance of Mandate of Supreme court of the mandate and dismissal of the Monty case; further amended to delete the Monty amendment to make the bill effective in the Kansas Register.

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COMPARISON OF 2006 SCHOOL FINANCE PLANS

Current Law	Sub Sen. Bill No. 584 (SCW)	Sub House Bill No. 2986 (House Comm)	Sub House Bill No. 2986 (HCW)	Recommendations of Select Comm.
BSAPP \$4,257	\$4,307; \$4,357; \$4,407 \$28,450,000 \$28,800,000 \$29,000,000	\$4,307 \$28,450,000	\$4,307; \$4,356; \$4,391 \$28,450,000 \$28,800,000 \$20,000,000	
At-risk Weighting .193	.268; .318; .368 \$43,500,000 \$28,850,000 \$29,000,000	0.27 \$46,500,000	.268; .368; .482 \$44,500,000 \$60,000,000 \$68,400,000	
Nonproficient Pupil Weighting/ Fund None	\$446 per FTE nonproficient pupil; converted to a weighting. \$15,400,000 \$0 \$0	.029 \$10,000,000	Deleted by HCW	
Density At-risk Pupil Weighting None	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. \$21,400,000 \$3,400,000 \$3,500,000	.048 \$12,245,000	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 or 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.) \$22,700,000 \$3,400,000 \$3,500,000	

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Current Law	Sub Sen. Bill No. 584 (SCW)	Sub House Bill No. 2986 (House Comm)	Sub House Bill No. 2986 (HCW)	Recommendations of Select Comm.
Correlation Weighting/ High Enrollment Weighting Threshold 1,662	1,637; 1,587; 1,537. \$11,700,000 \$23,400,000 \$23,400,000	1,632 \$14,200,000	1,632; 1,602; 1,572. \$14,200,000 \$14,200,000 \$14,200,000	
Low Enrollment Weighting Below 1,662	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.	
School Facilities and Ancillary Facilities Weighting Maximum LOB.	LOB of at least 25%.	No change.	No change.	
Special Education (Excess Cost) 92%.	95% in school year 2007-2008 and thereafter. \$30,300,000 \$36,750,000 \$26,000,000	No change. \$30,300,000	No change. \$30,300,000 \$25,000,000 \$25,000,000	
LOB/LOB State Aid/State Prescribed Percentage 29%; 30%	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.	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.	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.	

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Current Law	Sub Sen. Bill No. 584 (SCW)	Sub House Bill No. 2986 (House Comm)	Sub House Bill No. 2986 (HCW)	Recommendations of Select Comm.
English for Speakers of Other Languages (ESOL) Grants 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. (Recommended at \$500,000)	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. (Recommended at \$500,000)	
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. Voc Ed monies not to be used for 9 th grade-level courses.	Allows flexibility in spending at-risk, preschool-aged at-risk, bilingual, and vocational education programs for other programs; reports on expenditures and other information.	
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. \$0 \$0 \$15,400,000	No change.	.65; .80; 1.0 \$15,400,000 \$23,000,000 \$23,000,000	
Contingency Reserve Fund 4%	Raise cap to 6%	Cap raised from 4% to 6% for 2006-2007; reverts to 4% thereafter.	Cap raised from 4% to 6% for 2006-2007; reverts to 4% thereafter.	
Cost of Living Levy Stayed by the Court.	No change.	Equalized in the same manner as the LOB; to the 81.2 percentile. \$2,500,000	Repealed.	
Severability Clause Severable	Non-Severable	Non-Severable	Severable	

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Current Law	Sub Sen. Bill No. 584 (SCW)	Sub House Bill No. 2986 (House Comm)	Sub House Bill No. 2986 (HCW)	Recommendations of Select Comm.
Appropriation	Included	None	None	
Estimated Amount of Supplemental General State Aid	$\$218,891,000 + \$31,000,000 = \$249,891,000$ $\$249,891,000 + \$22,000,000 = \$271,891,000$ $\$271,891,000 + \$15,400,000 = \$287,291,000$	$\$218,891,000 + \$32,800,000 = \$251,691,000$	$\$218,891,000 + \$37,000,000 = \$255,891,000$ $\$255,891,000 + \$37,000,000 = \$292,891,000$ $\$292,891,000 + \$12,000,000 = \$304,891,000$	
Total Amount of State Aid	Fiscal Impact: \$181,750,000 \$143,200,000 \$141,300,000 3-Year Total: \$466,250,000	Fiscal Impact: \$177,495,000	Fiscal impact: \$193,050,000 \$191,400,000 \$173,900,000 3-Year Total: \$558,350,000	

Note: The table above includes estimated increases in state aid under current law as well as increases due to proposed changes in the law. Attached are provisions which were unique to Sub for House Bill No. 2986 as it was recommended by the Select Committee on School Finance and those that were unique to bill as it was amended by the House Committee of the Whole.

HB 2986

Section-by-section

- ^{OK} 1. List of services provided for with state funds deemed state funds for educational and support services for schools.
- ^{OK} 2. Accountability piece. If district fails to meet requirements board must reallocate existing funds to address deficiencies on basis of benchmarks of highly resource-efficient districts identified by S&P study.
- ~~OK~~ 3. New density at-risk weight of .048 for districts with at least 50% at-risk pupils or at least 35.1% at-risk enrollment density of at least 212.1 pupils per sq. mile. Funds must be spent first on at-risk programs for grade levels with lowest proficiency scores on math & reading in preceding year.
- ^{OK} 4. ESOL teacher grants. Subject to appropriations, would allow districts to reimburse teachers for actual expenses related to teachers attaining full endorsement as ESOL teachers.
- ^{OK} 5. Vocational Education start-up grants. Subject to appropriations, would allow grants to districts desiring to establish vocational programs.
- ^{OK} 6. To achieve uniform reporting of expenditures in school district budgets, districts must report expenditures in the manner required by SBOE.
- ~~OK~~ 7. Regional cost adjustment. SBOE shall make recommendation to the governor for adjustments in amount of state aid using data from national center for education statistics, LPA cost study, other LPA studies and/or any SBOE studies. Recommendations are to be filed as part of required annual budget estimate.
- ^{OK} 8. Establishes public policy of the state that neither the Legislature nor local school districts shall be required to fund the costs of implementing federal mandated programs or SBOE regulations in conformance with federal law unless funding to comply is provided by the federal government in an amount deemed adequate by the legislature.
- ~~OK~~ 9. In any action in which a legislative enactment is alleged to violate art. 6 of the Kansas Constitution, the supreme court shall have appellate jurisdiction only.
- ~~OK~~ 10. In any such action the district court shall have exclusive original jurisdiction.
- ~~OK~~ 11. Non-proficient student weight. Establishes a new weight for those not qualifying for free lunch but are below proficiency in reading and math.

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12. Establishes the non-proficient pupil education fund.
13. Definitions for new at-risk pilot academies. Identifies K.C.K, Topeka, Wichita and Garden City.
14. Establishes, subject to appropriations, at-risk academy program administered by a state educational institution designated by the SBOE and sunsetted June 30, 2009.
15. Requires SBOE to designate a state educational institution to administer the academy program, inc. establishing curriculum that is age-appropriate and culturally relevant.
16. Grants rule & reg. authority to SBOE to carry out provisions of the academy program.
17. Establishes that by July 1, 2007 each of the 4 districts will have a middle school and high school at-risk academy of no more than 100 students.
18. By Sept. 1, 2006 the state institution shall report progress and make annual reports thereafter.
19. By Jan. 1, 2007 the SBOE shall design an administrative reorganization plan and submit it to the legislature.
20. Re-establishes the extraordinary declining enrollment procedure from 2005 bill.
21. Reverse severability clause and provision stating legislative intent that school districts have spending flexibility to comply with their constitutional duties and legislative intent that we require greater accountability from districts regarding expenditures.
22. Definition section changes to reflect change from correlation weighting to high enrollment weighting (1662 to 1632 students) and addition of density at-risk weighting.
23. Definition section changes to reflect addition of non-proficient pupil education fund.
24. Increases BSAPP by \$50.
25. Changes low enrollment top end to 1632 students.
26. Changes vocational education weighting to .62 (based on change in definition of vocational ed.)
27. Changes at-risk weighting from .193 to .27.

28. Requires the local districts to report at-risk program information, including the number of students served, the type of service provided, the research upon which the district relied and the results. Uniform reporting per SBOE required.

29. Same requirements for reporting expenditures from preschool-aged at-risk programs.

30. Changes definition of vocational education that qualifies for weighting to voc ed course comparable to course at vo-techs, technical colleges and qualified post-secondary institutions.

31. Extends for one year last year's increase from 4% to 6% for school district contingency fund cap.

32. Requires that amounts received as supplemental general state aid (LOB equalization funds) be used to meet the requirements of QPA and performance outcomes.

33. Establishes the high enrollment weight threshold at 1632 students.

34. Re-establishes the cost-of-living provision from 2005 bill and provides for state aid equalization.

35. Requires each district to conduct a needs assessment in a form approved by SBOE and submit a budget for each attendance center based on the needs assessment.

36. Technical amendment to clarify capital outlay state aid is distributed by appropriation vs. demand transfer, consistent with 2005 law.

37. Requires that districts report expenditures for bilingual services, including information of number of students served, type of services provided, the research upon which the district relied in providing services and the results.

38. Adds to law establishing transparent internet-based school budget reporting provision that SBOE make recommendations taking into consideration the recommendations of LPA.

39. Local school boards required to submit budgets based on the needs assessment.

40. Effective date July 1, 2006.

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend Substitute for HB 2986, on page 8, following line 12, by inserting the following:

"New Sec. 21. (a) School districts are authorized to adopt a merit pay system for certified teachers of ^{endorsed to teach} mathematics and ^{or} reading who voluntarily elect to waive the application of K.S.A. 72-5436 to 72-5446, and amendments thereto. The merit pay plan shall be established by the school board and the contents thereof shall be exempt from negotiations pursuant to K.S.A. 72-5413 et seq., and amendments thereto.

(b) Subject to appropriations therefor, the state board of education may provide funds to school districts adopting a merit pay plan pursuant to this section to supplement merit pay costs ^{for} of participating teachers.

(c) The state board of education is authorized to adopt rules and regulations relating to merit pay plans and funding.";

And by renumbering the remaining sections accordingly;

In the title, in line 11, before "amending" by inserting "concerning merit pay;"

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Attachment # 6