

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on February 20, 2007, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Sharon Wenger, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator Karin Brownlee
Diane Duffy, Kansas Board of Regents

SB 315 – Postsecondary educational institutions; costs of course material

Theresa Kiernan, Revisor of Statutes Office, explained that **SB 315** would direct the chief executive officers of each postsecondary educational institution to implement policies and guidelines that would encourage efforts to minimize the cost of course material. The bill provides guidelines to ensure that faculty members consider the least costly practices in assigning course materials, to encourage the adoption of the least expensive addition of books but still maintaining quality educational content, and to work closely with publishers and local book stores to create bundles and packages if that would create cost savings for students. If the faculty member does not intend to use each item in the bundled package, the faculty member would notify the bookstore, and the bookstore would order individualized items. Faculty members would be encouraged to limit their use of new edition textbooks if previous editions do not significantly differ. The establishment of policies would include provisions for a book buy-back program and for the availability of required textbooks to students unable to afford to buy the books. Vendors who contract with the educational institution would be required to post its policies concerning the return of used books and the exchange rate for books used the previous semester that are in good condition.

Senator Karin Brownlee, who requested the introduction of **SB 315**, explained that, when she attended a National Conference of State Legislatures (NCSL) meeting last year, she noticed that several states were considering legislation that would attempt to reduce the costs incurred by college students for textbooks. She noted that three states have passed bills on the topic. She called attention to two attachments to her written testimony: A publication by the National Association of College Stores entitled, "Where the New Textbook Dollar Goes" and a publication by the U.S. Government Accountability Office (GAO) concerning the increase in the price of textbooks in the last two decades. She noted that it was her hope that the bill would begin a serious dialogue with the state's universities which would result in policies that would provide savings for all Kansas students. (Attachment 1)

Diane Duffy, Vice President, Finance and Administration, Kansas Board of Regents, noted that the Board agreed that it is important to minimize the cost of course materials; therefore, the Board polled faculty members and bookstore managers on their views about **SB 315**. The responses received indicated that efforts to address this concern are currently underway. The Board believes that the effort to bring people together to find new ways to address the cost of textbooks can yield significant benefits. Thus, it is the Board's hope that legislation will not be necessary. She noted that a task force was formed at the University of Kansas in 2006 to review concerns about textbook planning, cost, and availability, and the Board's communication with other campuses clearly indicated an awareness of these concerns and an interest in addressing them. In conclusion, she stated that the Board will gladly accept responsibility for ensuring that the K.U. task force's results are disseminated to all campuses to assist in their efforts to reduce textbook costs. (Attachment 2)

There being no others wishing to testify, the hearing on **SB 315** was closed.

It was the consensus of the Committee to take no action on **SB 315** until a later meeting.

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on February 20, 2007, in Room 123-S of the Capitol.

Consideration of bills previously heard:

SB 129 – School safety violations; suspension of driving privileges

Senator Allen moved to amend SB 129 on page 1, line 29, by inserting “immediately” between “shall” and “suspend”, seconded by Senator Vratil. The motion carried.

Senator Allen moved to recommend SB 129 favorably for passage as amended, seconded by Senator Teichman. The motion carried.

SB 93 – School districts; high density at-risk pupil weighting; linear transition calculation

Theresa Kiernan, Revisor of Statutes, distributed copies of a balloon of **SB 93** showing revised figures which would result in making the bill revenue neutral (no increase in what was already budgeted). She noted that the figures would be changed to .005533 in school year 2007-08 and .0062 in school year 2008-09 and each school year thereafter. (Attachment 3)

Senator Vratil moved to adopt the balloon amendment, seconded by Senator Allen.

Substitute motion by Senator Lee to adopt the original figure (.006), seconded by Senator Steineger. The substitute motion failed.

On a call for a vote on Senator Vratil’s motion to amend, the motion carried.

Senator Vratil moved to recommend SB 93 favorably for passage as amended, seconded by Senator Apple. The motion carried.

SB 143 – School districts; procedure to adopt local option budget

Senator Vratil discussed a proposed balloon amendment he requested that would restore the language in current law requiring the mandatory election when a school district wants to go from a 30 percent to a 31 percent LOB. He reminded the Committee that the language was inadvertently omitted by the revisor. (Attachment 4)

Senator Vratil moved to adopt the proposed amendment, seconded by Senator Allen. The motion carried.

Senator Vratil moved to recommend SB 143 favorably for passage as amended, seconded by Senator Allen. The motion carried.

SB 142 – School districts; cost of living weighting; comparative wage index

Senator Vratil distributed copies of a balloon amendment. (Attachment 5) He explained that the amendment phased in the cost of living adjustment over a period of eight years. Noting that the operative portion of the amendment was on the last page of the balloon, he explained that, under the proposed amendment, a school district would be allowed to use only 30 percent of its maximum cost of living adjustment in the first school year, 2007-2008. That would increase by 10 percentage points each year for a period of seven years until school year 2013-2014 when it would be at 90 percent. In 2014-2015, the district would be able to use 100 percent. He explained further that for next year, with a school district being able to use only 30 percent of the cost of living adjustment, a district would get about the same increase as it would get under the current law using the housing index.

Senator Vratil moved to adopt the proposed balloon amendment, seconded by Senator Allen. The motion failed.

Committee discussion followed. No further action was taken on **SB 142**.

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on February 20, 2007, in Room 123-S of the Capitol.

SB 207 – School districts; Mandated attendance of kindergarten; lower age of eligibility to 6

It was the consensus of the Committee to request an interim study on **SB 207**.

Attention was turned to the minutes of the February 12, 13, and 14 meetings.

Senator Apple moved to approve the minutes of the February 12,13, and 14 meetings, seconded by Senator Ostmeyer. The motion carried.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for February 21, 2007.

**SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: February 20, 2007

NAME	REPRESENTING
SCOTT FRANK	LEG. POST AUDIT
ERIC SESTON	WSU
GUY PETERSON	K-STATE
Diane Duffy	Kansas Board of Regents
Adam Delay	MANHATTAN AREA TECH. COLLEGE
Pop Hill	Manhattan Area Tech College
Kevin Beith	KNEA
David Monical	Washburn UNIVERSITY
Val DeFover	SQE
Mike Skideaux	FHSU
Juni Rose	KACCT
HOWARD SMITH	PITTSBURG STATE UNIVERSITY
JOHN DOUGHERTY	ESU
Mark Tallman	KASB
Dodie Wellshear	USA
Mark Desetti	KNEA
Kelley Mueh	LGA
Bill Reardon	USD 500
Diane Gjerstad	Wichita Public Schools

SENATE EDUCATION COMMITTEE
GUEST LIST

DATE: February 20, 2007

NAME	REPRESENTING
Bill Brady	SFFF

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SENATOR KARIN BROWNLEE
ASSISTANT MAJORITY LEADER

COMMITTEE ASSIGNMENTS
COMMERCE, CO-CHAIRPERSON
FEDERAL & STATE AFFAIRS
FINANCIAL INSTITUTIONS & INSURANCE
INTERSTATE COOPERATION

JOINT COMMITTEES
ADMINISTRATIVE RULES & REGULATIONS
ECONOMIC DEVELOPMENT
CORRECTIONS AND JUVENILE JUSTICE

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TESTIMONY SUPPORTING SB 315

Senate Education Committee

February 20, 2007

The scope of the rising cost of college textbooks goes beyond the expenses that the Brownlee family incurs for our three college students. Not only are some of our colleagues facing this issue, several other state legislatures are as well. In 2006, 19 states considered legislation that would in some manner attempt to reduce the costs incurred by college students for textbooks. Three of these states, Connecticut, Virginia and Washington passed bills.

Some of the familiar themes which are being considered by various states are the following: require boards of colleges to develop policies to minimize the cost of textbooks to students, limit use of new editions, sell bundled items separately and require faculty to post textbook requirements with adequate lead time and to consider the least costly course materials (when content is comparable). You will note that several of these items are included in SB 315.

You will note that I have attached some information for you which includes "Where the Textbook Dollar Goes" and a summary of a Government Accountability Office (GAO) study of this issue which was done in 2005. According to this study, textbook costs tripled from Dec. 1986 to Dec. 2004. At the same time, tuition increased by 240% and inflation was 72%.

According to a Washington Post article of 1-23-06, students at four-year schools spent an average of about \$900 for books and supplies during the '03-'04 school year. This same article indicated that 60% of students nationwide do not buy all of the course materials. A Pittsburg State student who visited my office last week indicated that she could afford her textbooks last semester so opted not to purchase them. She listened very carefully in class...which means she attended her classes. My children have opted to share textbooks with other students where possible.

My hope with this bill is to begin a serious dialogue with our universities that would result in policies that would provide savings for our Kansas students. I welcome your input and questions.

Senate Education Committee
2-20-07
Attachment 1

GAO
 Accountability · Integrity · Reliability
Highlights

Highlights of GAO-05-806, a report to congressional requesters

Why GAO Did This Study

The federal government strives to make postsecondary education accessible and affordable, primarily by providing financial aid to students and their families. Given that nearly half of undergraduates receive federal financial aid, Congress is interested in the overall cost of attendance, including the cost of textbooks. We were asked to determine (1) what has been the change in textbook prices, (2) what factors have contributed to changes in textbook prices, and (3) what factors explain why a given U.S. textbook may retail outside the United States for a different price.

We received technical comments from the Department of Labor. The Department of Education had no comments. The National Association of College Stores generally agreed with the report's findings. The Association of American Publishers agreed with some findings but expressed concern about the data sources we used and the characterizations made by retailers and wholesalers regarding the impact of publisher practices on students. We carefully reviewed the data sources available on college textbook pricing and found the data we used to be the most complete and reliable data available for our purposes. Additionally, we sought perspectives from publishers, retailers, and used book wholesalers to ensure our characterization of the textbook industry was balanced and complete.

www.gao.gov/cgi-bin/getrpt?GAO-05-806.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cornelia M. Ashby at (202) 512-7215 or ashbyc@gao.gov.

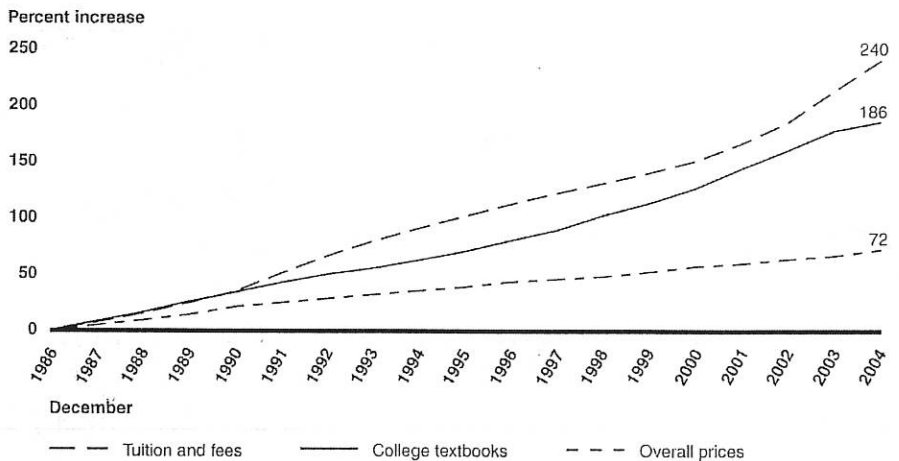
COLLEGE TEXTBOOKS

Enhanced Offerings Appear to Drive Recent Price Increases

What GAO Found

In the last two decades, college textbook prices have increased at twice the rate of inflation but have followed close behind tuition increases. Increasing at an average of 6 percent per year, textbook prices nearly tripled from December 1986 to December 2004, while tuition and fees increased by 240 percent and overall inflation was 72 percent. The cost of textbooks as well as supplies as a percentage of tuition and fees varies for first-time, full-time, degree-seeking students by the type of institution attended—72 percent at 2-year public institutions, 26 percent at 4-year public institutions, and 8 percent for 4-year private institutions.

Annual Percentage Increase in College Textbook Prices, College Tuition and Fees, and Overall Price Inflation, December 1986 to December 2004

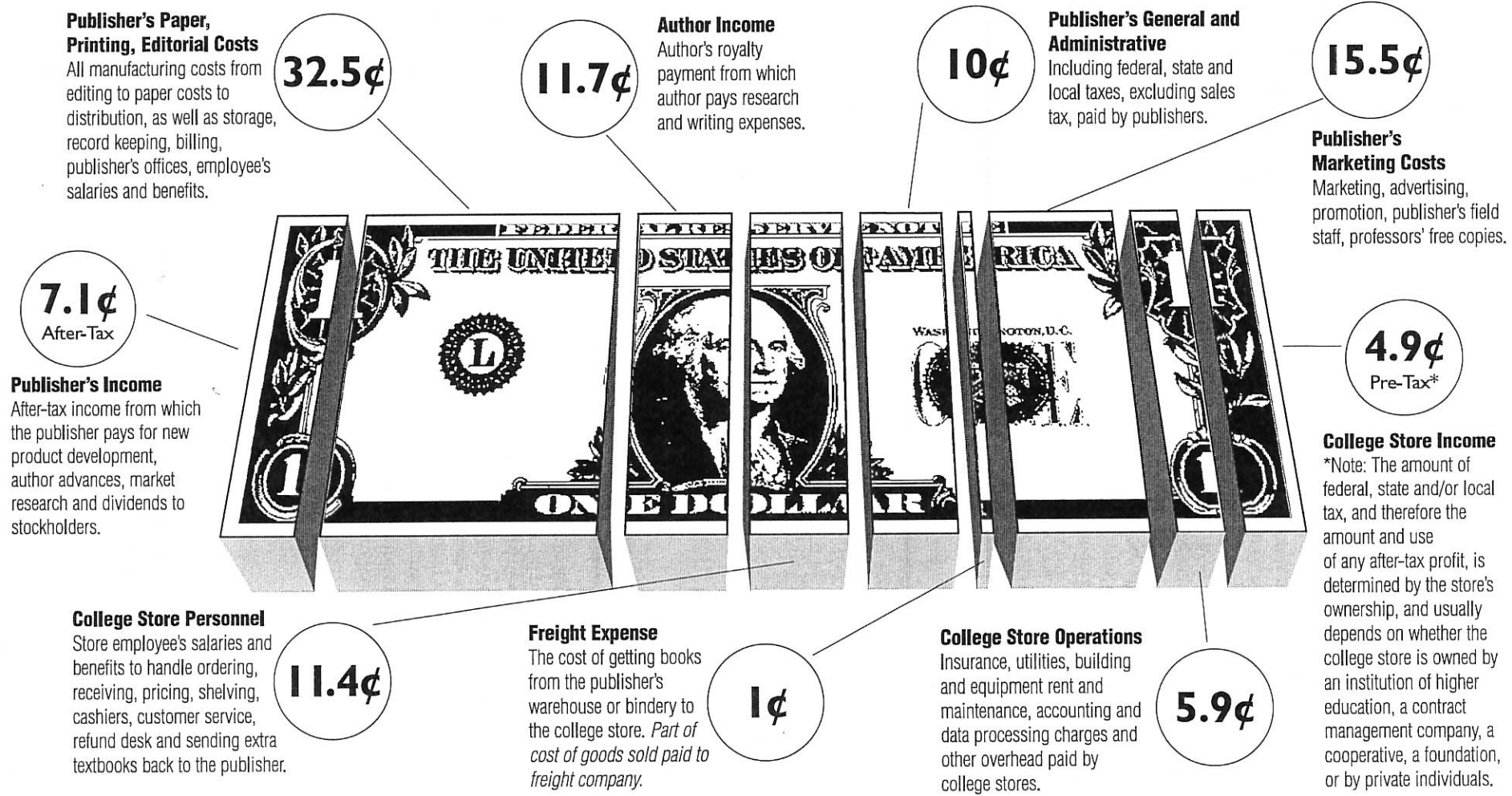


Source: Bureau of Labor Statistics.

While many factors affect textbook pricing, the increasing costs associated with developing products designed to accompany textbooks, such as CD-ROMs and other instructional supplements, best explain price increases in recent years. Publishers say they have increased investments in developing supplements in response to demand from instructors. Wholesalers, retailers, and others expressed concern that the proliferation of supplements and more frequent revisions might unnecessarily increase costs to students.

U.S. college textbook prices may exceed prices in other countries because prices reflect market conditions found in each country, such as the willingness and ability of students to purchase the textbook. While geographical barriers have historically limited the reentry of textbooks intended for international distribution back into the United States, known as reimportation, recent advances in electronic commerce have broken down this barrier. In response to concerns that the international availability of less expensive textbooks might negatively affect textbook sales, publishers have taken steps to limit large-scale textbook reimportation.

Where the New **Textbook Dollar** Goes* ...



Publisher's Paper, Printing, Editorial Costs
 All manufacturing costs from editing to paper costs to distribution, as well as storage, record keeping, billing, publisher's offices, employee's salaries and benefits.

32.5¢

Author Income
 Author's royalty payment from which author pays research and writing expenses.

11.7¢

Publisher's General and Administrative
 Including federal, state and local taxes, excluding sales tax, paid by publishers.

10¢

15.5¢

Publisher's Marketing Costs
 Marketing, advertising, promotion, publisher's field staff, professors' free copies.

4.9¢
 Pre-Tax*

College Store Income
 *Note: The amount of federal, state and/or local tax, and therefore the amount and use of any after-tax profit, is determined by the store's ownership, and usually depends on whether the college store is owned by an institution of higher education, a contract management company, a cooperative, a foundation, or by private individuals.

7.1¢
 After-Tax

Publisher's Income
 After-tax income from which the publisher pays for new product development, author advances, market research and dividends to stockholders.

College Store Personnel
 Store employee's salaries and benefits to handle ordering, receiving, pricing, shelving, cashiers, customer service, refund desk and sending extra textbooks back to the publisher.

11.4¢

Freight Expense
 The cost of getting books from the publisher's warehouse or bindery to the college store. *Part of cost of goods sold paid to freight company.*

1¢

College Store Operations
 Insurance, utilities, building and equipment rent and maintenance, accounting and data processing charges and other overhead paid by college stores.

5.9¢

*College store numbers are averages and reflect the most current 2004-2005 data gathered by the National Association of College Stores. Publisher numbers are estimates based on data provided by the Association of American Publishers.



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Senate Committee on Education February 20, 2007

Testimony Regarding Senate Bill 315

Diane Duffy, Vice-President, Finance & Administration

Madam Chair and Members of the Committee, thank you for the opportunity to provide testimony regarding SB 315.

We agree that it is important to minimize the cost of course materials at postsecondary educational institutions, so we polled faculty representatives and bookstore managers at the state universities on their views about SB 315 and whether it would resolve the underlying concerns. The responses we received indicated that concerns about textbook planning and cost are on the radar screen at our campuses. In fact, efforts currently underway go farther than the measures contemplated by SB 315. We believe those efforts to bring people together to find new ways to address these concerns can yield significant benefits. We hope that with this information and any other information we can provide, you will conclude that legislation is not necessary.

At the University of Kansas, a task force was formed in the spring of 2006 to review concerns about textbook planning, cost, and availability. The task force will conclude its work soon, and expects to make recommendations in three areas: textbook planning, registrar involvement, and library involvement.

Textbook planning. The task force's research with a representative sample of 70 KU faculty members showed that most changes in textbook adoption happen during the summer, when professors have time to change their syllabi, web sites, and exams to reflect the changes. Textbooks are used on average for three years. Thus, there is more predictability in the system than most people realize. However, formalizing textbook selections in advance of bookstore buyback deadlines would mean more students could benefit from a 50 percent buyback price, and this is one area the task force is expected to address.

Registrar involvement. Although the faculty determines which books are used, only the Registrar knows how many will be needed. The task force is working with the registrar's office to establish a clear linkage between enrollment and textbook requirements at the section level, rather than the course level, so students don't end up purchasing texts their section's instructor may not use.

Library Involvement. The task force is working with the KU Libraries and academic unit library liaisons to assist in determining how additional academic materials can be made available in full

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Attachment 2*

compliance with copyright law. One possibility being explored is the creation of a “textbook library” where students can find and check out for short periods, current textbooks used in KU courses. The task force’s research shows only 22 textbook titles account for one-fifth of all textbooks purchased at KU. The proposed “textbook library” would not be a substitute for purchasing textbooks, but could come in handy when students need to review something in a foundations-level textbook that they resold at the end of the semester.

Additional possibilities for reducing the cost of textbooks include the practice of creating customized versions of existing textbooks and having student organizations sponsor used course material exchange programs.

Our communication with other campuses clearly indicated an awareness of these concerns and interest in addressing them. The Board staff will gladly accept responsibility for ensuring that the KU Task Force’s results are disseminated to all campuses to assist in their efforts to reduce textbook costs.

Thank you for the opportunity to comment. I will be glad to address any questions you may have.

SENATE BILL No. 93

By Committee on Education

1-16

9 AN ACT concerning school districts; relating to school finance; amend-
10 ing K.S.A. 2006 Supp. 72-6455 and repealing the existing section.

11

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

13 Section 1. K.S.A. 2006 Supp. 72-6455 is hereby amended to read as
14 follows: 72-6455. The high density at-risk pupil weighting of each school
15 district shall be determined by the state board as follows:

16 (a) Except as provided by subsection (d), if the district has an en-
17 rollment of less than 40% 35% at-risk pupils, the state board shall multiply
18 the number of at-risk pupils *enrolled in the district* by 0. The product is
19 the high density at-risk pupil weighting of the district.

20 ~~(b) Except as provided by subsection (d), if the district has an en-~~
21 ~~rollment of at least 40% but less than 50% at-risk pupils, the state board~~
22 ~~shall multiply the number of at-risk pupils by .04 in school year 2006-~~
23 ~~2007, by .05 in school year 2007-2008 and by .06 in school year 2008-~~
24 ~~2009 and each school year thereafter. The product is the high density at-~~
25 ~~risk pupil weighting of the district.~~

26 (b) *If the district has an enrollment of at least 35% but less than 50%*
27 *at-risk pupils, the state board shall:*

28 (1) *Subtract 35% from the percentage of at-risk enrollment in the*
29 *district;*

30 (2) *multiply the amount determined under paragraph (1) by .0066 in*
31 ~~*school year 2007-2008 and by .066 in school year 2008-2009, and*~~

32 (3) *multiply the number of at-risk pupils enrolled in the district by*
33 *the product determined under paragraph (2). The product is the high*
34 *density at-risk pupil weighting of the district.*

35 (c) If the district has an enrollment of 50% or more at-risk pupils,
36 the state board shall multiply the number of at-risk pupils ~~by .08 in school~~
37 ~~year 2006-2007, enrolled in the district~~ by .09 in school year 2007-2008
38 and by .10 in school year 2008-2009 and each school year thereafter. The
39 product is the high density at-risk pupil weighting of the district.

40 ~~(d) If the district has an enrollment of at least 35.1% at-risk pupils~~
41 ~~and an enrollment density of at least 212.1 pupils per square mile, the~~
42 ~~state board shall multiply the number of at-risk pupils by .08 in school~~
43 ~~year 2006-2007, by .09 in school year 2007-2008 and by .10 in school year~~

by .005533 in school year 2007-2008 and by .0062 in school year
2008-2009 and each school year thereafter;

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Attachment 3

Revisor of
Statutes

SENATE BILL No. 143

By Committee on Education

1-22

Restores mandatory election

9 AN ACT concerning school districts; relating to school finance; relating
10 to local option budgets; amending K.S.A. 2006 Supp. 72-6433 and
11 repealing the existing section.

12
13 Be it enacted by the Legislature of the State of Kansas:

14 Section 1. K.S.A. 2006 Supp. 72-6433 is hereby amended to read as
15 follows: 72-6433. (a) (1) The board of any district may adopt a local option
16 budget in each school year in an amount not to exceed an amount equal
17 to the district prescribed percentage of the amount of state financial aid
18 determined for the district in the school year. As used in this section,
19 "district prescribed percentage" means:

20 —(A) For any district that was authorized to adopt and that adopted a
21 local option budget in the 1996-97 school year and to which the provisions
22 of K.S.A. 72-6444, and amendments thereto, do not apply in the current
23 school year, in the 2001-02 school year and in each school year thereafter,
24 a percentage that is equal to 80% of the percentage specified in the res-
25 olution under which the district was authorized to adopt a local option
26 budget in the 1996-97 school year;

27 —(B) for any district that was authorized to adopt and that adopted a
28 local option budget in the 1996-97 school year and to which the provisions
29 of K.S.A. 72-6444, and amendments thereto, apply in the current school
30 year, a percentage in the 2001-02 school year and each school year there-
31 after that is equal to the sum of the percentage of the amount of state
32 financial aid the district was authorized to budget in the preceding school
33 year and the percentage computed for the district by the state board
34 under the provisions of K.S.A. 72-6444, and amendments thereto;

35 —(C) for any district that was not authorized to adopt a local option
36 budget in the 1996-97 school year and to which the provisions of K.S.A.
37 72-6444, and amendments thereto, apply in the current school year, a
38 percentage in the 2001-02 school year and each school year thereafter
39 that is equal to the sum of the percentage of the amount of state financial
40 aid the district was authorized to budget in the preceding school year and
41 the percentage computed for the district by the state board under the
42 provisions of K.S.A. 72-6444, and amendments thereto;

43 —(D) for any district to which the provisions of K.S.A. 72-6444, and

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Attachment 4

SEN.
VAHTIL

1 ~~expend the entire amount budgeted in the local option budget for the~~
 2 ~~school year, and determines that it will not be necessary to adopt a local~~
 3 ~~option budget in the ensuing school year, the total amount of the cash~~
 4 ~~balance remaining in the supplemental general fund shall be transferred~~
 5 ~~to the general fund of the district. If the district received supplemental~~
 6 ~~general state aid in the school year, did not transfer or expend the entire~~
 7 ~~amount budgeted in the local option budget for the school year, and~~
 8 ~~determines that it will be necessary to adopt a local option budget in the~~
 9 ~~ensuing school year, the state board shall determine the ratio of the~~
 10 ~~amount of supplemental general state aid received to the amount of the~~
 11 ~~local option budget of the district for the school year and multiply the~~
 12 ~~total amount of the cash balance remaining in the supplemental general~~
 13 ~~fund by such ratio. An amount equal to the amount of the product shall~~
 14 ~~be transferred to the general fund of the district. The amount remaining~~
 15 ~~in the supplemental general fund may be maintained in such fund or~~
 16 ~~transferred to the general fund of the district.~~

17 ~~—(c) To the extent the provisions of the foregoing section conflict with~~
 18 ~~this subsection, this subsection shall control. Any resolution authorizing~~
 19 ~~the adoption of a local option budget in excess of 30% of the state financial~~
 20 ~~aid of the district in the current school year shall not become effective~~
 21 ~~unless such resolution has been submitted to and approved by a majority~~
 22 ~~of the qualified electors of the school district voting at an election called~~
 23 ~~and held thereon. Such resolution shall specify how the moneys will be~~
 24 ~~expended and shall be published in the manner provided by this section.~~
 25 ~~The election shall be called and held in the manner provided by this~~
 26 ~~section.~~

27 (a) *As used in this section:*

28 (1) *“State prescribed percentage” means 31% of state financial aid of*
 29 *the district in the current school year.*

30 (2) *“Authorized to adopt a local option budget” means that a district*
 31 *has adopted a resolution under this section, has published the same, and*
 32 *either that the resolution was not protested or that it was protested and*
 33 *an election was held by which the adoption of a local option budget was*
 34 *approved.*

35 (b) *In each school year, the board of any district may adopt a local*
 36 *option budget which does not exceed the state prescribed percentage.*

37 (c) *Subject to the limitation of subsection (b), in each school year, the*
 38 *board of any district may adopt, by resolution, a local option budget in*
 39 *an amount not to exceed:*

40 (1) (A) *The amount which the board was authorized to adopt in ac-*
 41 *cordance with the provisions of this section in effect prior to its amend-*
 42 *ment by this act; plus*

43 (B) *the amount which the board was authorized to adopt pursuant*

1 to any resolution currently in effect; plus
2 (C) the amount which the board was authorized to adopt pursuant
3 to K.S.A. 72-6444, and amendments thereto, if applicable to the district;
4 or

5 (2) the state-wide average for the preceding school year as determined
6 by the state board pursuant to subsection (j).

7 ~~The~~ adoption of a resolution pursuant to this subsection shall require
8 a majority vote of the members of the board. Such resolution shall be
9 effective upon adoption and shall require no other procedure, authori-
10 zation or approval.

11 (d) If the board of a district desires to increase its local option budget
12 authority above the amount authorized under subsection (c) or if the
13 board was not authorized to adopt a local option budget in 2006-2007,
14 the board may adopt, by resolution, such budget in an amount not to
15 exceed the state prescribed percentage. The adoption of a resolution pur-
16 suant to this subsection shall require a majority vote of the members of
17 the board. The resolution shall be published at least once in a newspaper
18 having general circulation in the district. The resolution shall be published
19 in substantial compliance with the following form:

20 Unified School District No. _____,
21 _____ County, Kansas.

22 RESOLUTION

23 Be It Resolved that:

24 The board of education of the above-named school district shall be authorized to adopt
25 a local option budget in each school year in an amount not to exceed _____% of the amount
26 of state financial aid. The local option budget authorized by this resolution may be adopted,
27 unless a petition in opposition to the same, signed by not less than 5% of the qualified
28 electors of the school district, is filed with the county election officer of the home county
29 of the school district within 30 days after publication of this resolution. If a petition is filed,
30 the county election officer shall submit the question of whether adoption of the local option
31 budget shall be authorized to the electors of the school district at an election called for the
32 purpose or at the next general election, as is specified by the board of education of the
33 school district.

34 CERTIFICATE

35 This is to certify that the above resolution was duly adopted by the board of education of
36 Unified School District No. _____, County, Kansas, on the day of _____, ____.

37 _____
38 Clerk of the board of education.

39 All of the blanks in the resolution shall be filled as is appropriate. If a
40 sufficient petition is not filed, the board may adopt a local option budget.
41 If a sufficient petition is filed, the board may notify the county election
42 officer of the date of an election to be held to submit the question of
43 whether adoption of a local option budget shall be authorized. Any such

Except as provided by subsection (e), the

1 election shall be noticed, called and held in the manner provided by
2 K.S.A. 10-120, and amendments thereto. If the board fails to notify the
3 county election officer within 30 days after a sufficient petition is filed,
4 the resolution shall be deemed abandoned and no like resolution shall be
5 adopted by the board within the nine months following publication of the
6 resolution.

7 (e) Unless specifically stated otherwise in the resolution, the authority
8 to adopt a local option budget shall be continuous and permanent. The
9 board of any district which is authorized to adopt a local option budget
10 may choose not to adopt such a budget or may adopt a budget in an
11 amount less than the amount authorized. If the board of any district
12 whose authority to adopt a local option budget is not continuous and
13 permanent refrains from adopting a local option budget, the authority of
14 such district to adopt a local option budget shall not be extended by such
15 refrainment beyond the period specified in the resolution authorizing
16 adoption of such budget.

17 (f) The board of any district may initiate procedures to renew or in-
18 crease the authority to adopt a local option budget at any time during a
19 school year after the tax levied pursuant to K.S.A. 72-6435, and amend-
20 ments thereto, is certified to the county clerk under any existing author-
21 ization.

22 (g) The board of any district that is authorized to adopt a local option
23 budget prior to the effective date of this act under a resolution which
24 authorized the adoption of such budget in accordance with the provisions
25 of this section in effect prior to its amendment by this act may continue
26 to operate under such resolution for the period of time specified in the
27 resolution or may abandon the resolution and operate under the provi-
28 sions of this section as amended by this act. Any such district shall operate
29 under the provisions of this section as amended by this act after the period
30 of time specified in the resolution has expired.

31 (h) Any resolution adopted pursuant to this section may revoke or
32 repeal any resolution previously adopted by the board. If the resolution
33 does not revoke or repeal previously adopted resolutions, all resolutions
34 which are in effect shall expire on the same date. The maximum amount
35 of the local option budget of a school district under all resolutions in effect
36 shall not exceed the state prescribed percentage in any school year.

37 (i) (1) There is hereby established in every district that adopts a local
38 option budget a fund which shall be called the supplemental general fund.
39 The fund shall consist of all amounts deposited therein or credited thereto
40 according to law.

41 (2) Subject to the limitation imposed under paragraph (3) and sub-
42 section (e) of K.S.A. 72-6434, and amendments thereto, amounts in the
43 supplemental general fund may be expended for any purpose for which

(e) Any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. The election shall be called and held in the manner provided by KSA 10-120, and amendments thereto.

Reletter subsections

1 expenditures from the general fund are authorized or may be transferred
2 to any program weighted fund or categorical fund of the district. Amounts
3 in the supplemental general fund attributable to any percentage over 25%
4 of state financial aid determined for the current school year may be trans-
5 ferred to the capital improvements fund of the district and the capital
6 outlay fund of the district if such transfers are specified in the resolution
7 authorizing the adoption of a local option budget in excess of 25%.

8 (3) Amounts in the supplemental general fund may not be expended
9 for the purpose of making payments under any lease-purchase agreement
10 involving the acquisition of land or buildings which is entered into pur-
11 suant to the provisions of K.S.A. 72-8225, and amendments thereto.

12 (4) (A) Except as provided in paragraph (B), any unexpended budget
13 remaining in the supplemental general fund of a district at the conclusion
14 of any school year in which a local option budget is adopted shall be
15 maintained in such fund.

16 (B) If the district received supplemental general state aid in the
17 school year, the state board shall determine the ratio of the amount of
18 supplemental general state aid received to the amount of the local option
19 budget of the district for the school year and multiply the total amount
20 of the unexpended budget remaining by such ratio. An amount equal to
21 the amount of the product shall be transferred to the general fund of the
22 district or remitted to the state treasurer. Upon receipt of any such re-
23 mittance, the state treasurer shall deposit the same in the state treasury
24 to the credit of the state school district finance fund.

25 (j) Each year the state board of education shall determine the state-
26 wide average percentage of local option budgets legally adopted by school
27 districts for the preceding school year.

28 Sec. 2. K.S.A. 2006 Supp. 72-6433 is hereby repealed.

29 Sec. 3. This act shall take effect and be in force from and after its
30 publication in the Kansas register.

SENATE BILL No. 142

By Committee on Education

1-22

9 AN ACT concerning school districts; relating to school finance; relating
10 to the cost of living weighting; amending K.S.A. 2006 Supp. 72-6449
11 and 72-6450 and repealing the existing sections.

12
13 Be it enacted by the Legislature of the State of Kansas:

14 Section 1. K.S.A. 2006 Supp. 72-6449 is hereby amended to read as
15 follows: 72-6449. (a) As used in this section, "school district" or "district"
16 means a school district authorized to make a levy under this section.

17 (b) The board of education of any district to which the provisions of
18 this section apply as determined pursuant to subsection (c) may levy a tax
19 on the taxable tangible property within the district in an amount not to
20 exceed the amount authorized by the state board for the purpose of fi-
21 nancing the costs incurred by the state that are attributable directly to
22 assignment of the cost of living weighting to the enrollment of the district.

23 The state board may authorize the district to make a levy which will
24 produce the amount requested by the district, but not to exceed an amount
25 obtained by multiplying base state aid per pupil by the product obtained
26 under K.S.A. 72-6450, and amendments thereto.

27 (b) There is hereby established in every school district a fund which
28 shall be called the cost of living fund, which fund shall consist of all
29 moneys deposited therein or transferred thereto in accordance with law.
30 All moneys derived from a tax imposed pursuant to this section shall be
31 credited to the cost of living fund. The proceeds from the tax levied by a
32 district credited to the cost of living fund shall be remitted to the state
33 treasurer in accordance with the provisions of K.S.A. 75-4215, and
34 amendments thereto. Upon receipt of each such remittance, the state
35 treasurer shall deposit the entire amount in the state treasury to the credit
36 of the state school district finance fund.

37 (c) The state board of education shall determine whether a school
38 district may levy a tax under this section as follows:

- 39 (1) Determine the statewide average appraised value of single family
40 residences for the calendar year preceding the current school year;
41 (2) multiply the amount determined under (1) by 1.25;
42 (3) determine the average appraised value of single family residences
43 in each school district for the calendar year preceding the current school

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Senate Education Committee
2-20-07
Attachment 5

SEN.
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1 year, and
 2 ~~(4) subtract the amount determined under (2) from the amount de-~~
 3 ~~termined under (3). If the amount determined for the district under (4)~~
 4 ~~is a positive number and the district is authorized to adopt and has~~
 5 ~~adopted a local option budget in an amount equal to the state prescribed~~
 6 ~~percentage in the current school year, the district qualifies for assignment~~
 7 ~~of cost of living weighting and may levy a tax on the taxable tangible~~
 8 ~~property of the district for the purpose of financing the costs that are~~
 9 ~~attributable directly to assignment of the cost of living weighting to en-~~
 10 ~~rollment of the district.~~

11 (1) Assign a cost of living factor to each district based on the most
 12 recent comparable wage index prepared by the national center for edu-
 13 cational statistics;

14 (2) determine the average cost of living factor of all districts;

15 (3) divide each cost of living factor assigned under paragraph (1) by
 16 the average determined under paragraph (2); and

17 (4) ~~subtract one from the quotient determined under paragraph (3).~~

remainder

18 If the ~~quotient~~ determined under paragraph (4) is a positive number
 19 and if the district has adopted a local option budget in an amount which
 20 equals at least 25% of the amount of state financial aid, the school district
 21 qualifies for assignment of cost of living weighting and may levy a tax on
 22 the taxable tangible property of the district for the purpose of financing
 23 the costs that are attributable directly to assignment of the cost of living
 24 weighting to enrollment of the district.

25 (d) ~~Except as provided by subsection (e);~~ No tax may be levied under
 26 this section unless the board of education adopts a resolution authorizing
 27 such a tax levy and publishes the resolution at least once in a newspaper
 28 having general circulation in the district. ~~Except as provided by subsection~~
 29 ~~(e);~~ The resolution shall be published in substantial compliance with the
 30 following form:

31 Unified School District No. _____
 32 _____ County, Kansas.

RESOLUTION

34 Be It Resolved that:

35 The board of education of the above-named school district shall be authorized to levy an
 36 ad valorem tax in an amount not to exceed the amount necessary to finance the costs
 37 attributable directly to the assignment of cost of living weighting to the enrollment of the
 38 district. The ad valorem tax authorized by this resolution may be levied unless a petition in
 39 opposition to the same, signed by not less than 5% of the qualified electors of the school
 40 district, is filed with the county election officer of the home county of the school district
 41 within 30 days after the publication of this resolution. If a petition is filed, the county election
 42 officer shall submit the question of whether the levy of such a tax shall be authorized in
 43 accordance with the provisions of this resolution to the electors of the school district at the

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1 next general election of the school district, as is specified by the board of education of the
2 school district.

3 CERTIFICATE

4 This is to certify that the above resolution was duly adopted by the board of education of
5 Unified School District No. _____, _____ County, Kansas, on the ____ day of
6 _____, (year)_____.

7 _____
8 Clerk of the board of education.

9 All of the blanks in the resolution shall be filled. If no petition as spec-
10 ified above is filed in accordance with the provisions of the resolution,
11 the resolution authorizing the ad valorem tax levy shall become effective.
12 If a petition is filed as provided in the resolution, the board may notify
13 the county election officer to submit the question of whether such tax
14 levy shall be authorized. If the board fails to notify the county election
15 officer within 30 days after a petition is filed, the resolution shall be
16 deemed abandoned and of no force and effect and no like resolution shall
17 be adopted by the board within the nine months following publication of
18 the resolution. If a majority of the votes cast in an election conducted
19 pursuant to this provision are in favor of the resolution, such resolution
20 shall be effective on the date of such election. If a majority of the votes
21 cast are not in favor of the resolution, the resolution shall be deemed of
22 no effect and no like resolution shall be adopted by the board within the
23 nine months following such election.

24 ~~(c) Any resolution adopted pursuant to this section for school year~~
25 ~~2005-2006 shall not be subject to the provisions of subsection (d) relating~~
26 ~~to publication, protest or election.~~

27 Sec. 2. K.S.A. 2006 Supp. 72-6450 is hereby amended to read as
28 follows: 72-6450. The cost of living weighting of a district shall be deter-
29 mined by the state board in each school year in which such weighting
30 may be assigned to enrollment of the district as follows:

31 ~~—(1) Divide the amount determined under subsection (c)(4) of K.S.A.~~
32 ~~2006 Supp. 72-6449, and amendments thereto, by the amount deter-~~
33 ~~mined under subsection (c)(2) of K.S.A. 2006 Supp. 72-6449, and amend-~~
34 ~~ments thereto;~~

35 ~~—(2) multiply the dividend determined under (1) by .095;~~

36 ~~—(3) multiply the district's state financial aid, excluding the amount~~
37 ~~determined under this provision, by the lesser of the product determined~~
38 ~~under (2) or .05; and~~

39 ~~—(4) divide the product determined under (3) by the base state aid per~~
40 ~~pupil for the current school year a district which qualifies for the assign-~~
41 ~~ment of the cost of living weighting under K.S.A. 2006 Supp. 72-6449,~~
42 ~~and amendments thereto, by multiplying the full-time equivalent enroll-~~
43 ~~ment of the district by the remainder determined under paragraph (4) of~~

1 *subsection (c) of K.S.A. 72-6449, and amendments thereto. The ~~quotient~~ product*
2 *is the cost of living weighting of the district.*
3 *Sec. 3. K.S.A. 2006 Supp. 72-6449 and 72-6450 are hereby repealed.*
4 *Sec. 4. This act shall take effect and be in force from and after its*
5 *publication in the statute book.*

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The state board may authorize the district to make a levy which will produce the amount requested by the district, but not to exceed:

(1) Thirty percent of the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2007-2008;

(2) 40% of the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2008-2009;

(3) 50% of the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2009-2010;

(4) 60% of the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2010-2011;

(5) 70% of the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2011-2012;

(6) 80% of the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2012-2013;

(7) 90% of the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2013-2014;

(8) the amount obtained by multiplying base state aid per pupil by the product obtained under K.S.A. 72-6450, and amendments thereto, for school year 2014-2015 and each school year thereafter.