

MINUTES

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

November 4, 2010
Room 144-S—Statehouse

Members Present

Representative Deena Horst, Chairperson
Senator Jean Kurtis Schodorf, Vice-chairperson
Senator Marci Francisco
Senator Bob Marshall
Senator Mark Taddiken
Senator Ruth Teichman
Senator John Vratil
Representative Barbara Ballard
Representative Owen Donohoe
Representative Steve Huebert
Representative JoAnn Pottorff
Representative Valdenia Winn

Member Excused

Representative Eber Phelps

Staff Present

Sharon Wenger, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Jason Long, Office of the Revisor of Statutes
Dale Dennis, Kansas Department of Education
Dorothy Gerhardt, Committee Assistant

Others Present

Marjorie Werly, Emporia State University
Scott Rothschild, Lawrence Journal World
Linda Fund, Kansas Association of Community College Trustees
Blake Flanders, Kansas Board of Regents
Kip Peterson, Kansas Board of Regents

Jonathan Krueger, Kansas Board of Regents
Kathy Damron, Kansas University
Mike Reece, K12, Inc.
Doug Bowman, Kansas Interagency Coordinating Council
Gene Meyer, Kansas Reporter
Patrick Vogelsberg, Kearney and Associates
Diane Gjerstad, Wichita Public Schools
Mark Desetti, Kansas National Education Association
Tom Krebs, Kansas Association of School Boards
Kathryn Hund, Department of Commerce/Kansas Board of Regents
Doug Penner, Kansas Independent College Association
Ken Stephens, Hutchinson, News
Sue Storm, Kansas Board of Education
Dr. Andy Tompkins, Kansas Board of Regents

The meeting of the Legislative Educational Planning (LEPC) was called to order at 10:00 a.m., November 4, 2010, by Chairperson Deena Horst. Opening remarks included a statement from Representative Steve Huebert thanking Chairperson Horst for all of her service through the years.

Approval of Minutes

Representative Ballard made a motion that the minutes of the September 2, 2010 meeting be approved as written; motion seconded by Senator Teichman. Motion carried on a voice vote.

Kansas Board of Regents, Qualified Admissions Task Force

Gary Sherrer, Chair, Kansas Board of Regents, appeared before the Committee with a report on the activities of the Admissions Task Force of the Kansas Board of Regents, which is a part of the 10-year strategic agenda for the State's public higher education system called Foresight 2020 (Attachment 1). The strategic goals set by Foresight 2020 include:

- Achieve alignment between the state's pre K-12 and higher education systems and continue to enhance alignment between higher education institutions;
- Achieve participation in the state's higher education system that better reflects the state's demography and more fully engages adult learners;
- Achieve measurable improvement in persistence and completion rates for higher education institutions across the state;
- Ensure that students earning credentials and degrees across the higher education system possess the foundational skills essential for success in work and in life;
- Enhance alignment between the work of the state's higher education system and the needs of the Kansas economy; and
- Enhance the regional and national reputation of Kansas universities through aspirational initiatives.

Recommendations from the Taskforce will be forwarded to the Board of Regents for discussion and approval.

Regent Sherrer also reviewed The Kansas Commitment which is the financial package that will be carried to the Legislature. The various sectors include the following:

- KAN-PROTECT - Protect the State's historical investment in its higher education infrastructure by requesting an inflationary increase based on the 3-year rolling average of the Higher Education Price Index of 2.73 percent, or \$20.5 million;
- KAN-BUILD - Restore the Legislature's 5-year deferred building maintenance funding promise;
- KAN-HELP - Help middle and low-income Kansans who cannot afford to attend but who have the talent to succeed, while at the same time growing the State's workforce by re-couping the state sales tax already being collected on the State university campuses (\$6.0 in FY10 through a systemwide initiative) with the universities contributing an additional \$4 million;
- KAN-GROW - Grow the Kansas workforce and economy with the 32 public colleges and universities using the funds to address critical workforce shortage areas such as engineering, nursing, rural doctors, construction management, biotechnology, and others; and
- KAN-CONNECT - Provide access in every part of the state to the global economy through broadband technology and achieve this by maintaining the same level of funding (\$10 million annually) for Kan-ed through the Kansas Universal Service Fund.

Kansas Board of Regents Legislative Initiatives and Other Higher Education Issues

Dr. Andy Tompkins, President and CEO, Kansas Board of Regents, appeared before the Committee with a report ([Attachment 2](#)) of recent activities and initiatives of the Kansas Board of Regents. Noted items included:

- Establishment of the P-20 Council (Preschool through Postsecondary School) which is working on ways to make the systems work together providing ways to follow students as they leave an institution and go to another institution or perhaps drop out of the system or enter the economy;
- Regents visits to all 32 public colleges and universities;
- Enhancement of the annual state university CEO evaluation process;
- Big 12 re-alignment; and
- Distance education inventory and report.

A short discussion regarding distance learning opportunities and out-of-state prov. followed as well as presentations on enrollments for the fall semester, funding, comparisons to other states regarding funding for education by the state, and federal stimulus funding uses.

Dr. Tompkins presented the 2011 Legislative Policy Initiatives (Attachment 3) for the Board of Regents. These included the following:

- Amend the Kansas Private and Out-of-State Postsecondary Act, by eliminating the sunset provision;
- Expand Kan-Ed membership, amend out-dated funding language, and specify funding from the Kansas Universal Service Fund;
- Update and clean up terminology, definitions, and statutes of the Technical Education Authority;
- Reinstate Community College Tax Credits creating the option of pooling unused tax credits so that other colleges might use them before expiring;
- Amend statutes to raise the dollar threshold for state universities that currently triggers approval from the State Chief Information Technology Officer (CITO) from \$250,000 to \$1.0 million to increase efficiency by reducing the reporting burden and staff costs;
- Amend statutes to make the use of the Housing Suspense Fund optional rather than mandatory;
- Amend statutes to enable the universities to retain earned interest on revenue raised by the Johnson County Education Research Triangle Authority (JCERTA); and
- Provide Wichita State University with the authority to issue approximately \$33 million in revenue bonds for the Rhatigan Student Center Expansion and Renovation Project.

A question and answer session with the Committee followed. Items discussed included costs involved in providing public education which might include the closing of some institutions, better alignment of spending, efficiencies that could be used, and deferred maintenance.

Senator Vratil moved that the LEPC ask that bills be drafted in final form and introduced by LEPC for all eight (8) of the requests made by the Regent's and that the Chairperson and Vice Chairperson decide which House of origin each bill will go to. Motion seconded by Representative Ballard. Motion carried.

Legislation Proposed but Not Passed During 2010 Legislative Session

Theresa Kiernan, Senior Assistant Revisor of Statutes, presented a brief overview of legislation proposed during the 2010 Legislative session but which was not enacted (Attachment 4). Those included the following:

SB 354 - This bill would have amended three provisions in the school finance law relating to levies imposed by school districts for the ancillary facilities weighting, cost of living weighting and declining enrollment weighting

HB 2748 - This bill would have amended several provisions of law relating to the use of the unencumbered balances in certain school district funds. It would apply to the unencumbered balance of moneys contained in the following funds on June 30, 2010: Bond and interest fund, parent education program fund, virtual school fund, adult education fund, adult supplementary education fund, at-risk education fund, preschool-aged at-risk education fund, special education fund, vocational education fund, driver training fund, food service fund, tuition reimbursement fund, summer program fund, extraordinary school program fund, special liability expense fund, special reserve fund, textbook and student materials revolving fund, capital outlay fund, bilingual education fund and professional development fund.

Hb 2587 - This bill was intended to provide that a school district would not be reimbursed for more than 92 percent of the *excess cost* of providing special education and related services.

SB 74 - This bill was introduced in the 2009 Legislative session and was used by the House as a vehicle for many of the education issues it wanted to be considered in conference.

Petition Filed by Schools for Fair Funding Summary

Jason Long, Assistant Revisor, Office of Revisor of Statutes, presented a brief summary ([Attachment 5](#)) of the petition filed by Schools for Fair Funding ([Attachment 6](#)) with plaintiffs from four unified school districts and certain students in those districts. Among the claims are:

- The current school finance formula is unconstitutional;
- The alleged unconstitutional formula has not been fully funded;
- The inadequate funding of education has led to the inequitable distribution of state aid;
- Capital outlay equalization payments were not paid for the 2009-10 school year as required and the failure to make these payments affects all school districts entitled to receive such payments; therefore, plaintiffs are seeking to make this a class action;
- The fundamental right to an education is being denied Kansas students through the inadequate funding of education;
- The school funding formula does not equitably distribute state aid to school districts; therefore students in school districts that do not receive an equitable portion of state aid are being denied equal protection under the law;
- KSA 72-64b03(d) is an unconstitutional limit on the judicial branch as it prohibits the courts from issuing orders closing public schools as remedial measures in cases concerning the constitutionality of the Act;
- The Legislature has failed to comply with KSA 72-64c03 which requires education be given first priority in the budgeting process; and

- The Legislature has failed to comply with law which requires state aid to education increase in accordance with increases in the Consumer Price Index.

A short Committee discussion followed.

Career and Technical Education Updates

Robin Harris, Assistant Director, Kansas Department of Education Career and Technical Education Program, presented a report on national and state initiatives regarding career and technical education, stressing that making learning relevant is essential. A review of the five interconnected principles of career and technical education as developed by the National Association of State Directors of Career Technical Education Consortium followed ([Attachment 7](#)). These include:

- CTE (career technical education) is critical to ensuring that the United States leads in global competitiveness;
- CTE actively partners with employers to design and provide high-quality, dynamic programs;
- CTE prepares students to succeed in further education and careers;
- CTE is delivered through comprehensive programs of study aligned to The National Career Clusters framework; and
- CTE is a results-driven system that demonstrates a positive return on investment.

She also presented the outline of the eleven points of the Career and Technical Education Policy Initiatives as developed and approved by the Kansas State Board of Education in May, 2010 ([Attachment 8](#)).

A review of the Kansas Career Fields and Clusters Model ([Attachment 9](#)) was also given.

Discussion of financing and implementation of the sixteen clusters in schools followed. A summary of career and technical education programs in the Wichita Public Schools was also provided ([Attachment 10](#)). A brief summary of activities in the El Dorado school district was also given. It was pointed out this program is already being implemented in schools, and there are many similarities to that being proposed by Senator Abrams.

Summary of Work on School Drop-out Prevention; Review of Achievement in Kansas Schools

Mark Tallman, Assistant Executive Director/Advocacy, Kansas Association of School Boards, presented a summary of state and national testing and Kansas achievement results. This summary ([Attachment 11](#)) of results of testing on both and state and national levels indicate student achievements in Kansas are rising. He pointed out that the percentage of low income students tested has risen substantially as compared to national figures which means Kansas schools must improve achievement for a more challenging student population.

He also noted actual ACT results demonstrate student achievement has increased in Kan. In fact, Kansas posted the highest average composite score among the 13 states where at least 75 percent of graduates participated in the exam.

Committee discussion regarding test scores shown on the Kansas tests in reading and math and those indicated on the National Assessment of Educational Progress followed.

Mr. Tallman also presented a summary of graduation and college readiness among Kansas students (Attachment 12). He pointed out that high school completion is at an all-time high with over three-fourths of students graduating in four years and most finishing by age 24. Studies indicate that more education increases individual earnings. As a result, states with higher levels of educational attainment tend to rank higher in per capita income. Mr. Tallman stated the single most important thing to do to improve educational outcomes is to improve professional development.

A summary of changes in student demographics, educators and finance under the current finance system was also presented (Attachment 13). Highlights of this report included the following changes from 1993 to 2009, a 16 year time frame:

Full Time Equivalent Enrollment:	Up 3.8%
Percent Eligible for Free or Reduced Lunch:	Up 41.6%
Percent Special Education:	Up 64.6%
Percent English Language Learners:	Up 94.5%
Base State Aid Per Pupil:	Up 22.2%

Discussion Regarding Various School Finance-related Issues

Dale Dennis, Kansas Department of Education, presented a brief summary of instructional operating expenditures in the State of Kansas (Attachment 14). Included was a definition of expenditures considered "instruction", as well as student support services, and staff support services.

Mr. Dennis presented the following fiscal information regarding the current school year, and the latest estimate of the budget shortfall compared to the recently awarded Federal Jobs Bill funding. It is uncertain, according to Mr. Dennis, whether the Governor and the Legislature will provide funding for the shortfall amounts below.

FY 11 Budget Shortfall:	
Due to drop in revenue from 20 mills because of drop in assessed valuations across the state.	\$29.8 million
Due to increased free lunch applications, <i>i.e.</i> , increase in at-risk funding	\$13.6 million
Due to increased enrollment (1,350 students)	\$5.6 million
Base State Aid Per Pupil:	Up 22.2%

The state was awarded approximately \$92.0 million in Federal Jobs Bill funding.

Another factor affecting available funds is a penalty assessed by the Federal Department of Education involving matching funds in special education requiring a payment of approximately \$2.186 million. Mr. Dennis also stated Federal auditors would be visiting the Department and some school districts regarding special education funding. They will visit approximately 3 to 4 schools and review programs being delivered to schools.

Status of School Finance Proposals

Sharon Wenger, Kansas Legislative Research Department, presented a brief review of the change to the school finance formula being proposed by Senator Abrams. Some of these include:

- Instructional costs would be fully funded from the State General Fund and the current 20 mill property tax;
- Non-instructional costs would be funded by the local board through state equalized property tax or some other tax;
- The at-risk weighting used now is not included but does have something based on free lunch or some other categories; and
- Every student is assigned a Personal Student Scholarship to follow the student with accounts administered by the Department of Education.

She reported the proposal by Representative Siegfried is being re-worked and there was nothing to report at this time.

Discussion and Recommendations for Bill Drafts and Final Report for the 2011 Legislature

*Senator Schodorf moved that the bill that has already been drafted as a substitute for **SB 354** that references the issues that have to do with vehicles and recreational vehicles taxation and how it relates to school finance be introduced by this Committee. Motion seconded by Senator Francisco. Motion carried.*

Senator Schodorf moved that this Committee introduce a bill which would delete the words "Except for matters or issues relating to school finance" in the charge to the LEPC so that the Committee will be responsible for discussing and considering school finance in the future. Motion seconded by Senator Teichman. Motion carried.

*Senator Vratil moved that this committee re-introduce the contents of **SB 74** introduced in the 2009 Legislative Session which runs the KPERS contribution through the General Fund allowing increases in the Local Option Budget and to remove the sunset which allows a higher Base State Aid per pupil and special education funding to be used in calculating a local option budget. Motion seconded by Senator Schodorf. Motion carried.*

Discussion of items to be included in the final report followed. Items included the proposed legislation as presented above, as well as the following:

Senator Francisco moved that the Committee recommend to the Governor and Legislature that the approximately \$50 million short-fall currently being projected be taken from the \$92 million

from the Federal Jobs Bill Revenue and \$16.0 million to maintain the special education maintenance of effort requirements required by the U. S. Department of Education. Motion seconded by Senator Vratil. Motion carried.

Represented Horst ended the meeting by thanking the staff for all their help during her tenure, with a special thank you for Theresa Kiernan who is retiring.

The meeting was adjourned at 4:20 p.m.

Prepared by Dorothy Gerhardt
Edited by Sharon Wenger

Approved by Committee on:

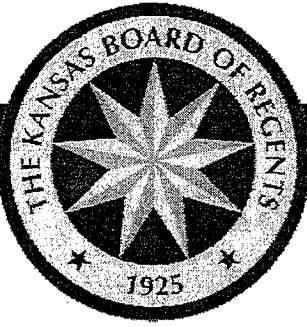
December 10, 2010

(date)

Attendance

LEPC - November 4, 2010

Marjorie Wevly	ESU
Sue Moshchak	LJW
Linda Fink	KACCT
BLAKE FLANDERS	KBOR
Ken Peterson	KBOR
Jonathan Krueger	KBOR
Nathy Damon	KU
Mike Reed	KIZ Inc
Doug Bowman	Kansas ICC
GENE MEYER	Kansas Reporter
Patrick Vogelberg	Kearney and Assoc.
Diane Gjerstad	Wichita Public Schools
MARK DEBETTI	KNEA
Lyn Kuhn	KASB
Kathryn Hund	Dept of Commerce / KBOR
Doug Penne	KS. Independent college Assn.
Ken Stephens	Hutchinson News
Lue Storm	KS BOE
Andy Taylor	KS BOE



FORESIGHT 2020

A STRATEGIC AGENDA FOR KANSAS HIGHER EDUCATION

Approved by the Kansas Board of Regents
September 15, 2010

LEPC
November 4, 2010
Attachment 1

A STRATEGIC AGENDA FOR KANSAS HIGHER EDUCATION

In the spring of 2009, Reginald Robinson, President and CEO of the Board of Regents, presented five strategic questions and associated data related to issues that would directly affect the future of higher education in Kansas. After more than a year of study, Foresight 2020 emerged as a new strategic agenda for higher education in Kansas. Five strategic goals, initially characterized as “pillars”, form the foundation for this agenda.

Specific objectives were then developed to serve as the initial focus for each goal. In some instances specific dates were identified for achievement of the objectives and in other instances long term objectives were established. As certain objectives are accomplished and new data gives greater focus to achievement of the goals, additional and/or revised objectives will be proposed.

This strategic agenda and its associated objectives will now be used as the focus of performance agreements with each of the state’s public higher education institutions. Also, it will serve as the framework for creating a systematic monitoring of progress that will result in an annual report to the Board of Regents on these strategic goals.

Strategic Goal #1

Achieve alignment between the state’s preK-12 and higher education systems and continue to enhance alignment between higher education institutions.

Objectives

- 1.1 By December of 2010, the Board of Regents and its staff in cooperation with the P-20 Education Council and the Kansas State Department of Education will identify gaps that currently exist between preK-12 completion and higher education preparation expectations.
- 1.2 By August of 2011, all higher education institutions will have had discussions with local preK-12 partner high schools regarding these gaps and a plan to eliminate them.
- 1.3 By June of 2011, the Board of Regents will adopt a revised set of university admissions standards designed to identify a level of high school preparation that significantly enhance student success at the state’s higher education institutions.
- 1.4 During the 2010-11 academic year, the Board will create a task force to review progress on alignment of higher education institutions and charge the task force with developing recommendations for additional enhancements needed to ensure greater alignment.

Strategic Goal #2

Achieve participation in the state’s higher education system that better reflects the state’s demography and more fully engages adult learners.

Objectives

- 2.1 By 2020 or before, Kansas will improve levels of participation, within each higher education institution and across the system, that reflect the racial, ethnic, and economic demography of the

state with a special focus on the most underrepresented students as measured by biannual progress on the baseline year of 2010.

- 2.2 By 2020 or before, Kansas will achieve “first in the nation” state status for in-state postsecondary participation among “traditional” students, which currently would require an increase from the current participation rate of 53 percent - which is third in the nation – to approximately 59 percent.
- 2.3 By 2020 or before, Kansas will achieve “top five” state status for participation of adults between the ages of 25-39 with only a high school diploma, which currently will require an increase from the current participation rate of 238 per 1000 - which is above the national average – to approximately 317 per 1000.
- 2.4 By 2020 or before, Kansas will achieve “top five” state status for participation of adults between the ages of 40-64 with only a high school diploma, which currently will require an increase from the current participation rate of 48 per 1000 - which is above the national average - to approximately 103 per 1000.
- 2.5 By 2020 or before, Kansas will achieve the national average for enrollment of those with less than a high school diploma in the state-administered Adult Basic Education (ABE) programs with an immediate goal of removing waiting lists, which will require an increase from the current enrollment of 55 per 1000 to approximately 101 per 1000.
- 2.6 By 2020 or before, Kansas will achieve the national average for enrollment of those with limited or no English language proficiency in English as a Second Language (ESL) programs, which will require an increase from 83.3 per 1000 to approximately 101 per 1000.
- 2.7 By 2020 or before, Kansas will double the percentage of Kansas ABE participants who achieve the goal of continuing on to postsecondary education after completion of their ABE programs, which will require an increase from 14 percent to 28 percent.
- 2.8 By January of 2011, the Board of Regents will develop and submit for legislative consideration a proposal that would authorize new state funding to provide need-based assistance to students at public universities.
- 2.9 By September of 2012, the Board of Regents, in cooperation with state university leaders, will develop an initiative aimed at bringing additional out-of-state students into Kansas to pursue their postsecondary studies.
- 2.10 By January of 2012, the Board of Regents will develop and submit for legislative consideration a proposal that would authorize new state funding to expand the state’s Comprehensive Grant Program to provide need-based student assistance for two-year, certificate, and part-time students with an initial focus on those students who pursue studies that lead to jobs in high demand areas of the state’s economy.
- 2.11 By the summer of 2012, Regents’ institutions will have an approved plan to meet the Regent’s policy on distance education which includes the use of alternative delivery systems to accommodate the variety of student educational needs.

Strategic Goal #3

Achieve measurable improvement in persistence and completion rates for higher education institutions across the state.

Objectives

- 3.1 By September of 2012, the Board of Regents, in cooperation with higher education institutional leaders, will develop an initiative aimed at identifying and recruiting back into the higher education system working adults who have earned substantial credit but have not finished the work necessary to earn a credential or degree.
- 3.2 By 2020 or before, Kansas will achieve a 10 percentage point increase in first-to-second year retention rates across the higher education system.
- 3.3 By 2020 or before, Kansas will achieve a 10 percentage point increase in the six-year graduation rate for public universities and the three-year graduation rate for community and technical colleges.
- 3.4 By 2020 or before, Kansas will achieve "top 10" state status for the percentage of students who have earned an associate degree or higher, which currently will require an increase from 39.2 percent to approximately 43.4 percent.

Strategic Goal #4

Ensure that students earning credentials and degrees across the higher education system possess the foundational skills essential for success in work and in life.

Objectives

- 4.1 During the 2010-11 academic year, the Board of Regents' system-wide learner outcomes task force, in consultation with the university Chief Academic Officers, shall make recommendations regarding the identification and measurement of foundational skills (such as oral and written communication, technical and numerical literacy, critical thinking and problem-solving) which institutions will report to the Board.
- 4.2 By June of 2011, the Board of Regents will adopt a framework that enables each institution to report on the measurement of the foundational skills identified as essential to success in work and in life.
- 4.3 By September of 2012, the Board of Regents will receive its first report on the measurement of foundational skills across the higher education system.

Strategic Goal #5

Enhance alignment between the work of the state's higher education system and the needs of the Kansas economy.

Objectives

- 5.1 By December of 2011, the Board will begin receiving an annual report on the workforce needs of the state and the number of persons educated in the higher education system to fill those needs to determine alignment and gaps.
- 5.2 By December of 2012, the Board will begin receiving an annual report on university research initiatives designed to meet the needs of the Kansas economy.
- 5.3 By 2020 or before, Kansas will achieve or exceed the regional average for percentage of credentials or degrees awarded in science, technology, engineering, and mathematics (STEM) fields.

Strategic Goal #6

Enhance the regional and national reputation of Kansas universities through aspirational initiatives.

Objectives

- 6.1 By June of 2011, Regents' universities will identify benchmarks of excellence in comparison with peer institutions and establish goals to pursue in order to increase regional, national, and/or peer rankings.
- 6.2 By June of 2012, Regents' universities, according to mission, will identify areas for expansion of research capacity and/or focus and will establish goals to pursue.
- 6.3 Regents' universities will demonstrate increased collaboration including alignment within the Kansas higher education system through a biennial report.

1-5

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**LEGISLATIVE EDUCATIONAL
PLANNING COMMITTEE**

November 4, 2010

Regent Gary Sherrer, Chairman

★ LEADING HIGHER EDUCATION ★

KANSAS BOARD OF REGENTS



★ **FORESIGHT 2020** ★

***A 10-Year Strategic Agenda for the State's
Public Higher Education System***

KANSAS BOARD OF REGENTS



Foresight 2020 sets the following 6 strategic goals (which include 28 separate objectives) that are measurable, reportable, and ensure the state's higher education system meets Kansans' expectations:

- ★ Align Systems & Institutions
- ★ Increase Participation
- ★ Improve Retention & Graduation Rates
- ★ Ensure Student Success
- ★ Align with Kansas Workforce Needs
- ★ Ensure State University Excellence

SEE HANDOUT FOR DETAILS

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ADMISSIONS TASK FORCE:

- ★ The 1996 Legislature approved "qualified admissions" for the six state universities – changing the state's long-standing "open admissions" policy.
 - QA: Earn a GED or graduate from an accredited high school and meet one of the following:
 - ▶ ACT score of 21;
 - ▶ Graduate in the top 1/3 of high school class; or
 - ▶ GPA of 2.0 in the QA pre-college curriculum.
- ★ The 2009 Legislature approved HB 2197 authorizing the Board of Regents to set the state universities' admissions standards.
- ★ The 16-member Admissions Task Force that recommended the changes encompassed in HB 2197 was reconvened in May 2010 to discuss possible admissions standards changes.
- ★ Foresight 2020, Strategic Goal #1, Objective 1.3.

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**TRANSFER & ARTICULATION TASK FORCE:**

- * Foresight 2020, Strategic Goal #1, Objective 1.4: "During the 2010-11 academic year, the Board will create a task force to review progress on alignment of higher education institutions and charge the task force with developing recommendations for additional enhancements needed to ensure greater alignment."
- * Before SB 345, the Higher Education Coordination Act, was approved by the 1999 Legislature, the transfer of credit hours from two-year colleges to four-year universities was often problematic. The Board's work pursuant to SB 345 successfully alleviated most credit hour transfer issues, but the Board was troubled to hear that significant issues still remain.
- * The Board created a 20-member Transfer & Articulation Task Force, with representation from the two-year colleges, four-year universities, students, faculty, and staff, chaired by Regents Vice Chairman Ed McKechnie. The Task Force is charged with developing an inventory and assessing the efficiency of existing alignment arrangements among higher education institutions in the system. A report and recommendations will be presented to the Board in April 2011.

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◀ KANSAS BOARD OF REGENTS ▶

The Kansas Commitment protects the state's historical investment in its higher education infrastructure, helps middle and low income Kansans attend college, and boosts the Kansas economy through targeted workforce development initiatives. In addition, the Kansas Commitment restores the Legislature's deferred building maintenance funding promise and ensures Kansans in every corner of the state have access to high-speed broadband internet.

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★ KANSAS BOARD OF REGENTS ★

A 5-part \$50 million initiative to boost the Kansas economy.

 KAN-PROTECT

 KAN-BUILD

 KAN-HELP

 KAN-GROW

 KAN-CONNECT

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 **KAN-PROTECT**

Protect the State's historical investment in its higher education infrastructure so Kansas can compete in today's knowledge-based global economy.

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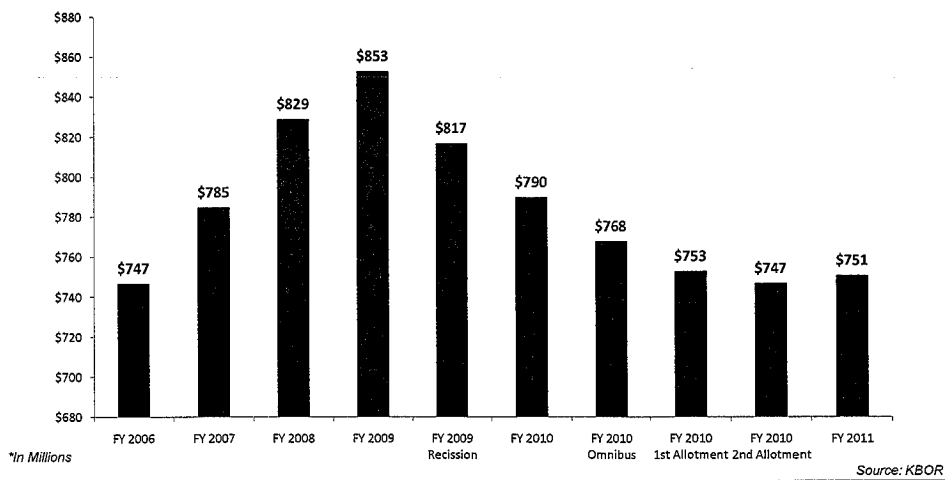
THE ISSUE:

- ★ Since FY 2009, the state's higher education system has been cut over \$100 million (a 12% cut), and State funding per student is at an all-time low.

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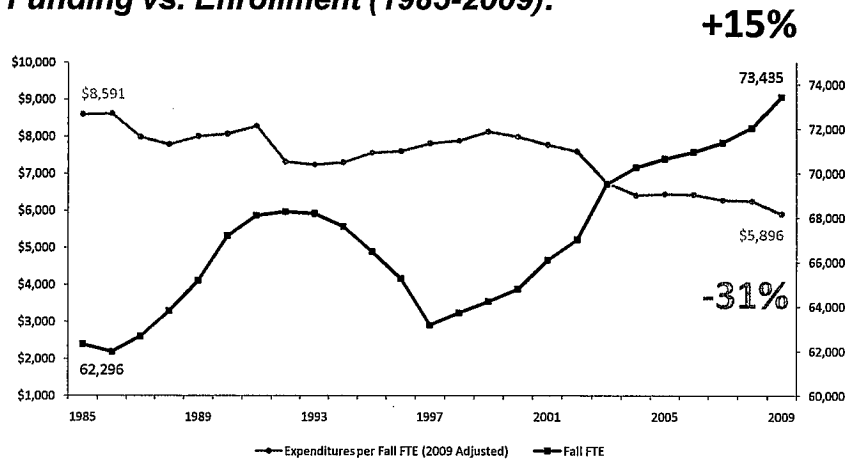
The State's Higher Education Budget (FY06-FY11):



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State Universities Are Doing More With Less...
Funding vs. Enrollment (1985-2009):



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THE PLAN:

- ★ Request an inflationary increase based on the 3-year rolling average of the Higher Education Price Index (HEPI).
- ★ HEPI (FY08-FY10): 2.73% = \$20.5 million.

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 **KAN-BUILD**

Restore the Legislature's 5-year deferred building maintenance funding promise.

KANSAS BOARD OF REGENTS



THE ISSUE:

- ★ In 2007, the Legislature approved a 5-year comprehensive deferred building maintenance plan to help address the \$825 million State University maintenance backlog and the \$172 million maintenance backlog at WU and the Community and Technical Colleges.

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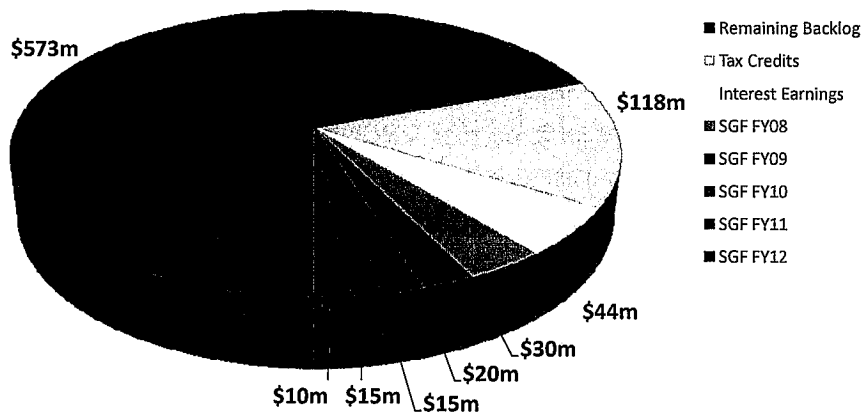


- ★ To help balance the State's budget, the Legislature removed \$1.3 million SGF from Year 3 (FY10) and \$15 million SGF from Year 4 (FY11) of the State University deferred maintenance appropriation.
- ★ In addition, the Legislature removed all funding for Year 3 (FY10) and Year 4 (FY11) of the PEI no-interest loan program that is utilized by WU and the Community and Technical Colleges.

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If Fully-Funded, the Legislature's 5-Year Plan Could Have Addressed 31% of the State University Maintenance Backlog:

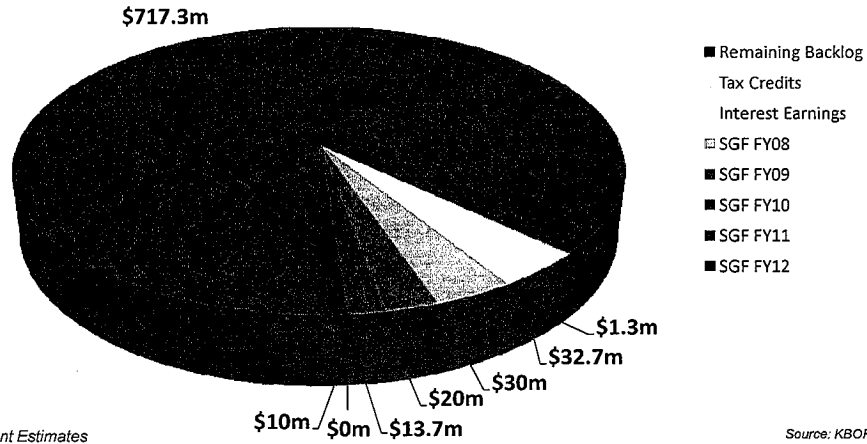


Source: KBOR

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In Reality, Only 13% of the State University Maintenance Backlog Might Be Addressed*:



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STATE UNIVERSITY PROGRESS:

- ★ 96 maintenance projects have been approved by the Joint Committee on State Building Construction, 79 have been initiated, and 42 have been completed.
- ★ Projects include utility tunnel improvements, boiler replacement, waterline improvements, electrical switchgear replacements, ADA improvements, life-safety improvements, and the re-roofing of facilities, among others.

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***PEI LOAN PROGRAM:***

- ★ 17 of the 25 eligible institutions have utilized the no-interest loan program:

- | | |
|----------------------------------|--|
| ★ Barton Community College | ★ Johnson County Community College |
| ★ Butler Community College | ★ Kansas City Kansas Community College |
| ★ Cloud County Community College | ★ Labette County Community College |
| ★ Coffeyville Community College | ★ Manhattan Area Technical College |
| ★ Dodge City Community College | ★ Northwest Kansas Technical College |
| ★ Garden City Community College | ★ Pratt Community College |
| ★ Highland Community College | ★ Seward County Community College |
| ★ Hutchinson Community College | ★ Washburn University |
| ★ Independence Community College | |

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***THE PLAN:***

- ★ The State's higher education system realizes it had to do its part in FY10, but it is critical to get back on track and to fulfill the Legislature's 5-year deferred maintenance funding promise.
- ★ Request \$15 million SGF to restore the State Universities' Year 4 (FY11) funding.
- ★ Request \$750,000 SGF to restore Year 4 (FY11) of the PEI no-interest loan program that is utilized by WU and the Community and Technical Colleges.

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KAN - HELP

Help middle and low-income Kansans who can't afford to attend but who have the talent to succeed, while at the same time growing the State's workforce.

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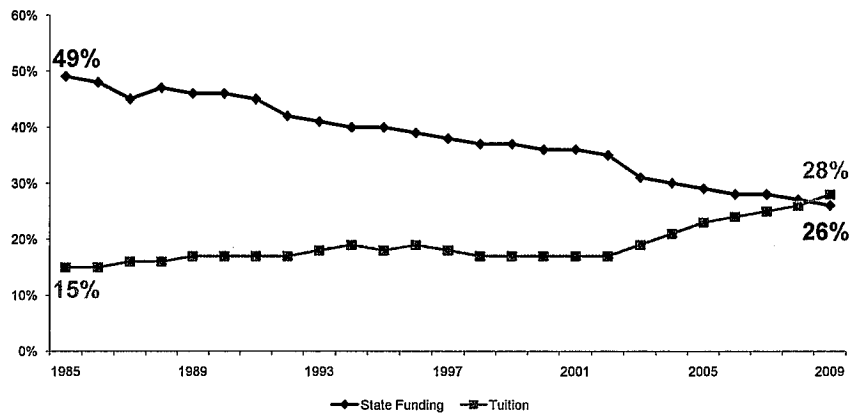
THE ISSUE: LESS STATE FUNDING = HIGHER TUITION COSTS

- ★ Over the past 25 years, State University tuition and fee rates have risen steadily to offset state funding reductions. At the same time, the State's need-based financial aid program (Kansas Comprehensive Grant) has seen only slight increases.
- ★ Students now contribute more to the State University operating budgets than the State does.
- ★ Kansas ranks last in the Big 12 and #36 in the nation in per capita need-based financial aid per student.

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**The Burden Has Shifted...
State University Tuition vs. State Funding (1985-2009):**



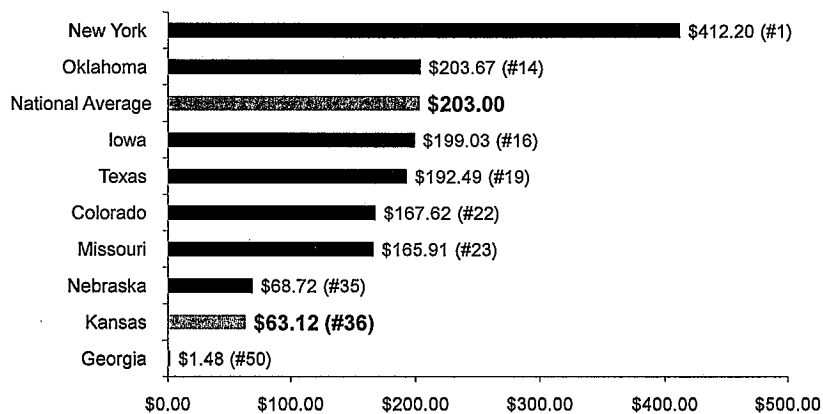
*HEPI-Adjusted

Source: KBOR

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**Per Capita State Need-Based Financial Aid
Contributions per Student (2008-2009):**



*Chart includes Big 12 States, highest and lowest states, and national average.

**Per capita based on population aged 18-24, represents aid to all institutions within a state, both public and private.

Source: NASSGAP

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STUDENT DEBT:

- ★ In 2008, 62% (3 out of every 5) of graduates from public universities had student loans, and the average student debt was \$20,200 – 20% higher than in 2004, when the average was \$16,850 (www.projectonstudentdebt.org).
- ★ The student loan default rate has risen for a 3rd year in a row, reaching an 11-year high of 7% (*Chronicle for Higher Education*, 9-13-10).
- ★ In the United States, total student loan debt (\$850 billion) now exceeds total credit card debt (\$828 billion) (*USA Today* 9-10-10).

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- ★ More students than ever (1 in 10) graduate with \$40,000 or more in student loans. In 2008, 10% of borrowers who graduated from 4-year institutions owed at least \$40,000 in student loans, up from 3% in 1996 (www.projectonstudentdebt.org).
- ★ Pell Grant recipients, who generally have family incomes under \$50,000, are more likely to graduate with high debt. Among graduates in 2008 who received a Pell Grant, 87% had student loans, the average debt was \$24,800, and 14% had at least \$40,000 in debt (www.projectonstudentdebt.org).
- ★ “The number one reason students drop out at our university, or have delayed their education, is because of finances.”

-Pat Bosco, K-State Vice President for Student Life.

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AVERAGE DEBT OF GRADUATES

KU	\$23,227
K-State	\$20,704
Emporia State	\$20,226
Pittsburg State	\$19,558
Wichita State	\$18,950
Fort Hays State	\$18,310
Combined Average	\$20,163

Source: KBOR (AY 2009-2010)

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THE PLAN:

- ★ **FUNDING:** Re-coup the state sales tax already being collected on the State University campuses (FY10 = \$6 million). State Universities will contribute an additional \$4 million.
- ★ **ELIGIBILITY:** Resident State University students, whose families are at or below the statewide median family income level (\$50,174), would be eligible for a KAN-HELP Loan that could be applied to tuition and fee costs (Foresight 2020, Strategic Goal #2, Objective 2.8).
- ★ **LOAN FORGIVENESS:** Students who live and work in Kansas for a to-be-determined period of time following graduation, would be eligible for complete loan forgiveness. Students who depart Kansas following graduation or who fail to graduate would be required to pay back the low-interest loan.

*Exact details regarding loan amounts and eligibility will be finalized by January 1, 2011.

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KAN - GROW

“Support for higher education is the lever by which the government can move the entire economy.”

-Paul Romer, Stanford economist

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THE ISSUE:

- ★ Higher education is more important than ever before:
 - In 1955, “skilled” and “professional” jobs comprised 40% of the Kansas workforce. Today, that number is 88% (ACT, Inc.).
 - By 2018, over 1 million (64%) jobs in the Kansas economy will require some level of postsecondary education (Georgetown Univ.).
 - Over the next 10 years, Kansas will experience an increase of 99,000 jobs requiring some level of postsecondary education (Georgetown Univ.).
- ★ The Kansas economy can’t succeed without an educated workforce:
 - Increasing the nation’s average level of education by one year could increase economic growth by 6-15%, adding between \$600 billion and \$1.5 trillion to U.S. economic output (U.S. Dept. of Labor). The effect would be similar in Kansas.
 - Kansans with higher levels of education have higher labor participation rates and are better prepared to weather economic downturns. In 2008, 65% of Kansans with a high school or less were employed, compared to 89% employment for those with at least an associate’s degree (KS Dept. of Labor).

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- ★ When provided with targeted and matching funds (e.g. the \$10 million nursing shortage initiative), the state's public higher education system has proven it can help solve critical workforce shortages.
 - The first 2 years of the Board's Nursing Shortage Initiative produced 873 additional nursing students, exceeding the Legislature's goal by 75%.

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THE PLAN:

- ★ KAN-GROW – a systemwide initiative to grow the Kansas workforce and economy (Foresight2020, Strategic Goal #5).
- ★ Through a 2-to-1 state-to-college/university matched funding program, \$14.15 million SGF will leverage \$7.075 million from other sources.
- ★ The state's 32 public colleges and universities will use the funds to address critical workforce shortage areas such as engineering, nursing, rural doctors, construction, biotechnology, and others.

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KAN-CONNECT

In order to succeed, Kansans in every corner of the state must have access to the global economy through broadband technology.

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**THE ISSUE:**

- ★ Access to high-speed broadband Internet is a requirement for doing business in today's world. High-speed broadband brings services into smaller, rural areas and allows rural communities and businesses to compete in the global marketplace.
- ★ Kan-ed, a program administered by the Board of Regents, connects almost 900 Kansas hospitals, libraries, higher education institutions, and K-12 schools with high-speed bandwidth.
- ★ Kan-ed brings members together through Interactive Distance Learning and the exchange of data. Members have access to shared databases, video-conferencing, telemedicine, and to content that is otherwise unavailable or available at prohibitive costs.

THE PLAN:

- ★ Maintain the same level of funding (\$10 million annually) for Kan-ed through the Kansas Universal Service Fund (Foresight 2020, Strategic Goal #2, Objective 2.11).

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IN SUMMARY:



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- ★ **KAN-PROTECT** = \$20.5 million SGF
- ★ **KAN-BUILD** = \$15.75 million SGF
- ★ **KAN-HELP** = \$0 SGF (\$10 million other funds)
- ★ **KAN-GROW** = \$14.15 million SGF (\$7.075 million other funds)
- ★ **KAN-CONNECT** = \$0 SGF (\$10 million other funds)
- ★ **TOTAL** = \$50.4 million SGF (\$27.075 million other funds)

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**LEGISLATIVE EDUCATIONAL
PLANNING COMMITTEE**

November 4, 2010

Dr. Andy Tompkins, President & CEO

★ LEADING HIGHER EDUCATION ★

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**MISC. ITEMS:**

- ★ Coordination with preK-12.
- ★ Regent visits to all 32 public colleges and universities.
- ★ Enhanced the annual State University CEO evaluation process.
- ★ Big 12 re-alignment.
- ★ Distance education inventory and report (Foresight 2020, Strategic Goal #2, Objective 2.11).

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**Preliminary Systemwide Headcount Enrollment
Fall 2010 Academic Semester (20th Day)**

INSTITUTIONS	STUDENTS	CHANGE	% CHANGE
State Universities (6)	93,132	-175	-0.18%
Washburn (1)	7,876	+539	+7.3%
Community Colleges (19)	81,474	+2,609	+3.3%
Technical Colleges (6)	4,916	+264	+5.7%
System Total (32)	187,398	+3,237	+1.8%

SEE HANDOUT FOR DETAILS

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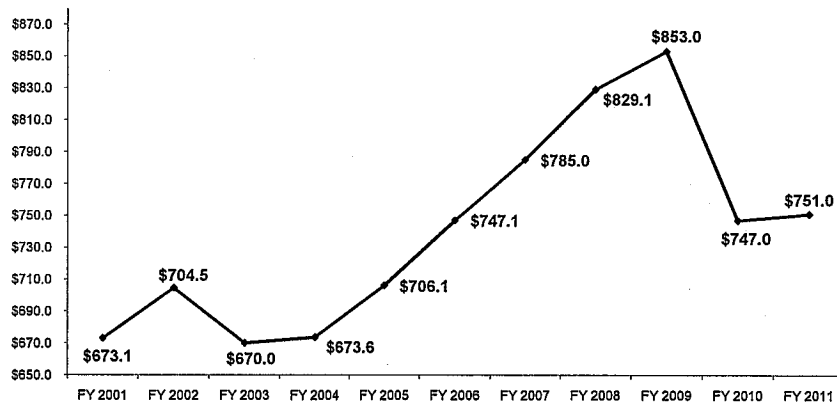


THE HIGHER EDUCATION BUDGET

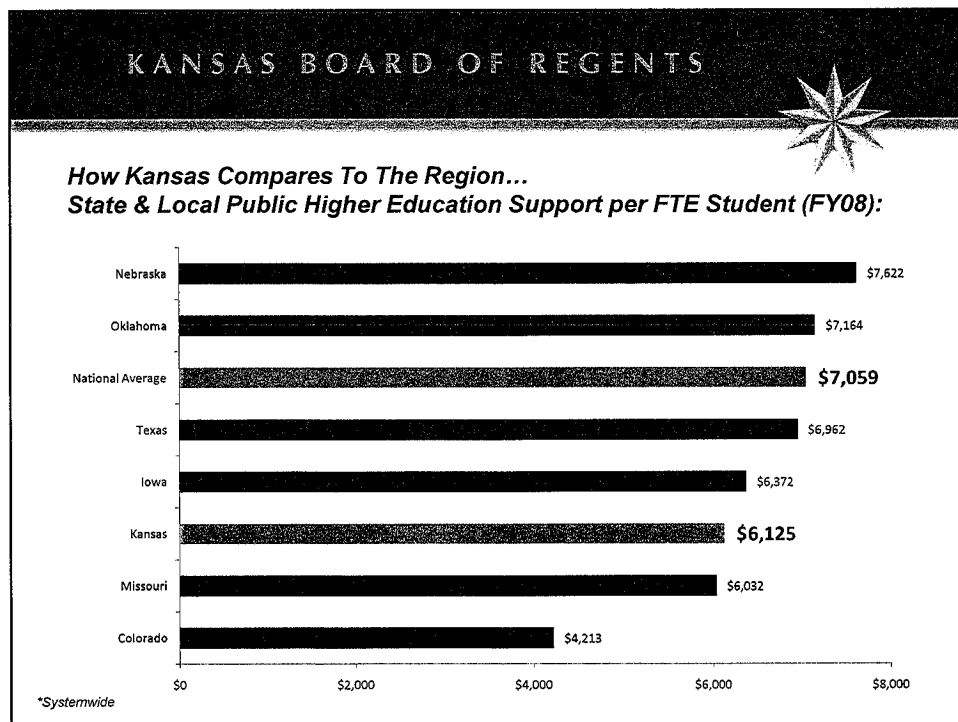
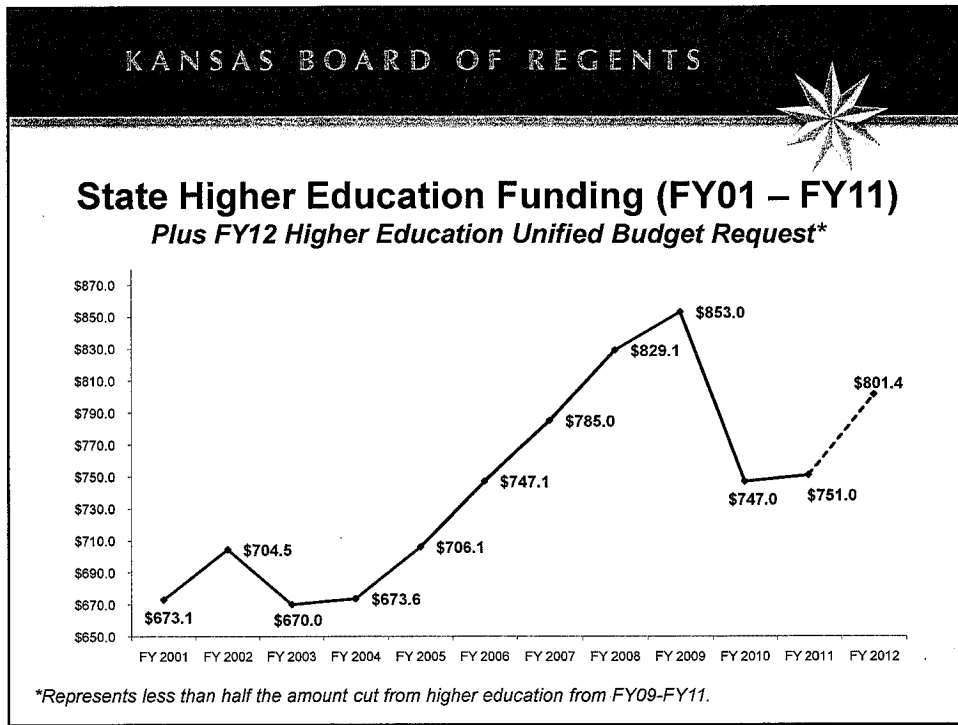
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State Higher Education Funding (FY01 – FY11)



*Systemwide, In Millions.



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**FEDERAL STIMULUS FUNDING:**

	FY 2009	FY 2010	FY 2011	FY 2011 Supplemental	3-Year Total
State Universities (6):	\$7,715,773	\$32,151,982	\$32,151,983	\$340,436	\$72,360,174
Washburn (1):	\$181,507	\$756,280	\$756,280	\$8,008	\$1,702,075
Community Colleges (19):	\$1,447,198	\$6,029,986	\$6,029,986	\$63,846	\$13,571,016
Technical Colleges (6):	\$254,821	\$1,061,752	\$1,061,752	\$11,243	\$2,389,568
Total (32):	\$9,599,299	\$40,000,000	\$40,000,001	\$423,533	\$90,022,833

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**STATE UNIVERSITY FEDERAL STIMULUS ALLOCATION:**

	FY 2009 – FY 2011
Deferred Maintenance (63%):	\$45,781,669
Tuition Mitigation (37%):	\$26,578,504
Total:	\$72,360,173

Note: Most states used the vast majority of their stimulus funding to back-fill operating budgets.

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DEVELOPING A NEW TECHNICAL EDUCATION FUNDING MODEL

KANSAS BOARD OF REGENTS



Legislative Charge K.S.A.72-4482

- ★ "(11) (A) develop and recommend to the state board of regents a credit hour funding distribution formula for postsecondary technical training programs that
 - (i) is tiered to recognize and support cost differentials in providing high-demand, high-tech training,

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Legislative Charge

K.S.A.72-4482

- (ii) takes into consideration target industries critical to the Kansas economy,
- (iii) is responsive to program growth and
- (iv) includes other factors and considerations as deemed necessary or advisable; and
- ★ (B) establish and recommend to the state board of regents the rates to be used in such funding distribution formula.”

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Input Opportunities

- ★ 4 Technical Education Funding Workgroup Meetings
- ★ 2 Process Management Committee Meetings
- ★ 15 CEO Briefings
- ★ 1 Funding Summit (KBOR/TEA)
- ★ 10 Open Comment Opportunities at TEA Meetings
- ★ 2 Presidential Comment Periods (Since July 2010)



The Journey to a New Approach

- ★ Fund technical education courses “the same” regardless of which institution delivers the course
- ★ Base the model on data
- ★ Encourage high-wage, demand-driven education
- ★ Encourage program growth



Build the Cost Model

- ★ Establish a “calculated cost” based on data for technical programs
- ★ Tier rates based on instructor costs
- ★ Programs are divided into 6 tier rates

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Tier Rates for Programs

Tier Level	Example Program
1	Medical Assistant
2	Early Childhood Education
3	Power Plant Technology
4	Automotive Technology
5	Computer Aided Drafting Technology
6	Associate Degree Nursing

Rates using 2009 Kansas Study Data—Instructor Costs Only

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Sample Nursing Program Courses

Course Title	Credit Hours	Designation
Foundations of Nursing	4	Tier 6
Foundations of Nursing Clinical	2	Tier 6
Medical-Surgical Nursing	4	Tier 6
Medical-Surgical Nursing Clinical	2	Tier 6
Psychology	3	Nontier
College Algebra	3	Nontier

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Benefits to New Approach

- ★ Long-term system incentives for increased production of a high-wage workforce
- ★ Uniform state funding for technical education regardless of sector
- ★ Data driven method of funding distribution
- ★ Allows for strategic investments at the course level
- ★ Improves linkage between secondary and postsecondary levels

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2011 LEGISLATIVE POLICY INITIATIVES

For LEPC Consideration of Introduction

SEE HANDOUT FOR DETAILS

KANSAS BOARD OF REGENTS

**1) Private and Out-of-State Postsecondary Fees**

Proposal: Would request that the 2010 fee structure not be subject to the "sunset" provision, the Board be given rule and regulation authority to set fees at less than statutory amounts if warranted, and clarify application of certain new categories of schools to ensure smaller Kansas schools pay a lower fee, commensurate with the amount of work it takes to regulate a smaller school.

2) Kan-Ed, Expand Membership and Statutory Clean-Up

Proposal: Would expand Kan-Ed membership to include health information organizations, community anchor institutions, and community-based technology networks, would amend out-dated funding language, and would specify that funding come from the Kansas Universal Service Fund.

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**3) Technical Education Statutory Clean-Up**

Proposal: Would amend Technical Education Authority statutes by: updating terminology, removing definitions for terms no longer used, eliminating vocational school references, adding individual institution specific references, updating/removing obsolete sections of identified statutes, and repealing statutes no longer needed.

4) Community College Tax Credits, Reinstate

Proposal: Would reinstate tax credits to 60% of statutorily available amounts, up from the 54% level set during the 2009 legislative session. This would create the option of pooling unused tax credits so that other colleges might use them before expiring.

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**5) State University Information Technology Threshold**

Proposal: Would amend statutes to raise the dollar threshold that currently triggers approval from the State Chief Information Technology Officer (CITO) from \$250,000 to \$1,000,000 and would eliminate infrastructure projects from the definition of Information Technology Project. Today, state university projects undertaken above the \$250,000 level must be approved by the CITO, a process that was created 12 years ago. Now, significant changes in technology costs have made this an extremely low threshold for projects. This proposed change would increase efficiency by reducing the reporting burden and staff costs/overhead.

6) State Universities, Housing Suspense Fund

Proposal: Would amend statute to make the use of the Housing Suspense Fund optional rather than mandatory. Statute requires rent and boarding fees to be sent to the State Treasurer for deposit in the Housing Suspense Fund before they can be transferred to the Operations Fund. This proposal would allow rent and boarding fees to be directly deposited into the Housing Operations Fund rather than the money flowing through the Suspense Fund to the Operations Fund.

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**7) State Universities, JCERTA Earned Interest Retention**

Proposal: Would amend statute to enable the Universities (University of Kansas Edwards Campus, Johnson County location of Kansas State University, and Johnson County location of the University of Kansas Medical Center) to retain earned interest on revenue raised by the Johnson County Education Research Triangle Authority sales tax. Current statute does not specify what is to be done with the interest earned on JCERTA funds. This proposal would ensure it is used for the intended purpose of supporting the Johnson County Education Research Triangle.

8) WSU, Rhatigan Student Center Expansion

Proposal: WSU requests legislative authority for the issuance of approximately \$33 million in revenue bonds for the Rhatigan Student Center Expansion and Renovation Project. This project will be funded through a sale of revenue bonds supported by student fees as approved by the WSU Student Government Association and the Kansas Board of Regents.



KANSAS BOARD OF REGENTS

BOARD OF REGENTS 2011 LEGISLATIVE INITIATIVES

(Approved October 20, 2010)

1) **Private and Out-of-State Postsecondary Fees** (*Attachment, Pages 1-6*)

Proposal (Submitted by Board Staff): Would request that the 2010 fee structure not be subject to the "sunset" provision, the Board be given rule and regulation authority to set fees at less than statutory amounts if warranted, and clarify application of certain new categories of schools to ensure smaller Kansas schools pay a lower fee, commensurate with the amount of work it takes to regulate a smaller school.

2) **Kan-Ed, Expand Membership and Statutory Clean-Up** (*Attachment, Pages 7-12*)

Proposal (Submitted by Kan-Ed): Would expand Kan-Ed membership to include health information organizations, community anchor institutions, and community-based technology networks, would amend out-dated funding language, and would specify that funding come from the Kansas Universal Service Fund.

3) **Technical Education Statutory Clean-Up** (*Attachment, Pages 13-36*)

Proposal (Submitted by Board Staff): Would amend Technical Education Authority statutes by: updating terminology, removing definitions for terms no longer used, eliminating vocational school references, adding individual institution specific references, updating/removing obsolete sections of identified statutes, and repealing statutes no longer needed.

4) **Community College Tax Credits, Reinstate** (*Attachment, Pages 37-42*)

Proposal (Submitted by Kansas Association of Community College Trustees): Would reinstate tax credits to 60% of statutorily available amounts, up from the 54% level set during the 2009 legislative session. This would create the option of pooling unused tax credits so that other colleges might use them before expiring.

5) **State University Information Technology Threshold** (*Attachment, Pages 43-46*)

Proposal (Submitted by the University of Kansas): Would amend statutes to raise the dollar threshold that currently triggers approval from the State Chief Information Technology Officer (CITO) from \$250,000 to \$1,000,000 and would eliminate infrastructure projects from the definition of Information Technology Project. Today, state university projects undertaken above the \$250,000 level must be approved by the CITO, a process that was created 12 years ago. Now, significant changes in technology costs have made this an extremely low threshold for projects. This proposed change would increase efficiency by reducing the reporting burden and staff costs/overhead.

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6) **State Universities, Housing Suspense Fund** (*Attachment, Pages 47-48*)

Proposal (Submitted by the University of Kansas): Would amend statute to make the use of the Housing Suspense Fund optional rather than mandatory. Statute requires rent and boarding fees to be sent to the State Treasurer for deposit in the Housing Suspense Fund before they can be transferred to the Operations Fund. This proposal would allow rent and boarding fees to be directly deposited into the Housing Operations Fund rather than the money flowing through the Suspense Fund to the Operations Fund.

7) **State Universities, JCERTA Earned Interest Retention** (*Attachment, Pages 49-50*)

Proposal (Submitted by the University of Kansas): Would amend statute to enable the Universities (University of Kansas Edwards Campus, Johnson County location of Kansas State University, and Johnson County location of the University of Kansas Medical Center) to retain earned interest on revenue raised by the Johnson County Education Research Triangle Authority sales tax. Current statute does not specify what is to be done with the interest earned on JCERTA funds. This proposal would ensure it is used for the intended purpose of supporting the Johnson County Education Research Triangle.

8) **WSU, Rhatigan Student Center Expansion** (*Attachment, Pages 51-52*)

Proposal (Submitted by Wichita State University): WSU requests legislative authority for the issuance of approximately \$33 million in revenue bonds for the Rhatigan Student Center Expansion and Renovation Project. This project will be funded through a sale of revenue bonds supported by student fees as approved by the WSU Student Government Association and the Kansas Board of Regents.

LEGISLATIVE PROPOSAL

PRIVATE AND OUT-OF-STATE POSTSECONDARY EDUCATIONAL INSTITUTIONS

1. Legislative Proposal

KBOR is requesting (1) that the new fee structure adopted in 2010 no longer be subject to a "sunset" provision, (2) that the agency be given rule and regulation authority in order to set the fees at less than the statutory amounts, if warranted, and (3) that minor modifications to the fee section be made in order to clarify application of certain new categories and insure that smaller Kansas schools will pay a lower fee commensurate with the amount of work it takes to regulate such smaller schools.

2. **Issue Background** In the 2010 Legislative Session, the Kansas Legislature amended portions of the Kansas Private and Out-of-State Postsecondary Act (K.S.A. 74-32,162 *et seq.*) and passed new fee provisions allowing a one year increase and adding new categories. However, these changes are due to "sunset" (end) at the conclusion of the 2011 fiscal year. In implementing the new 2010 fee structure and amounts, KBOR staff has identified some parts of the new categories that need clarification, determined that the fees charged smaller Kansas schools should be lowered, and believes that making the new fee structure permanent and giving KBOR rule and regulation authority to set fees within statutory limits will allow the division regulating such schools to more appropriately budget for and perform regulatory duties.
3. **Rationale/Consequences** The prior fee levels did not provide sufficient or adequate funding for the regulatory functions of the agency or provide for different fees for the different types of regulatory reviews and activities that the agency must perform. Failure to make the new fee structure permanent will require yearly legislative action to keep it in place, or else will allow the fee statutes to revert to prior statutory language. Providing KBOR with rule and regulation authority to set fees within the statutory limits will provide the flexibility to establish fees at the levels necessary to support the regulatory work being done by the agency.
4. **Fiscal and Administrative Impact** The fees in the section in question are paid by the private and out-of-state postsecondary educational institutions operating (or wishing to operate) in Kansas. These fees fund the regulatory functions delegated to KBOR. Without adequate fees from those being regulated, and established in a way that reflects the amount of work done to perform different types of task, the agency would either have to seek funding from tax dollars or would not be able to adequately regulate this sector in a timely or efficient manner.
5. **Impact on other State Agencies**
There would be no impact on other state agencies
6. **Questions Legislators May Ask/Possible Political Hurdles/Anticipated Opposition or Allies**

33

KBOR staff has had no "push-back" on the new fees from any sector other than the very small Kansas schools. In fact, we believe that many of the very large private educational institutions will continue to support KBOR charging higher fees, in part because it allows KBOR staff to more efficiently perform reviews and also because of the heightened scrutiny on this sector now being seen nationally. The Kansas fees contained in the 2010 amendment are in line with those charged by surrounding states. The stated reason for including the one-year sun-set provision was to make sure that KBOR changed the regulation providing for 124 credit hours for certain degrees, to the more common requirement of 120 credit hours. This proposal is being presented to the various KBOR committees preparatory to making a regulatory change. ¹

7. Draft of Proposed Legislation

New Sec. 9 (a) ~~During fiscal year 2011,~~ the state board shall collect the fees fixed by this section.

(1) For institutions domiciled or having their principal place of business within the state of Kansas:

Initial application fees:	
Non-degree granting institution	\$2,000
Degree granting institution	\$3,000
Initial evaluation fee (in addition to initial application fees):	
Non-degree level	\$750
Associate degree level	\$1,000
Baccalaureate degree level	\$2,000
Master's degree level	\$3,000
Professional and/or doctoral degree level	\$4,000

Renewal application fees:

Non-degree granting institution	0.2 percent of gross tuition, but not less than \$1,200 nor more than \$25,000
Degree-granting institution	0.2 percent of gross tuition, but not less than \$1,600 nor more than \$25,000

New program submission fess, for each new program:

Non-degree program	\$250
Associate degree program	\$500
Baccalaureate degree program	\$750
Master's degree program	\$1,000
Professional and/or doctoral degree program	\$2,000

Program modification fee, for each program \$100

Branch campus site fees, for each branch campus site:

Initial non-degree granting institution	\$1,500
Initial degree granting institution	\$2,500

Renewal branch campus site fees, for each branch campus site:

Non-degree granting institution	0.2 percent of gross tuition, but not less than \$1,200 nor more than \$25,000
Degree-granting institution	0.2 percent of gross tuition, but not less than \$1,600 nor more than \$25,000

On-site branch campus review fee, for each site \$250

Representative fees:

Initial registration	\$200
Renewal of registration	\$150

¹ Note, the process of changing a state regulation can easily take up to six full months. Additionally, it remains to be seen whether the legislator who raised this issue will be back in the coming session.

3-4

Late submission of renewal of application fee	\$125
Student transcript copy fee	\$10
Returned check fee	\$50
Changes in institution profile fees:	
Change of institution name	\$100
Change of institution location	\$100
Change of ownership only	\$100

(2) For institutions domiciled or having their principal place of business outside the state of Kansas:

Initial application fees:	
Non-degree granting institution	\$4,000
Degree granting institution	\$5,500
Initial evaluation fee (in addition to initial application fees):	
Non-degree level	\$1,500
Associate degree level	\$2,000
Baccalaureate degree level	\$3,000
Master's degree level	\$4,000
Professional and/or doctoral degree level	\$5,000

Renewal application fees:	
Non-degree granting institution	0.3 percent of gross tuition, but not less than \$2,400 nor more than \$25,000
Degree-granting institution	0.3 percent of gross tuition, but not less than \$3,000 nor more than \$25,000

New program submission fees, for each new program:	
Non-degree program	\$500
Associate degree program	\$750
Baccalaureate degree program	\$1,000
Master's degree program	\$1,500
Professional and/or doctoral degree program	\$2,500

Program modification fee, for each program	\$100
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Branch campus site fees, for each branch campus site:	
Initial non-degree granting institution	\$4,000
Initial degree granting institution	\$5,500

Renewal branch campus site fees, for each branch campus site:	
Non-degree granting institution	0.3 percent of gross tuition, but not less than \$2,400 nor more than \$25,000
Degree-granting institution	0.3 percent of gross tuition, but not less than \$3,000 nor more than \$25,000

On-site branch campus review fee, fore each site	\$500
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Representative fees:	
Initial registration	\$350
Renewal of registration	\$250

Late submission of renewal of application fee	\$125
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Student transcript copy fee	\$10
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Returned check fee	\$50
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Changes in institution profile fees:	
Change of institution name	\$100
Change of institution location	\$100
Change of ownership only	\$100

3-5

(a) Fees shall not be refundable.

(b) If there is a change in ownership of an institution and, if at that same time, there also are changes in the institution's programs of instruction, location entrance requirements or other changes, the institution shall be required to submit an application for an initial certificate of approval and shall pay all applicable fees associated with an initial application.

(c) An application for renewal shall be deemed late if the applicant fails to submit a completed application for renewal, or documentation requested by the state board to complete the renewal process, before the expiration date of the current certificate of approval.

(d) Fees may be charged to conduct onsite reviews for degree granting and non degree granting institutions or to review curriculum in content areas where the state board does not have expertise.

3-6

(a) Fees may be charged to conduct onsite reviews for degree granting and non degree granting institutions or to review curriculum in content areas where the state board does not have expertise.

New Sec. 9 (a) ~~During fiscal year 2011~~, the state board shall collect the fees fixed by this section.

(1) For institutions domiciled or having their principal place of business within the state of Kansas:

Initial application fees:	
Non-degree granting institution	\$2,000
Degree granting institution	\$3,000
Initial evaluation fee (in addition to initial application fees):	
Non-degree level	\$750
Associate degree level	\$1,000
Baccalaureate degree level	\$2,000
Master's degree level	\$3,000
Professional and/or doctoral degree level	\$4,000

Renewal application fees:

Non-degree granting institution	0.2 percent of gross tuition, but not less than \$1,200 nor more than \$25,000
Degree-granting institution	0.2 percent of gross tuition, but not less than \$1,600 nor more than \$25,000

New program submission fess, for each new program:

Non-degree program	\$250
Associate degree program	\$500
Baccalaureate degree program	\$750
Master's degree program	\$1,000
Professional and/or doctoral degree program	\$2,000

Program modification fee, for each program \$100

Branch campus site fees, for each branch campus site:

Initial non-degree granting institution	\$1,500
Initial degree granting institution	\$2,500

Renewal branch campus site fees, for each branch campus site:

Non-degree granting institution	0.2 percent of gross tuition, but not less than \$1,200 nor more than \$25,000
Degree-granting institution	0.2 percent of gross tuition, but not less than \$1,600 nor more than \$25,000

On-site branch campus review fee, for each site \$250

Representative fees:

Initial registration	\$200
Renewal of registration	\$150

Late submission of renewal of application fee \$125

Student transcript copy fee \$10

Returned check fee \$50

Changes in institution profile fees:

Change of institution name	\$100
Change of institution location	\$100
Change of ownership only	\$100

(2) For institutions domiciled or having their principal place of business outside the state of Kansas:

Initial application fees:	
Non-degree granting institution	\$4,000
Degree granting institution	\$5,500

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Initial evaluation fee (in addition to initial application fees):	
Non-degree level	\$1,500
Associate degree level	\$2,000
Baccalaureate degree level	\$3,000
Master's degree level	\$4,000
Professional and/or doctoral degree level	\$5,000

Renewal application fees:

Non-degree granting institution	0.3 percent of gross tuition, but not less than \$2,400 nor more than \$25,000
Degree-granting institution	0.3 percent of gross tuition, but not less than \$3,000 nor more than \$25,000

New program submission fees, for each new program:

Non-degree program	\$500
Associate degree program	\$750
Baccalaureate degree program	\$1,000
Master's degree program	\$1,500
Professional and/or doctoral degree program	\$2,500

Program modification fee, for each program	\$100
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Branch campus site fees, for each branch campus site:

Initial non-degree granting institution	\$4,000
Initial degree granting institution	\$5,500

Renewal branch campus site fees, for each branch campus site:

Non-degree granting institution	0.3 percent of gross tuition, but not less than \$2,400 nor more than \$25,000
Degree-granting institution	0.3 percent of gross tuition, but not less than \$3,000 nor more than \$25,000

On-site branch campus review fee, fore each site	\$500
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Representative fees:

Initial registration	\$350
Renewal of registration	\$250

Late submission of renewal of application fee	\$125
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Student transcript copy fee	\$10
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Returned check fee	\$50
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Changes in institution profile fees:

Change of institution name	\$100
Change of institution location	\$100
Change of ownership only	\$100

(a) Fees shall not be refundable.

(b) If there is a change in ownership of an institution and, if at that same time, there also are changes in the institution's programs of instruction, location entrance requirements or other changes, the institution shall be required to submit an application for an initial certificate of approval and shall pay all applicable fees associated with an initial application.

(c) An application for renewal shall be deemed late if the applicant fails to submit a completed application for renewal, or documentation requested by the state board to complete the renewal process, before the expiration date of the current certificate of approval.

(d) Fees may be charged to conduct onsite reviews for degree granting and non degree granting institutions or to review curriculum in content areas where the state board does not have expertise.



Kan-ed Legislative Request – Kansas Board of Regents

- 1) Legislative Proposal:
 - a. Kan-ed seeks to expand membership in Kan-ed to include providers of health information organizations, community anchor institutions, and community based technology networks. Kan-ed is assisting with leading broadband initiatives in the state of Kansas, and expanding the definition of who can participate in Kan-ed will better mirror both State and Federal initiatives. Proposed changes also include annual funding of Kan-ed through the KUSF, but still require Kan-ed to go through the annual appropriation process.
- 2) Issue Background:
 - a. Kan-ed is working closely with the statewide health information exchange initiative, and seeks to partner with community based technology networks and community anchor institutions in order to move Kansas into the top tier of state networks that promote and assist in broadband deployment. Broadband deployment is largely seen as a economic development initiative, and Kan-ed is currently leading the charge on this important statewide issue. Kan-ed is a successful story of a public-private partnership, and changes to our statute will allow us to continue to work with additional members and networks that assist the core K-12, Higher Education, Hospital and Library membership.
- 3) Rationale/Consequences:
 - a. If Kan-ed cannot affect the proposed statutory changes, then Kan-ed's mission will be limited by both the statutory membership and the ability to work with those in communities that need support for broadband services. Kan-ed will not be able to "partner" with other organizations to achieve true statewide broadband initiatives. Kan-ed may also be limited on future federal funding programs that target community based organizations.
- 4) Fiscal and Administrative Impact:
 - a. These proposed changes are requested without additional funding or administrative support.
- 5) Impact on other State Agencies:
 - a. These changes will allow Kan-ed to work even closer with the Division of Information Systems and Communications (DISC), which is part of the Department of Administration, and other state agencies on broadband issues. State Agencies are NOT expected to become members of Kan-ed or connect directly to the Kan-ed network, since they already "peer" together with the Kan-ed network through DISC. Minimal impact to other agencies.
- 6) Questions Legislators May Ask / Possible Political Hurdles / Anticipated Opposition or Allies:
 - a. Anytime a statute is opened up, there is the risk for other changes. Kan-ed has core support among moderate republican and democratic legislators. Some legislators (in the minority) believe that Kan-ed was to be "self-funded", but the reality is that the majority of legislators did not think that when the Kan-ed statute was created. However, some of those in belief of the "self-funded" model may choose this time to suggest change. Kan-ed staff believe the risk is acceptable.
- 7) Draft of Proposed Legislation:
 - a. Currently being reviewed by General Counsel's office.

75-7221

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7221. **KAN-ED; title.** This act may be cited as the KAN-ED act.

History: L. 2001, ch. 136, § 1; Apr. 26.

75-7222

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7222. **Same; definitions.** As used in this act, unless the context requires otherwise:

- (a) "Board" means the state board of regents.
- (b) "Hospital" means a licensed hospital, as defined in K.S.A. 65-425, and amendments thereto.
- (c) "Library" means: (1) The state library; (2) any public library established and operating under the laws of this state; or (3) any regional system of cooperating libraries, as defined in K.S.A. 75-2548, and amendments thereto.
- (d) "Network" means the KAN-ED network created pursuant to this act.
- (e) "School" means: (1) Any unified school district, school district interlocal cooperative, school district cooperative or nonpublic school accredited by the state board of education or school that is accredited by a national or regional accrediting agency recognized by the state board of education; or (2) any community college, technical college, area vocational school, area vocational-technical school or Kansas educational institution, as defined in K.S.A. 74-32,120, and amendments thereto.
- (f) "Health Information Organization" means any entity operating in the state which (1) maintains technical infrastructure for the electronic movement of health information among health care providers and health plans, and (2) promulgates and enforces policies governing participation in such health information exchange.
- (g) "Community Anchor Institution" means any entity operating in the state as a school, library, medical and healthcare provider, public safety entities, community colleges, technical colleges and other institutions of higher education, and other community support organizations and agencies that provide outreach, access, equipment and support services to facilitate greater use of broadband service by vulnerable populations, including low-income, the unemployed and the aged.
- (h) "Community Based Technology Network" means any entity operating in the state as a public or private nonprofit organization or segment of county or local government that (A) is representative of a community or significant segments of a community; and (B) provides technology or educational technology or related services to individuals in the community.
- (i) "KAN-ED Member" means: Board of Regents, school, library, and hospital.
- (j) "KAN-ED Associate Member" means: health information organization, community anchor institution and community based technology network.

History: L. 2001, ch. 136, § 2; Apr. 26.

75-7223

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

- 75-7223. **Same; purpose of act; network features; purposes for which network not a provider.** (a) The purpose of this act is to provide for a broadband technology-based network to which Kan-ed Members and Kan-ed Associate Members schools, libraries and hospitals may connect for broadband internet access and intranet access for distance learning. For that purpose, the state board of regents shall contract in accordance with this act for the creation, operation and maintenance of such network, to be known as the KAN-ED network.
- (b) The network shall allow the following features: (1) Universal provider interconnection or peering rights; and (2) competitively bid end-user KAN-ED connections; and (3) priority in funding grant programs and connectivity or access to the Kan-ed network shall be given to Kan-ed Members; then Kan-ed Associate Members.
- (c) The network shall not provide for: (1) Impairment of any existing contract for the provision of telecommunications services or internet services to any school, library or hospital KAN-ED Member or KAN-ED Associate Member; (2) state KAN-ED ownership or construction of any network facilities other than those owned or

being constructed by the ~~state of Kansas; state on the effective date of this act;~~ (3) switched voice access, except to the extent switched access is being provided by state owned, leased or operated facilities ~~as of the effective date of this act;~~ (4) ~~transmission of voice over internet or voice over internet protocol, except to the extent necessary to facilitate interactive two-way video;~~ ~~(5)-~~ (4) use of the network for purposes inconsistent with the purposes of this act; ~~(6)-(5)~~ the establishment of a proprietary interconnection agreement with a provider or proprietary peering standards by a provider, the purpose of which is to act as a barrier to peering or interconnection of providers to the KAN-ED network; or ~~(76)~~ any financial fee or obligation required to connect a peered provider network to the KAN-ED network which is unusual or not customary. ~~—~~The provisions of clause ~~(67)~~ shall not preclude the board from establishing technical standards for operation and maintenance of the network as required by subsection (c)(1) of K.S.A. 2009 Supp. 75-7224, and amendments thereto.

History: L. 2001, ch. 136, § 3; L. 2008, ch. 133, § 1; July 1.

75-7224

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7224. Same; network standards established; provider contracts authorized; needs assessment required; advisory committee authorized; rules and regulations. (a) The board shall establish a plan to ensure that all schools, libraries, and hospitals have quality, affordable access to the internet and distance learning. The board shall work with representatives of health information organizations, community anchor institutions and community based technology networks to assist with affordable access to the internet and distance learning. The board shall adopt standards for determining whether such access is available to each school, library or hospital desiring such access and shall adopt priorities for implementation of such access. The board may request and receive assistance from any school, any library, any hospital, the state corporation commission, any other agency of the state or any telecommunications, cable or other communications services provider to gather necessary data to implement such plan and establish such standards and priorities. The board shall develop a methodology for updating and validating any data collected for periodic revisions of the distance learning plan, annual report, standards and priorities. ~~Not less than 75% of all schools which have applied to the board to participate in the network, 75% of all libraries which have applied to the board to participate in the network and 75% of all hospitals which have applied to the board to participate in the network shall have access to the network by July 1, 2004.~~

(b) The board shall contract with providers of telecommunications services, cable services and other communications services for the creation, operation and maintenance of the network. Such contracts shall be let by competitive bids as provided by ~~K.S.A. 75-3739, K.S.A. 75-37, 102~~ and amendments thereto.

(c) The board shall establish: (1) Technical standards for operation and maintenance of the network; (2) the method of monitoring operations of the network; and (3) the method or methods of increasing the capacity of the network to accommodate changes in the demands of schools, libraries and hospitals.

(d) The board shall identify any potential regulatory impediments to and other regulatory considerations in implementation of the network and shall propose measures to address such impediments and other considerations.

(e) The board shall assess the need of schools, libraries and hospitals for full-motion video connectivity. Based on its findings, the board may develop a plan to provide such connectivity. The plan may require users of such connectivity bear part of its cost.

(f) The board may appoint such advisory committees as the board determines necessary to carry out the purposes of this act. The membership of advisory committees may include both members of the board and persons who are not board members. Such advisory committees, to the extent appropriate, shall include both communications services providers and participants knowledgeable about topics such as network facilities and services, network content and user training, and such other topics as may be necessary or useful. Members of advisory committees appointed by the board shall receive amounts provided for in subsection (e) of K.S.A. 75-3223, and amendments thereto.

(g) ~~On or before July 1, 2002, and thereafter as the board deems appropriate, the board shall adopt rules and regulations to implement and administer the provisions of this act.~~

(h) The board shall have all other powers necessary to achieve the purposes of this act, including but not limited to the power to receive any appropriations, donations, grants, bequests and devises, conditional and otherwise, of money, property, services or other things of value for the purposes of this act.

(i) The state department of education, the division of information systems and communications of the department of administration, the ~~state-kansas~~ corporation commission and all other state agencies shall cooperate with the board in providing information and other assistance requested by the board for the performance of its duties pursuant to this act.

History: L. 2001, ch. 136, § 4; Apr. 26.

75-7225

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7225. Same; KAN-ED fund created. (a) There is hereby created in the state treasury the KAN-ED fund. The board shall remit to the state treasurer all moneys received by or on behalf of the board for the purposes of this act. Upon receipt of the remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the KAN-ED fund.

(b) Moneys in the KAN-ED fund shall be expended only for the purposes of this act.

(c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the KAN-ED fund interest earnings based on:

(1) The average daily balance of moneys in the fund for the preceding month; and

(2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(d) All expenditures from the KAN-ED fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board or the chairperson's designee for the purposes set forth in this section.

History: L. 2001, ch. 136, § 5; Apr. 26

75-7226

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7226. Same; annual report; ~~plan for funding network.~~ (a) On or before January 15 of each year, the board shall publish an annual report and shall present the report to the legislature, governor and department of education. The report shall set forth in detail the operations and transactions conducted by the board pursuant to this act. The annual report shall specifically account for the ways in which the purpose of this act have been carried out, and the recommendations shall specifically note what changes are necessary to better address the purposes described in this act.

~~— (b) The report required pursuant to this section in years 2006, 2007 and 2008 shall include a statement of the costs of and savings realized by implementation of the network and a plan for funding the network.~~

History: L. 2001, ch. 136, § 6; L. 2005, ch. 192, § 2; July 1.

75-7227

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7227. Same; severability. If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application. To this end the provisions of this act are severable.

History: L. 2001, ch. 136, § 7; Apr. 26.

75-7228

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

~~**75-7228. KAN-ED and KanRen; study of inefficiencies and duplication; recommendations for incorporation of KanRen into KAN-ED; report.** (a) The state board of regents shall study the KAN-ED network and the Kansas research and education network for the purpose of identifying duplication of services and inefficiencies existing between the two networks. If duplication of services or inefficiencies exist, the state board of regents shall develop a plan to reduce or eliminate such duplication of services or inefficiencies. The secretary of administration and the state board of regents shall develop recommendations regarding the manner in which the Kansas wide area network may be incorporated into the KAN-ED network.~~

~~(b) On or before January 13, 2006, the secretary of administration and the state board of regents shall submit to the senate standing committee on commerce and the house standing committee on utilities joint recommendations regarding:~~

~~(1) The findings of the study provided for in subsection (a);~~

~~(2) any plan for reducing or eliminating duplication of services and inefficiencies; and~~

~~(3) the manner in which the Kansas wide area information network may be incorporated into the KAN-ED network.~~

~~History: L. 2005, ch. 192, § 4; July 1.~~

66-2010

Chapter 66.--PUBLIC UTILITIES

Article 20.--TELECOMMUNICATIONS

66-2010. KUSF administrator; duties and powers; KAN-ED funding. (a) The commission shall utilize a competitive bidding process to select a neutral, competent and bonded third party to administer the KUSF.

(b) The administrator shall be responsible for: (1) Collecting and auditing all relevant information from all qualifying telecommunications public utilities, telecommunications carriers or wireless telecommunications service providers receiving funds from or providing funds to the KUSF; (2) verifying, based on the calculations of each qualifying telecommunications carrier, telecommunications public utility or wireless telecommunications service provider, the obligation of each such qualifying carrier, utility or provider to generate the funds required by the KUSF; (3) collecting all moneys due to the KUSF from all telecommunications public utilities, telecommunications carriers and wireless telecommunications service providers in the state; and (4) distributing amounts on a monthly basis due to qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers receiving KUSF funding.

(c) Any information made available or received by the administrator from carriers, utilities or providers receiving funds from or providing funds to the KUSF shall not be subject to any provisions of the Kansas open records act and shall be considered confidential and proprietary.

(d) The administrator shall be authorized to maintain an action to collect any funds owed by any telecommunications carrier, public utility or wireless telecommunications provider in the district court in the county of the registered office of such carrier, utility or provider or, if such carrier, utility or provider does not have a registered office in the state, such an action may be maintained in the county where such carrier's, utility's or provider's principal office is located. If such carrier, utility or provider has no principal office in the state, such an action may be maintained in the district court of any county in which such carrier, utility or provider provides service.

(e) The KUSF administrator shall be responsible to ensure that funds do not fall below the level necessary to pay all amounts collectively owed to all qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers. The administrator shall have the authority to retain and invest in a prudent and reasonable manner any excess funds collected in any period to help ensure that adequate funds are available to cover amounts payable in other periods.

(f) (1) Before July 1, of each year, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year commencing the preceding July 1. Upon receipt of the certification of the chief executive officer of the state board of regents, the KUSF administrator shall add the amount certified to the amount annually required to fund the KUSF as determined pursuant to subsection (b).

(2) On or before the 10th day of each month, the administrator of the KUSF shall pay from the KUSF to the state treasurer 1/12 of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (a) for the fiscal year preceding the fiscal year in which the payment is made. Upon the receipt of the payment, the state treasurer shall deposit the entire amount in the state treasury and credit it to the KAN-ED fund. Any such payments shall be made after all payments required by K.S.A. 66-2008, and amendments thereto, for the month are made from the KUSF.

(3) KAN-ED shall be base funded annually through the KUSF at \$10,000,000. Such funding is subject to annual review and approval through the normal state appropriations process. Not more than the following shall be paid from the KUSF to the state treasurer pursuant to this subsection (f): In fiscal year 2006, \$10,000,000; in fiscal year 2007, \$8,000,000; in fiscal year 2008, \$6,000,000; and in fiscal year 2009, \$5,500,000. Funding of the KAN-ED network shall be of the highest priority, along with education funding.

~~(4) The provisions of this subsection (f) shall expire on June 30, 2009. Thereafter, state general fund moneys shall be used to fund the KAN-ED network and such funding shall be of the highest priority along with education funding.~~

History: L. 1996, ch. 268, § 11; L. 2002, ch. 152, § 1; L. 2005, ch. 192, § 1; July 1.

3-14

Postsecondary Technical Education Statutory Clean-Up Legislation/2010

Legislative Proposal Submitted to the Kansas Board of Regents by the Postsecondary Technical Education Authority

Legislative Proposal

The proposed legislation is requested to continue the process that was started in 2008 by the Postsecondary Technical Education Authority to review and identify statutes as needing revision to reflect current practice and terminology or repeal if obsolete. The recommended statutory clean-up includes:

- Updating terminology, removing definitions for terms no longer used, and eliminating area vocational school and area-vocational technical school references
- Adding references specific to individual institutions as needed for clarification
- Potential updating/removal of obsolete sections of identified statutes
- Potential repeal of statutes no longer needed

Issue Background

The Postsecondary Technical Education Authority (TEA) was established as part of the Kansas Board of Regents to coordinate postsecondary technical education within the state through a series of laws enacted by the 2007 legislature. In fall 2007 the Kansas Legislative Research Department compiled a document containing a comprehensive listing of statutes related to technical education which was reviewed by TEA members and KBOR staff. As part of the review process a number of statutes were identified as needing revisions to reflect current practice, terminology and new federal legislation. Others were found to be obsolete. An initial set of technical clean-up statutes was presented to and acted upon by the 2008 Legislature. The attached bill draft is a continuation of the technical clean-up (containing no substantive changes) of existing statutes.

Rationale/Consequences

- Area vocational and area vocational-technical schools no longer exist as independent legal entities in Kansas. All former schools have merged with community colleges, been established as independent technical colleges, or affiliated with a university.
- Updating terminology and including specific institutional references will add clarity and specificity to the statutes and reduce variations in interpretations
- Removal of obsolete sections and repeal of statutes no longer needed simplify review of statutes

Fiscal and Administrative Impact

None

Impact on other State Agencies

None

Questions Legislators May Ask/Possible Political Hurdles/Anticipated Opposition or Allies

The proposed changes were presented to the TEA members for review during their meetings in July, August, and September 2010 and generated little if any discussion. No comments were received from any of the community colleges, technical colleges, or Washburn Institute of Technology. Additionally, drafts have been shared with representatives of each sector for feedback; as yet, none has been received.

KBOR staff also met with Dale Dennis (KSDE) and he agrees with the action to repeal K.S.A. 72-4428 and 72-4435.

3-15

Postsecondary Technical Education Statutory Clean-Up Legislation/2010

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

Section 1. K.S.A. 71-201 is hereby amended to read as follows: K.S.A. 71-201. (a) The board of trustees, in accordance with the provisions of law and the rules and regulations of the state board of regents, shall have custody of and be responsible for the property of the community college and shall be responsible for the operation, management and control of the college. The board of trustees shall hold at least one regular meeting each month at a time prescribed by the board. The board shall make an annual report in the manner prescribed by the state board of regents. Members of the board of trustees shall be paid subsistence allowances, mileage and other actual and necessary expenses incurred in the performance of their official duties.

(b) For effectuation of the purposes of this act, the board of trustees in addition to such other powers expressly granted to it by law and subject to the rules and regulations of the state board of regents is hereby granted the following powers:

(1) To select its own chairperson and such other officers as it may deem desirable, from among its own membership. The secretary may be chief administrative officer of the college.

(2) To sue and be sued.

(3) To determine the educational program of the college subject to prior approval thereof as provided in this act and to grant certificates of completion of courses or curriculum.

(4) To appoint and fix the compensation and term of office of a president or chief administrative officer of the college.

(5) To appoint upon nomination of the president or the chief administrative officer members of the administrative and teaching staffs, to fix and determine within state adopted standards their specifications, define their duties, and to fix their compensation and terms of employment. No community college teacher shall be required to meet licensure requirements greater than those required in the state educational institutions.

(6) Upon recommendation of the chief administrative officer, to appoint or employ such other officers of the college, agents and employees as may be required to carry out the provisions of law and to fix and determine within state adopted standards their qualifications, duties, compensation, terms of office or employment and all other items and conditions of employment.

(7) To enter into contracts.

(8) To accept from any government or governmental agency, or from any other public or private body, or from any other source, grants or contributions of money or property which the board may use for or in aid of any of its purposes.

(9) To acquire by gift, purchase, lease-purchase, condemnation or otherwise, and to own, lease, use and operate property, whether real, personal, or mixed, or any interest therein, which is necessary or desirable for community college purposes. Any lease-purchase agreement entered into under authority of this subsection shall be subject to the conditions set forth in K.S.A. 10-1116c, and amendments thereto. The term of any lease entered into under authority of this subsection may be for not to exceed 10 years. Such lease may provide for annual or other payment of rent or rental fees and may obligate the community college to payment of maintenance or other expenses. Any lease or lease-purchase agreement entered into under authority of this subsection shall be subject to change or termination at any time by the legislature. Any assignment of rights in any lease or lease-purchase made under this subsection shall contain a citation of this section and a recitation that the lease or lease-purchase agreement and assignment thereof are subject to change or termination by the legislature. To the extent that

Postsecondary Technical Education Statutory Clean-Up Legislation/2010

the provisions of the cash-basis and budget laws conflict with this subsection in such a manner as to prevent the intention of this subsection from being made effective, the provisions of this subsection shall control. This provision is subject to the provisions of subsection (d).

(10) To enter into lease agreements as lessor of any property, whether real, personal, or mixed, which is owned or controlled by the community college. Any such agreement may specify the purposes for which the property may be used, require that the property be maintained and operated by the lessee, and may contain such restrictions or limitations on the use of the property, be entered into for such period of time, and include such other terms and conditions as the board of trustees determines to be necessary and proper. Every such agreement shall be subject to change or termination at any time by the legislature. Any assignment of rights under any such agreement shall be subject to approval by the board of trustees and shall contain a citation of this section and a recitation that the lease agreement and assignment of rights thereunder are subject to change or termination by the legislature.

(11) To determine that any property owned by the college is no longer necessary for college purposes and to dispose of the same in such manner and upon such terms and conditions as provided by law.

(12) To exercise the right of eminent domain, pursuant to chapter 26 of Kansas Statutes Annotated.

(13) To make and promulgate such rules and regulations, not inconsistent with the provisions of law or with rules and regulations of the state board of regents, that are necessary and proper for the administration and operation of the community college, and for the conduct of the business of the board of trustees.

(14) To exercise all other powers not inconsistent with the provisions of law or with the rules and regulations of the state board of regents which may be reasonably necessary or incidental to the establishment, maintenance and operation of a community college.

(15) To appoint a member to fill any vacancy on the board of trustees for the balance of the unexpired term. When a vacancy occurs, the board shall publish a notice one time in a newspaper having general circulation in the community college district stating that the vacancy has occurred and that it will be filled by appointment by the board not sooner than 15 days after such publication.

(16) To contract with one or more agencies, either public or private, whether located within or outside the community college district or whether located within or outside the state of Kansas for the conduct by any such agencies of ~~academic or vocational~~ education for students of the community college, and to provide for the payment to any such agencies for their contracted educational services from any funds or moneys of the community college, including funds or moneys received from student tuition and fees, funds received from the state of Kansas or the United States for ~~academic or vocational~~ education, or taxes collected under K.S.A. 71-204, and amendments thereto. Any contract made under this subsection with an institution of another state shall be subject to the provisions of K.S.A. 71-202, and amendments thereto.

(17) To authorize by resolution the establishment of a petty cash fund in an amount not to exceed \$1,000, and to designate in such resolution an employee to maintain such petty cash fund. The employee designated in any resolution provided for in this subsection receiving such funds shall keep a record of all receipts and expenditures from the fund, and shall from time to time, and at the end of the fiscal year, prepare a statement for the board showing all receipts, expenditures, and the balance in the petty cash fund. The board of trustees may authorize the employee designated to maintain any petty cash fund to make a claim for replenishment of the

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fund to its original amount in advance of approval by the board of trustees if, at any time during the period between regular monthly meetings of the board of trustees, the balance remaining in the fund is insufficient to make needed expenditures for any purpose for which the petty cash fund is maintained. No petty cash fund may be replenished more than one time during each period between regular monthly meetings of the board of trustees. If a petty cash fund is replenished prior to the end of the fiscal year in accordance with the foregoing authorization, the employee authorized to maintain the petty cash fund shall keep an accurate record of all expenditures made therefrom, and the purpose therefor, and shall submit the record to the board of trustees at the next regular monthly meeting thereof. The petty cash fund shall be replenished by payment from the appropriate funds of the community college to the petty cash fund upon proper claim. The fund shall be kept separate from all other funds and shall be used only for authorized expenditures and itemized receipts shall be taken for each expenditure. No part of such fund may be loaned or advanced against the salary of an employee. All employees entrusted with such funds under this subsection shall be bonded by the community college district.

(c) Subject to the provisions of subsection (d), the board of trustees may purchase or otherwise acquire land or land and improvements and may acquire, construct, reconstruct, repair or remodel improvements thereon or additions thereto, including furnishings, equipment, and architectural and incidental expense related thereto, and for such purposes the board of trustees is authorized to issue and sell general obligation bonds, the cumulative total not to exceed the following amounts: Where the community college district has a taxable tangible valuation of less than \$90,000,000 or is located in a county designated as urban under the provisions of K.S.A. 19-3524, and amendments thereto, not to exceed 5% of the taxable tangible property of the community college district, and where the community college district has a taxable tangible valuation of more than \$90,000,000 not to exceed 3% except as provided above for any community college district located in a county designated as urban under the provisions of K.S.A. 19-3524, and amendments thereto, of the taxable tangible property of the community college district. If any increase in the valuation of a community college district results in an outstanding bonded indebtedness in excess of that provided in this subsection, such increase shall not constitute a violation of this subsection. No such bonds shall be issued until the question of their issuance shall have been submitted to a vote of the electors of the community college district at a regular election or at a special election called for that purpose and the majority of the electors voting on the proposition in such community college district shall have voted in favor of the issuance of the bonds. Such election shall be called, noticed and held and the bonds issued, sold, delivered and retired in accordance with the provisions of the general bond law except as herein otherwise expressly provided.

(d) The board of trustees of a community college may purchase or otherwise acquire land or land and improvements within: (1) The community college district; or (2) the service area of the community college. Nothing in this subsection shall be construed or operate in any manner to require a board of trustees to sell, convey or otherwise dispose of land or land and improvements located outside the community college district or the service area of the community college and owned or being acquired by the community college on the effective date of this act. For the purposes of this subsection, "service area" means [a] designated geographic area of the state established pursuant to agreement of the presidents of the community colleges and adopted in policy by the state board of regents.

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Sec. 2. K.S.A. 71-601 shall be amended to read as follows: 71-601. (a) "Credit hour" means the basic unit of collegiate level instruction, as determined by the state board, in a subject or course offered at a level not higher than those subjects or courses normally offered to freshmen and sophomores in four-year institutions of postsecondary education which subject or course is approved by the state board. Credit hour does not include within its meaning instruction in a subject or course taken by a student enrolled for audit or in any subject or course not approved by the state board. The state board shall determine whether the subjects and courses offered in the community colleges are at the level of freshmen and sophomore subjects and courses offered in the state educational institutions and shall not approve any subject or course offered at a higher level.

(b) "Full-time equivalent enrollment" or "FTE enrollment" means the quotient obtained by dividing by 30 the total credit hour enrollment in a fiscal year of students of a community college who are residents of the state of Kansas, or are considered residents of the state of Kansas pursuant to the provisions of K.S.A. 71-407, and amendments thereto.

(c) "State operating grant" means the community college operating grant provided for under subsection (a) of K.S.A. 71-620, and amendments thereto, and if entitlement is determined, the quality performance grant provided for under subsection (b) of K.S.A. 71-620, and amendments thereto.

Sec. 3. K.S.A. 71-604 shall be amended to read as follows: K.S.A. 71-604. (a) If the amount of any appropriation for state ~~entitlements~~ aid is insufficient to pay in full the amount each community college is ~~entitled~~ otherwise eligible to receive, the amount appropriated shall be prorated among all community colleges in proportion to the amount each is ~~entitled~~ eligible to receive.

(b) If any community college is paid more than the amount it is ~~entitled~~ eligible to receive, the state board shall notify the community college of the amount of the overpayment and the community college shall remit the same to the state board and the state board shall deposit the same in the state treasury to the credit of the general fund, and if any such community college fails so to remit, the state board shall deduct the excess amount so paid from future payments becoming due to such community college.

(c) If any community college is paid less than the amount it is ~~entitled~~ eligible to receive, the state board shall pay the additional amount due at any time within the fiscal year in which the underpayment was made or within 60 days after the end of such fiscal year.

Sec. 4. K.S.A. 71-609 shall be amended to read as follows: 71-609. (a) No amount of a state ~~entitlement~~ funding shall be based upon enrollment in any subject or course the principal part of which is taught at a location outside the county of the main campus of the community college, unless the location of such subject or course is specifically authorized by the state board of regents.

(b) (1) No amount of a state ~~entitlement~~ funding shall be based upon enrollment in any subject or course which is taught in a county in which the main campus of a state educational institution is located, unless the teaching of such subject or course is specifically authorized by the chief executive officer of the state educational institution or by a designee of the chief executive officer. The chief executive officer of each state educational institution may designate and authorize a person or committee to act on behalf of the chief executive officer in granting the authorizations required by this subsection.

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(2) For the purposes of this subsection, the term "main campus of a state educational institution" as applied to Kansas state university of agriculture and applied science means and includes the campus of the university located in Riley county and the campus of the university's college of technology located in Saline county.

Sec. 5. K.S.A. 71-609a shall be amended to read as follows: 71-609a. No amount of the state ~~entitlement~~ operating grant of a community college shall be based upon any ~~course or program if such course or program is taught in an area vocational school, an area vocational-technical school, or a technical college under an agreement with such community college and credit hour for which payments of state or federal moneys are made to the area vocational school, the area vocational technical school, or the technical college under the provisions of article 44 of chapter 72 of Kansas Statutes Annotated~~ the community college is receiving or is eligible to receive postsecondary tiered technical education state aid.

Sec. 6. K.S.A. 71-613 shall be amended to read as follows: 71-613. (a) The vocational education fund of a community college, established by K.S.A. 72-4424, and amendments thereto, which statutory section shall expire on June 30, 2000, is hereby continued in existence in each community college, and shall be known as the career technical education fund. All moneys received by a community college for establishing, conducting, maintaining and administering any ~~vocational education~~ career technical program ~~authorized under article 44 of chapter 72 of Kansas Statutes Annotated~~ approved by the state board of regents shall be deposited in the ~~vocational~~ career technical education fund, unless required to be deposited in the general fund. The expenses of a community college attributable to ~~vocational~~ career technical education shall be paid from the ~~vocational~~ career technical education fund.

(b) Community colleges shall maintain fund accounting procedures as may be necessary to assure proper accounting for federal funds for ~~vocational~~ career technical education special projects, whether received directly from the federal government or any of its agencies, or received through the state or any of its agencies.

Sec. 7. K.S.A. 71-613a shall be amended to read as follows: 71-613a. All amounts of state ~~entitlements~~ funding and student tuition received by a community college for any career technical program ~~authorized by article 44 of chapter 72 of Kansas Statutes Annotated~~ approved by the state board of regents may be deposited in the ~~vocational~~ career technical education fund of the community college.

Sec. 8. K.S.A. 71-614 shall be amended to read as follows: 71-614. Any lawful transfer of money from the general fund of a community college to the ~~vocational~~ career technical education fund, adult education fund, adult supplementary education fund or motorcycle driver safety fund shall be an operating expense in the year the transfer is made. The board of trustees of any community college may transfer moneys from its general fund to its ~~vocational~~ career technical education fund, adult education fund, adult supplementary education fund or motorcycle driver safety fund. Expenditures for ~~vocational~~ career technical education, adult basic education, adult supplementary education and motorcycle driver safety shall not be made from the general fund of a community college.

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Sec. 9. K.S.A. 71-620 shall be amended to read as follows: 71-620. (a) In each fiscal year, commencing with the 2001 fiscal year, each community college is ~~entitled~~ eligible to receive an operating grant from the state general fund in an amount to be determined by the state board. The state board shall:

(1) Determine the average amount of moneys from the state general fund expended per FTE lower division undergraduate student in the preceding fiscal year at the regional state educational institutions;

(2) (A) in the 2001 fiscal year, compute 50% of the amount determined under (1); (B) in the 2002 fiscal year, compute 55% of the amount determined under (1); (C) in the 2003 fiscal year, compute 60% of the amount determined under (1); in the 2004 fiscal year and in each fiscal year thereafter, compute 65% of the amount determined under (1);

(3) determine the total number of FTE students of all the community colleges;

(4) multiply the amount computed under (2) by the total number of FTE students determined under (3). Subject to the provisions of subsection (e) of K.S.A. 74-3202d, and amendments thereto, the product is the total amount of operating grants the community colleges are entitled to receive for the fiscal year.

~~(5) Each community college which is not an officially designated area vocational school shall receive an amount equivalent to the difference between credit hour state aid received in the 1999 fiscal year for credit hours in any subject or course approved as a vocational education subject or course and 1 1/6 times the amount of credit hour state aid received in the 1999 fiscal year for credit hours in any subject or course approved as a vocational education subject or course. The amount determined under this provision shall be distributed in equal installments in the 2001 through 2004 fiscal years as a part of the community college's operating grant, but shall not be subject to the provisions of K.S.A. 71-204, and amendments thereto.~~

~~(6) In each fiscal year, the state board, for the purpose of allocating the amount determined under (4) to the community colleges, shall deduct the total of the amounts determined under (5) from the amount determined under (4).~~

~~(7) In the 2001 fiscal year, the remaining balance determined under (6) shall be allocated to each community college according to the ratio the total amount of state aid received by the community college in the 2000 fiscal year bears to the total amount of state aid received by all community colleges in the 2000 fiscal year, subject to adjustments for changes in each community college's FTE enrollment from the 2000 fiscal year to the 2001 fiscal year.~~

~~(8) In the 2002 fiscal year and in each fiscal year thereafter, the remaining balance amount determined under ~~(6)~~(4) shall be allocated to each community college according to the ratio the amount of the operating grant received by the community college in the prior fiscal year bears to the total amount of operating grants received by all community colleges in the prior fiscal year, subject to adjustments for changes in each community college's FTE enrollment from the prior fiscal year to the current fiscal year.~~

(b) In each fiscal year, commencing with the 2003 fiscal year, each community college is eligible to receive a quality performance grant from the state general fund. If the state board determines that the community college has demonstrated effectiveness in complying with its role and mission statement and has met or exceeded the core indicators of quality performance for community colleges identified and approved by the state board, the community college shall receive a quality performance grant in an amount which shall be determined by the state board by computing 2% of the amount of the operating grant the community college received in the

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preceding fiscal year. The computed amount is the amount of the quality performance grant the community college shall receive for the fiscal year.

(c) For the purposes of this section, the FTE enrollment of the community college shall be based on: (1) Enrollment of students who are residents of the state of Kansas, or are considered residents of the state of Kansas pursuant to the provisions of K.S.A. 71-407, and amendments thereto; and (2) the greater of FTE enrollment of the community college in the current fiscal year or FTE enrollment in the preceding fiscal year.

(d) As used in this section, the term regional state educational institutions means Emporia state university, Fort Hays state university and Pittsburg state university and the term lower division undergraduate student means a freshman or sophomore.

Sec. 10. K.S.A. 71-701 shall be amended to read as follows: 71-701. As used in this act:

(a) "Community college" means a public community college established under the provisions of this act. The official name of a community college shall be "the _____ community college" and the blank shall be filled with the name of the city or county.

(b) "State board" means the state board of regents.

(c) "Community college district" means the taxing district of a community college.

(d) "Board of trustees" means the governing body of a community college.

(e) ~~"State plan" means the plan adopted for community colleges as provided by law, and such plan as it is from time to time amended by the state board upon recommendation of the advisory council; such plan may include other matters listed in the community college act and acts amendatory thereof, or supplemental thereto.~~

(~~f~~) "Campus" means the location of all or part of the buildings and facilities of a community college.

(~~g~~) "Advisory council" means the advisory council provided for by K.S.A. 71-901, and amendments thereto.

(~~h~~)(~~f~~) "Student tuition" means the charge made to and paid by students for the privilege of attending a community college and participating in the institutional program.

(~~i~~)(~~g~~) "Chief administrative officer" means the president or one so appointed by the board of trustees.

Sec. 11. K.S.A. 71-802 shall be amended to read as follows: 71-802. At any time, if the state board of regents finds that a community college previously approved or deemed approved has failed to comply with the provisions of this act or with any provision of a rule or regulation adopted pursuant to this act, or fails to meet the standards contained in this act, the state board of regents shall so advise the board of trustees. If after 12 calendar months after any such notification such board of trustees has failed to correct the deficiency noted, the state board of regents shall withdraw approval of the community college and it shall not be entitled to eligible for state aid during the continuance of any such period of withdrawal. Any action of the state board of regents in granting, denying or withdrawing approval of a community college shall be subject to review by the legislature.

Sec. 12. K.S.A. 71-1201 shall be amended to read as follows: 71-1201. Territory may be added to any community college district which has been established under this act either by deemed approval or by election approval by one of the following methods:

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(a) The board of education of any unified district a part of which is in the community college district or which touches and adjoins a community college district may petition the state board for attachment of the territory of such unified district to the community college district for community college purposes. Upon receiving any petition under this subsection, the same shall be submitted to ~~the advisory council for its advice and recommendations which, together with the petition, shall be presented~~ to the state board. After considering the petition the state board may approve such attachment, ~~if the advisory council has so recommended. If the advisory council has not so recommended the~~. The state board shall so inform may seek the recommendation of the board of trustees of the community college involved ~~and may request its recommendation~~ as to such attachment. If such request is made and if such board of trustees recommends such attachment the same may be approved by the state board. Upon granting any approval for attachment of territory the state board shall so inform the county election officers of counties in which the territory to be attached is located, and such county election officers shall conduct an election for approval for such attachment in the area petitioned for attachment. Such election shall be conducted in accordance with the procedure for approval for establishment of a community college as specified in this act. The question submitted shall be: "Shall the proposed attachment of territory to the _____ community college district be approved?", and the blank shall be filled with the name of the community college. The expenses of the election shall be paid by the community college. In the event that such attachment is so approved by such election the state board shall issue an order attaching the same to the community college district. The provisions of subsection (b) of K.S.A. 71-1102, and amendments thereto, shall also apply to this subsection.

(b) Any board of trustees may petition the state board for the attachment of any adjoining territory to the community college district. Such petition shall be processed as in subsection (a) of this section, ~~except that in the event of disapproval by the advisory council the state board shall so inform the board of trustees and in such case such attachment shall not be made.~~ If the ~~advisory council~~ state board approves such petition, the state board shall notify the county election officers of counties in which the territory to be attached is located, and such county election officers shall conduct an election for approval of such attachment in the area petitioned for attachment. No attachment of territory shall be made under this subsection unless such attachment has been approved by a majority of those voting in the territory to be attached. Such election shall be conducted in accordance with the procedure for approval of the establishment of community colleges as specified in this act. The question submitted shall be: "Shall the proposed attachment of territory to the _____ community college district be approved?", and the blank shall be filled with the name of the community college. In the event that such attachment is so approved by such election the state board shall issue an order attaching the same to the community college district. The expenses of the election shall be paid by the community college.

(c) No territory shall be attached to any community college district within 120 days prior to the general election of members of the board of trustees.

(d) If the community college attaching territory under subsection (a) or (b) has member district method of election, no approval thereof shall be given by the state board and no proposition for approval thereof shall be submitted to any election until new proposed member districts for the community college territory as the same will exist after the addition of territory have been established by the state board.

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Sec. 13. K.S.A. 71-1507 shall be amended to read as follows: 71-1507. (a) The board of trustees of any community college and the board of any ~~area vocational school or area vocational technical school~~ technical college or the institution of technology at Washburn university, may make and enter into agreements providing for the transfer from the ~~area vocational school or area vocational technical school~~ technical college or the institute of technology to the community college of any approved career technical education program being offered and taught at the postsecondary level in the ~~area vocational school or area vocational technical school~~ technical college or the institute of technology.

(b) In the event the board of trustees of a community college and the board of an ~~area vocational school or area vocational technical school~~ technical college or the institute of technology enter into an agreement authorized under subsection (a), the following conditions shall apply:

(1) The state board of regents shall be notified of the agreement at the time the agreement is executed.

(2) The agreement shall be effective only after approval by the state board of regents.

(3) Any career technical education program transferred in accordance with the agreement shall be offered and taught in the community college only after approval of the program by the state board of regents.

(4) The agreement shall be subject to change or termination by the legislature.

(5) (A) The duration of the agreement shall be perpetual unless terminated in accordance with provision (B).

(B) Termination of the agreement may be accomplished only upon approval by the state board of regents of a joint petition to it for termination by the contracting boards after adoption of a resolution to that effect by each such board. The state board of regents shall consider the petition and approve or disapprove termination of the agreement. Upon termination of the agreement, any program transferred thereunder shall be discontinued.

Sec. 14. K.S.A. 72-4412 shall be amended to read as follows: 72-4412. As used in this act:

(a) "Board" means the board of education of any school district, the board of trustees of any community college, the board of regents of any municipal university, ~~the board of control of any area vocational technical school~~, the governing body of any technical college, or the chief executive officer of any state educational institution.

(b) ~~"Area vocational school" means any vocational education school established under authority of the laws of this state, approved and officially designated as an area vocational school by the state board, and operated under any board. Any area vocational school, except for purposes of the construction of this act, may retain and use the name given to such school prior to the effective date of this act, even though such name includes the words "area vocational technical school."~~

~~(c) "Area vocational technical school" means any vocational education school which was classified as a type II area vocational technical school under authority of former laws or which is established and classified as a type II area vocational technical school under authority of this act. The school to which this definition applies is the Southeast Kansas area vocational technical school.~~

~~The state board may adopt special rules and regulations applicable to the conduct, operation and administration of area vocational technical schools. Nothing in this act shall be~~

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~~construed to authorize the establishment or operation of any area vocational technical school not specifically designated in this subsection.~~

~~(d)~~ "School district" means any school district organized under the laws of this state.

~~(e)(c)~~ "Community college" means any community college organized and operating under the laws of this state.

~~(f)(d)~~ "Municipal university" means a municipal university established under the provisions of article 13a of chapter 13 of Kansas Statutes Annotated.

~~(g)(e)~~ "State educational institution" means the university of Kansas, Kansas state university of agriculture and applied science, Wichita state university, Emporia state university, Pittsburg state university and Fort Hays state university.

~~(h)(f)~~ "Technical college" means an educational institution that formerly was an area vocational school or an area vocational-technical school and that has been converted to, established as, and officially designated a technical college under authority of this act.

~~(i)(g)~~ "State board" means the state board of regents.

~~(j)(h)~~ "School year" means the twelve-month period ending on June 30.

~~(k)(i)~~ "Career technical education" means organized educational programs offering a sequence of courses which are directly related to the preparation of individuals in paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Such programs shall include competency-based applied learning which contributes to an individual's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. The term "career technical education" also includes technology education and career and technical education as referenced in the Carl D. Perkins career and technical education act of 2006.

~~(l)(j)~~ "Technology education" means an applied discipline designed to promote technological literacy which provides knowledge and understanding of the impacts of technology including its organizations, techniques, tools and skills to solve practical problems and extend human capabilities in technological areas.

~~(m)(k)~~ "State plan" means a document or set of documents, together with attachments and supplements thereto, containing such provisions as are authorized by this act and required by the Carl D. Perkins career and technical education act of 2006, and acts amendatory thereof or supplemental thereto.

~~(n)(l)~~ "Associate of applied science degree program" means a program that is offered and maintained by a technical college, composed of career technical and general education courses of instruction for which individuals may earn college credit, designed to prepare individuals for gainful employment in technical or technological occupations requiring other than a baccalaureate or advanced degree or to qualify individuals for transfer to another college or university and, after satisfactory completion of the requirements for graduation, results in the conferral of an associate of applied science degree. For the purpose of awarding college credit for completion of coursework leading to the conferral of an associate of applied science degree, the state board of regents shall determine the number of clock hours of instruction in general education courses or career technical education courses which shall be equivalent to a credit hour.

~~(m)~~ "Institute of technology" or "Washburn institute of technology" means the institute of technology at Washburn university.

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Sec. 15. K.S.A. 72-4415 shall be amended to read as follows: 72-4415. The state board shall be responsible for the allocation and distribution of the state and federal funds provided for pursuant to the Carl Perkins Act for career and technical education in accordance with the state plan. Moneys allocated and distributed under the provisions of this section shall be expended only in accordance with and for the purposes specified in federal or state law or the state plan. Payments under this act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments. Federal funds for career and technical education shall be deposited in the state treasury.

Sec. 16. K.S.A. 72-4440 is hereby amended to read as follows: 72-4440. As used in this act:

(a) ~~"Area vocational school," "area vocational technical school," "board,"~~ "Board," "state board," and "school year" and "technical college" have the meanings respectively ascribed thereto in K.S.A. 72-4412, and amendments thereto.

(b) ~~"Operating budget" shall have the meaning ascribed thereto in K.S.A. 72-4430, and amendments thereto.~~

(c) ~~"School" means any area vocational school and any area vocational technical school.~~ "Eligible institution" or "institution" means any technical college, Coffeyville Community College, Cowley County Community College, Dodge City Community College, Highland Community College, Hutchinson Community College, Johnson County Community College, Kansas City, Kansas Community College, Pratt Community College, Seward County Community College, and the institute of technology at Washburn university.

(d)(c) ~~"Vocational Career technical education capital outlay aid" means state financial aid distributed under this act by the state board to a school~~ an eligible institution for the purpose of construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of ~~school~~ buildings, architectural expenses incidental thereto, the acquisition of buildings ~~for school purposes~~ and ~~school~~ building sites and the acquisition of equipment.

Sec. 17. K.S.A. 72-4441 is hereby amended to read as follows: 72-4441. (a) There is hereby established in every ~~area vocational technical school~~ eligible institution a fund which shall be called the ~~"vocational career technical education capital outlay fund,"~~ which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by an ~~area vocational technical school~~ eligible institution from distributions made under this act shall be credited to the ~~vocational career technical education capital outlay fund.~~

(b) Any moneys received, prior to or after the effective date of this act, by an ~~area vocational technical school~~ eligible institution from donations, gifts, grants or bequests, subject to any terms or conditions to the contrary imposed by the donor thereof, may be transferred to or deposited in the ~~vocational career technical education capital outlay fund~~ and may be expended by the ~~area vocational technical school~~ institution for any purpose for which ~~vocational career technical education capital outlay aid~~ may lawfully be expended.

Sec. 18. K.S.A. 72-4442 is hereby amended to read as follows: 72-4442. The amount of ~~vocational career technical education capital outlay aid~~ for each ~~school~~ eligible institution shall be determined by the state board and payments thereof shall be distributed on payment dates to be determined by the state board. The state board shall certify to the director of accounts and reports the amount due as ~~vocational career technical education capital outlay aid~~ to each ~~school~~

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eligible institution five days before each payment date. The director of accounts and reports shall draw warrants on the state treasurer payable to the treasurer of each ~~school~~ institution ~~eligible for payment of vocational career technical~~ education capital outlay aid, pursuant to vouchers approved by the state board or by a person or persons designated by the state board. Upon receipt of such warrant, the treasurer of each ~~area vocational school~~ shall deposit the amount thereof to the credit of the ~~area vocational school fund~~. The treasurer of each ~~area vocational technical school~~ eligible institution shall deposit the amount of such warrant to the credit of the ~~vocational career technical~~ education capital outlay fund established by this act.

In the event any ~~school~~ eligible institution is paid more than it is entitled to receive under any distribution made under this act, the state board shall notify the school institution of the amount of such overpayment, and such ~~school~~ institution shall remit the same to the state board. The state board shall remit any moneys so received to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund. If any such ~~school~~ institution fails so to remit, the state board shall deduct the excess amounts so paid from future payments becoming due to such ~~school~~ institution. In the event any ~~school~~ institution is paid less than the amount to which it is entitled under any distribution made under this act, the state board shall pay the additional amount due at any time within the ~~school~~ academic year in which the underpayment was made or within 60 days after the end of such ~~school~~ academic year.

Sec. 19. K.S.A. 72-4450 shall be amended to read as follows: 72-4450. As used in this act:

(a) "Career technical education program" means a program of vocational or technical training or retraining which is operated at the postsecondary level and is designed to prepare persons for gainful employment.

(b) "Career technical education institution" means any ~~area vocational school, area vocational technical school,~~ technical college, community college, municipal university, or any state educational institution which operates one or more career technical education programs.

(c) "Area vocational school," "area vocational technical school," "community college," "Community college," "municipal university," "state educational institution," "technical college," "institute of technology" and "state board" have the meanings respectively ascribed thereto in K.S.A. 72-4412, and amendments thereto.

(d) "Private postsecondary educational institution" and "out-of-state postsecondary educational institution" have the meanings ascribed thereto in K.S.A. 2009 Supp. 74-32,163, and amendments thereto.

(e) "Program" means the Kansas training information program established by this act.

Sec. 20. K.S.A. 72-4453 shall be amended to read as follows: 72-4453. (a) The board of trustees of every community college and the governing board of every ~~area vocational school or area vocational technical school~~ technical college and the institute of technology shall make and enter into agreements providing the transferability of substantially equivalent courses of study and programs which are offered at such educational institutions in order to facilitate the articulation of students to and among such educational institutions.

(b) The following conditions shall apply to the agreements required under subsection (a):

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- (1) The state board of regents shall be notified of the agreement at the time the agreement is executed; and
- (2) the agreement shall be effective only after approval by the state board of regents.
- (c) The state board of regents shall prescribe criteria or guidelines for the purpose of determining which courses of study and programs offered in the ~~area vocational schools and area vocational technical schools~~ technical colleges and the institute of technology are: (1) Substantially equivalent to courses of study and programs offered in the community colleges; and (2) transferable to the community colleges. A current, complete list of such courses of study and programs shall be maintained on file in the office of the state board of regents and shall be open for public inspection at any reasonable time.

Sec. 21. K.S.A. 72-4454 shall be amended to read as follows: 72-4454. The state board of regents shall adopt a policy requiring articulation agreements among ~~area vocational schools, area vocational technical schools,~~ community colleges, technical colleges, the institute of technology and state educational institutions providing for the transferability of substantially equivalent courses of study and programs which are offered at ~~area vocational schools, area vocational technical schools,~~ community colleges, technical colleges, the institute of technology and state educational institutions in order to facilitate articulation of students in technical programs to and among ~~area vocational schools, area vocational technical schools,~~ community colleges, technical colleges, the institute of technology and state educational institutions.

Sec. 22. K.S.A. 72-4466 shall be amended to read as follows: 72-4466. As used in this act:

- (a) ~~"Area vocational school", "area vocational technical school", and "Technical college,"~~ "institute of technology" and "community college" have the meanings respectively ascribed thereto in K.S.A. 72-4412, and amendments thereto.
- (b) "Career technical education institution" means any ~~area vocational school, area vocational technical school~~ technical college, the institute of technology or community college.
- (c) "Board" means the state board of regents.
- (d) "Program" means Kansas technology innovation and internship program.

Sec. 23. K.S.A. 72-4470a shall be amended to read as follows: 72-4470a. (a) ~~On or before July 1, 2005, a~~ All technical college boards shall develop and present to the state board of regents a plan to replace the governing body described in K.S.A. 72-4470, and amendments thereto, with a new establish and maintain a plan for a governing board, which shall be separate and independent of any board of education of any school district, to operate, control and manage the technical college. The plan shall include, but not be limited to, provisions relating to:

- (1) The composition of the independent governing board;
- (2) the territory of the technical college. If the territory of the technical college includes more than one county, the plan shall designate a home county;
- (3) the method of election or appointment and the terms of service of the members of the independent governing board;
- (4) the date upon which the independent governing board shall assume management and control of the technical college;

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(5) the manner, terms upon which and extent to which the facilities, will be transferred to the independent governing board and the division of other assets and indebtedness and other liabilities; and

(6) the manner and terms upon which faculty, employees and students will be transferred to the independent governing board. Subject to the provisions of K.S.A. 2009 Supp. 72-4478, and amendments thereto, such provisions shall specify terms of employment and address other personnel matters.

~~(b) (1) Upon approval of the plan by the state board of regents and the governing body of the technical college which submitted the plan, and~~ On the date determined in the approved plan, the independent governing board established under subsection (a) of this section shall operate subject to the rules, regulations and supervision of the state board of regents in the same manner as other technical colleges, technical schools and area vocational technical schools. Any amendments to the plan shall be submitted to the state board of regents for approval.

~~(2) After June 30, 2007, if the governing body of the technical college and the state board of regents have not approved a plan submitted pursuant to subsection (a), the state board of regents shall have the power to approve the plan and upon such approval and on the date determined in the approved plan, the independent governing board established pursuant to subsection (a) shall operate subject to the rules, regulations and supervision of the state board of regents in the same manner as other technical colleges, technical schools and area vocational technical schools.~~

(c) In addition to such other powers expressly granted by law and subject to the provisions of subsection (b), the governing board shall have the power to:

(1) Determine the career technical and general education courses of instruction that will comprise the associate of applied science degree programs of the college;

(2) establish the requirements for satisfactory completion of the associate of applied science degree programs of the college;

(3) confer the associate of applied science degree upon students who successfully complete an associate of applied science degree program of the college and to award a certificate or diploma to students who successfully complete a career technical education program of the college;

(4) appoint teaching staff and fix and determine teacher qualifications, duties and compensation. No teacher appointed to teach courses comprising the associate of applied science degree programs of the college shall be required to meet licensure requirements greater than those required in the state educational institutions;

(5) have custody of, and be responsible for, the property of the college and be responsible for the operation, management and control of the college;

(6) select a chairperson and such other officers as it deems desirable, from its membership;

(7) sue and be sued;

(8) appoint and fix the compensation and term of office of a president or chief administrative officer of the college;

(9) fix and determine, within state adopted standards, all other employees' qualifications, duties, compensation and all other items and conditions of employment;

(10) enter into contracts;

(11) accept any gifts, grants or donations;

(12) acquire and dispose of real or personal property;

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(13) enter into lease agreements as lessor of any property owned or controlled by the college;

(14) adopt any rules and regulations, not inconsistent with any law or any rules and regulations of the state board of regents, which are necessary for the administration and operation of the college or for the conduct of business of the governing board;

(15) contract with one or more agencies, either public or private, whether located within or outside the territory of the college or whether located within or outside the state of Kansas for the conduct by any such agency of academic or career technical education for students of the college and to provide for the payment to any such agency for the contracted educational services from any funds or moneys of the college, including funds or moneys received from student tuition and fees;

(16) appoint as its resident agent for the purpose of service of process, either the president of the technical college or the chairperson of the governing board, or both;

(17) take any other action, not inconsistent with any law or any rules and regulations of the state board of regents, which is necessary or incidental to the establishment, operation and maintenance of the college;

(18) issue bonds for capital improvement projects, enter into bond covenants and take such ancillary action as the governing board approves, relating thereto except that such bonds shall not be secured by a pledge of any property tax revenues of the technical college; and

(19) enter into agreements with counties relating to funding for capital improvement projects at technical colleges; and

(20) fix different rates per hour of tuition, fees and charges for the different postsecondary programs administered by such board.

Sec. 24. K.S.A. 72-4480 shall be amended to read as follows: K.S.A. 72-4480. (a) The state board of regents shall identify and approve core indicators of quality performance for ~~vocational education schools~~ and technical colleges and shall establish and implement a data management system that includes a process and format for collecting, aggregating and reporting common and institution-specific information documenting effectiveness of the ~~schools and colleges~~ in meeting the role and mission thereof.

(b) In each fiscal year, commencing with the 2003 fiscal year, each ~~vocational education school~~ and technical college is eligible to receive a quality performance grant from the state general fund. If the state board determines that the ~~school or college~~ has demonstrated effectiveness in complying with its role and mission statement and has met or exceeded the core indicators of quality performance for ~~vocational education schools and technical colleges~~ identified and approved by the state board, the ~~school or college~~ shall receive a quality performance grant in an amount which shall be determined by the state board by computing 2% of the amount of postsecondary aid the ~~school or college~~ received in the preceding fiscal year. The computed amount is the amount of the quality performance grant the ~~school or college~~ shall receive for the fiscal year.

(c) The distribution of the appropriation for quality performance grants to ~~vocational education schools and technical colleges~~ entitled to such grants shall be made at a time to be determined by the state board. The state board shall certify to the director of accounts and reports the amount due to each ~~vocational education school and technical college~~ entitled to a grant, and the director of accounts and reports shall draw a warrant upon the state treasurer in favor of the

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~~school or~~ college for such amount. Upon receipt of the warrant, the treasurer of the ~~school or~~ college shall credit the amount of the warrant to the general fund.

Sec. 25. K.S.A. 72-6214 shall be amended to read as follows: 72-6214. (a) As used in this section, the following terms shall have the meanings respectively ascribed to them unless the context requires otherwise:

(1) "Board" means the state board of regents, the state board of education, the board of trustees of any public community ~~junior~~ college, the board of regents of any municipal university, ~~the board of control of any area vocational technical school~~ the governing board of any technical college and the board of education of any school district.

(2) "Student" means a person who has attained eighteen (18) years of age, or is attending an institution of postsecondary education.

(3) "Pupil" means a person who has not attained eighteen (18) years of age and is attending an educational institution below the postsecondary level.

(b) Every board shall adopt a policy in accordance with applicable federal laws and regulations to protect the right of privacy of any student, or pupil and his or her family regarding personally identifiable records, files and data directly related to such student or pupil. The board shall adopt and implement procedures to effectuate such policy by January 1, 1977. Such procedures shall provide for: (1) Means by which any student or parent of a pupil, as the case may be, may inspect and review any records or files directly related to the student or pupil; and (2) restricting the accessibility and availability of any personally identifiable records or files of any student or pupil and preventing disclosure thereof unless made upon written consent of such student or parent of such pupil, as the case may be. To the extent that any other provision of law conflicts with this section, this section shall control.

Sec. 26. K.S.A. 73-1217 shall be amended to read as follows: 73-1217. The board of trustees of every community college, the board of regents of Washburn university of Topeka, the governing board of ~~control of every area vocational school~~ technical college and the governing body of every other institution of post-high school education which is supported by any state moneys shall provide for enrollment without charge of tuition or fees for any dependent of a prisoner of war or a person missing in action, so long as such dependent is eligible, but not to exceed 12 semesters of instruction or the equivalent thereof at all such institutions for any person if the person started such instruction prior to July 1, 2005, or 10 semesters if the person started such instruction on or after July 1, 2005. Once a person qualifies as a dependent under the terms and provisions of this act, no occurrence, such as the return of the dependent's father or his reported death, shall disqualify the dependent from the provisions or benefits of this act. The state board of regents, the board of trustees of any community college, or the governing body of any other institution which grants tuition for fees without charge to a dependent under this act may file a claim with the Kansas veterans' commission for reimbursement of the amount of such tuition or fees. The Kansas veterans' commission shall administer this act and qualifications of persons as dependents shall be determined by such commission. Such commission may adopt rules and regulations making more specific the definitions herein contained and for the ~~administration of this act.~~

Sec. 27. K.S.A. 73-1218 shall be amended to read as follows: 73-1218. The state board of regents, the board of trustees of every community ~~junior~~ college, the board of regents of

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Washburn university of Topeka, the governing board of every ~~area vocational school~~, ~~the board of control of every area vocational technical school~~ technical college and the governing body of every other institution of post-high school education which is supported by any state moneys shall provide for enrollment without charge of tuition or fees for any dependent of a person who died as the result of a service-connected disability suffered during the Vietnam conflict as a result of such conflict, so long as such dependent is eligible, but not to exceed twelve (12) semesters of instruction or the equivalent thereof at all such institutions for any person. Once a person qualifies as a dependent under the terms and provisions of this act, no occurrence, such as the return of the dependent's father or mother, shall disqualify the dependent from the provisions or benefits of this act. The governing body of every institution of post-high school education which is supported by any state moneys and which grants tuition or fees without charge to a dependent under this act may file a claim with the Kansas veterans' commission for reimbursement of the amount of such tuition or fees. The Kansas veterans' commission shall administer this act and the qualification of persons as dependents shall be determined by such commission. Such commission may adopt rules and regulations making more specific the definition herein contained and for the administration of this act.

"Dependent" as used in this act shall mean any child born to, legally adopted by, or in the legal custody of a person who was a resident of the state of Kansas at the time such person entered service of the United States armed forces and who, while serving in said U. S. armed forces in the geographical area of the Vietnam conflict, has been declared to be a person who died as the result of a service-connected disability suffered during the Vietnam conflict as a result of such conflict.

Sec. 28. K.S.A. 74-3201b shall be amended to read as follows: 74-3201b. As used in the Kansas higher education coordination act:

(a) "State board of regents" or "state board" means the state board of regents provided for in the constitution of this state and established by K.S.A. 74-3202a, and amendments thereto, except as otherwise specifically provided in this act.

(b) "State educational institution" means any state educational institution, as defined in K.S.A. 76-711, and amendments thereto.

(c) "Municipal university" means Washburn university of Topeka or any other municipal university established under the laws of this state.

(d) "Community college" means any community college established under the laws of this state.

(e) "Technical college" means any technical college established under the laws of this state.

(f) ~~"Career technical education school" means any area vocational school or area vocational technical school established under the laws of this state.~~ "Institute of technology" or "Washburn institute of technology" means the institute of technology at Washburn university.

(g) "Public university" means any state educational institution.

(h) "Postsecondary educational institution" means any public university, municipal university, community college, and technical college ~~and career technical education school~~, and includes any entity resulting from the consolidation or affiliation of any two or more of such postsecondary educational institutions.

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(i) "Private postsecondary educational institution" and "out-of-state postsecondary educational institution" have the meanings ascribed thereto in K.S.A. 2009 Supp. 74-32,163, and amendments thereto.

(j) "Adult basic education program" and "adult supplementary education program" have the meanings respectively ascribed thereto in K.S.A. 72-4517, and amendments thereto.

(k) "Representative of a postsecondary educational institution" means any person who is the holder of an associate degree, a bachelor's degree, or a certificate of completion awarded by a postsecondary educational institution.

Sec. 29. K.S.A. 74-32,146 shall be amended to read as follows: 74-32,146. As used in the Kansas national guard educational assistance act:

(a) "Kansas educational institution" means and includes ~~area vocational schools, area vocational technical schools,~~ community colleges, the municipal university, state educational institutions, technical colleges, the institute of technology at Washburn university and accredited independent institutions.

(b) "Eligible guard member" means a newly enlisted or reenlisted member of the Kansas national guard with not more than 20 years of service and who is enrolled at a Kansas educational institution. The term eligible guard member does not include within its meaning any member of the Kansas national guard who is the holder of a baccalaureate or higher academic degree, who does not hold a high school diploma or general educational development (GED) credentials, or who is entitled to federal educational benefits earned by membership in the Kansas national guard, except financial assistance under the federal education assistance program (FEAP) for members of the selected reserve.

(c) "Kansas national guard educational assistance program" or "program" means the program established pursuant to the provisions of the Kansas national guard educational assistance act.

(d) "Educational program" means a program which is offered and maintained by a Kansas educational institution and leads to the award of a certificate, diploma or degree upon satisfactory completion of course work requirements

Sec. 30. K.S.A. 74-32,151 shall be amended to read as follows: 74-32,151. (a) This section and K.S.A. 74-32,152 through 74-32,159, and amendments thereto, shall be known and may be cited as the workforce development loan program act.

(b) As used in the workforce development loan act, "postsecondary educational institution" shall have the meaning ascribed thereto by K.S.A. 74-3201b, and amendments thereto.

(c) Within the limits of appropriations and private contributions therefor, and in accordance with the provisions of this act, the state board of regents may award such loans to Kansas residents who are enrolled in or admitted to ~~an area vocational technical school, a~~ technical college, community college, ~~vocational school coordinated under the state board of regents~~ the institute of technology at Washburn university or associate degree programs at a postsecondary educational institutions and who enter into a written agreement with the state board of regents as provided in K.S.A. 74-32,152 and amendments thereto.

(d) The board of regents may accept any private contributions to the program. The chief executive officer of the board of regents shall turn such contributions over to the state treasurer who shall deposit such moneys into the workforce development loan fund.

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(e) After consultation with the secretaries of the departments of social and rehabilitation services and commerce, the board may establish a list of education programs in which an applicant must enroll to be eligible for a loan under this program.

(f) The loans shall be awarded on a priority basis to qualified applicants who have the greatest financial need with the highest priority given to those applicants with the greatest financial need who were in foster care on their 18th birthday or were released from foster care prior to their 18th birthday after having graduated from high school or completing the requirements for a general educational development (GED) certificate while in foster care. All loans shall be awarded to resident students attending area vocational technical schools, technical colleges, community colleges, area vocational schools or associate degree programs at postsecondary educational institutions. Special preference shall also be established for residents drawing unemployment compensation or such residents who were laid off from employment within the prior six months. The board may also establish preferences for workers deemed to be eligible for North American free trade agreement transition assistance under United States department of labor standards or the Kansas department of labor standards.

(g) Loans awarded under this program shall be awarded on an annual basis and shall be in effect for one year unless otherwise terminated before the expiration of such period of time. Such loans shall be awarded for the payment of tuition, fees, books, room and board and any other necessary school related expenses.

Sec. 31. K.S.A. 75-4364 is hereby amended to read as follows: 75-4364. (a) As used in this section:

(1) "Kansas educational institution" means and includes ~~area vocational schools, area vocational technical schools,~~ community colleges, the municipal university, state educational institutions, the institute of technology at Washburn university and technical colleges.

(2) "Public safety officer" means a law enforcement officer or a firefighter or an emergency medical services attendant.

(3) "Law enforcement officer" means a person who by virtue of office or public employment is vested by law with a duty to maintain public order or to make arrests for violation of the laws of the state of Kansas or ordinances of any municipality thereof or with a duty to maintain or assert custody or supervision over persons accused or convicted of crime, and includes wardens, superintendents, directors, security personnel, officers and employees of adult and juvenile correctional institutions, jails or other institutions or facilities for the detention of persons accused or convicted of crime, while acting within the scope of their authority.

(4) "Firefighter" means a person who is: (1) Employed by any city, county, township or other political subdivision of the state and who is assigned to the fire department thereof and engaged in the fighting and extinguishment of fires and the protection of life and property therefrom; or (2) a volunteer member of a fire district, fire department or fire company.

(5) "Emergency medical services attendant" means a first responder, emergency medical technician, emergency medical technician-intermediate, emergency medical technician-defibrillator or a mobile intensive care technician certified by the emergency medical services board pursuant to the statutory provisions contained in article 61 of chapter 65 of Kansas Statutes Annotated.

(6) "Dependent" means (A) a birth child, adopted child or stepchild or (B) any child other than the foregoing who is actually dependent in whole or in part on the individual and who is related to such individual by marriage or consanguinity.

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(7) "State board" means the state board of regents.

(8) "Military service" means any active service in any armed service of the United States and any active state or federal service in the Kansas army or air national guard.

(9) "Prisoner of war" means any person who was a resident of Kansas at the time the person entered service of the United States armed forces and who, while serving in the United States armed forces, has been declared to be a prisoner of war, as established by the United States secretary of defense, after January 1, 1960.

(10) "Resident of Kansas" means a person who is a domiciliary resident as defined by K.S.A. 76-729, and amendments thereto.

(11) "Spouse" means the spouse of a deceased public safety officer or deceased member of the military service who has not remarried.

(b) Every Kansas educational institution shall provide for enrollment without charge of tuition or fees for: (1) Any dependent or spouse of a public safety officer who died as the result of injury sustained while performing duties as a public safety officer so long as such dependent or spouse is eligible; (2) any dependent or spouse of any resident of Kansas who died on or after September 11, 2001, while, and as a result of, serving in military service; and (3) any prisoner of war. Any such dependent or spouse and any prisoner of war shall be eligible for enrollment at a Kansas educational institution without charge of tuition or fees for not to exceed 10 semesters of undergraduate instruction, or the equivalent thereof, at all such institutions.

(c) Subject to appropriations therefor, any Kansas educational institution, at which enrollment, without charge of tuition or fees, of a prisoner of war or a dependent or spouse is provided for under subsection (b), may file a claim with the state board for reimbursement of the amount of such tuition and fees. The state board shall include in its budget estimates pursuant to K.S.A. 75-3717, and amendments thereto, a request for appropriations to cover tuition and fee claims pursuant to this section. The state board shall be responsible for payment of reimbursements to Kansas educational institutions upon certification by each such institution of the amount of reimbursement to which entitled. Payments to Kansas educational institutions shall be made upon vouchers approved by the state board and upon warrants of the director of accounts and reports. Payments may be made by issuance of a single warrant to each Kansas educational institution at which one or more eligible dependents or spouses or prisoners of war are enrolled for the total amount of tuition and fees not charged for enrollment at that institution. The director of accounts and reports shall cause such warrant to be delivered to the Kansas educational institution at which any such eligible dependents or spouses or prisoners of war are enrolled. If an eligible dependent or spouse or prisoner of war discontinues attendance before the end of any semester, after the Kansas educational institution has received payment under this subsection, the institution shall pay to the state the entire amount which such eligible dependent or spouse or prisoner of war would otherwise qualify to have refunded, not to exceed the amount of the payment made by the state in behalf of such dependent or spouse or prisoner of war for the semester. All amounts paid to the state by Kansas educational institutions under this subsection shall be deposited in the state treasury and credited to the state general fund.

(d) The state board shall adopt rules and regulations for administration of the provisions of this section and shall determine the qualification of persons as dependents and spouses of ~~public safety officers or United States military personnel~~ and the eligibility of such persons for the benefits provided for under this section.

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Sec. 32. K.S.A. 75-53,112 shall be amended to read as follows: 75-53,112. As used in the Kansas foster child educational assistance act:

(a) "Kansas educational institution" means and includes any ~~area vocational school, area vocational technical school,~~ community college, the municipal university, state educational institution, the institute of technology at Washburn university or technical college.

(b) "Eligible foster child" means anyone: (1) Who (A) is in the custody of the secretary and in a foster care placement on the date such child attained 18 years of age, (B) has been released from the custody of the secretary prior to attaining 18 years of age, after having graduated from a high school or fulfilled the requirements for a general educational development (GED) certificate while in foster care placement and the custody of the secretary, (C) is adopted from a foster care placement on or after such child's 16th birthday, or (D) left a foster care placement subject to a guardianship under chapter 38 or 59 of the Kansas Statutes Annotated on or after such child's 16th birthday; and

(2) who enrolls in a Kansas educational institution on or after July 1, 2006.

(c) "Kansas foster child educational assistance program" or "program" means the program established pursuant to the provisions of the Kansas foster child educational assistance act which shall provide for undergraduate enrollment of eligible foster children through the semester the eligible foster child attains 23 years of age.

(d) "Educational program" means a program which is offered and maintained by a Kansas educational institution and leads to the award of a certificate, diploma or degree upon satisfactory completion of course work requirements.

(e) "Secretary" means the secretary of social and rehabilitation services.

Sec. 33. 75-7222 is hereby amended to read as follows: 75-7222. As used in this act, unless the context requires otherwise:

(a) "Board" means the state board of regents.

(b) "Hospital" means a licensed hospital, as defined in K.S.A. 65-425, and amendments thereto.

(c) "Library" means: (1) The state library; (2) any public library established and operating under the laws of this state; or (3) any regional system of cooperating libraries, as defined in K.S.A. 75-2548, and amendments thereto.

(d) "Network" means the KAN-ED network created pursuant to this act.

(e) "School" means: (1) Any unified school district, school district interlocal cooperative, school district cooperative or nonpublic school accredited by the state board of education; or (2) any community college, technical college, ~~area vocational school, area vocational technical school~~ the institute of technology at Washburn university or Kansas educational institution, as defined in K.S.A. 74-32,120, and amendments thereto.

Sec. 34. K.S.A. 76-6a13 is hereby amended to read as follows: 76-6a13. As used in this act, unless the context otherwise requires:

(a) "Board" means the state board of regents or the board of regents of a municipal university or the governing board of control of the Northwest Kansas area vocational technical school ~~northwest Kansas technical college~~ or the governing board of control of the North Central Kansas area vocational technical school ~~north central Kansas technical college~~ or the board of trustees of any community college.

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(b) "Institution" means and includes any state educational institution operated and managed under the control and supervision of the state board of regents, any municipal university organized under the laws of Kansas, any community college, the Northwest Kansas area vocational technical school, and the North Central Kansas area vocational technical school.

(c) "Building," when heretofore or hereafter acquired or constructed by the state board of regents for any state educational institution under the control and supervision of the state board of regents, means and includes one or more dormitories, kitchens, dining halls, student union buildings, field houses, student hospitals, libraries, on-campus parking, hospital buildings or facilities for the university of Kansas medical center, including out-patient treatment or support facilities and acquisition of any real estate therefor, additions heretofore or hereafter erected in connection therewith, or rehabilitation or renovation of an existing building, or any combination thereof, or any stadium, structure or facility when the same is deemed necessary by the state board of regents to carry out the purposes of the institution, or additions heretofore or hereafter erected in connection with such stadium, structure or facility. The state board of regents shall not issue any revenue bonds for acquisition or construction of any building, structure or facility or additions erected in connection therewith, or for rehabilitation or renovation of an existing building, as authorized by this section, unless such acquisition, construction or rehabilitation or renovation has been authorized by appropriation or other act of the legislature and the state board of regents has first advised and consulted on such acquisition, construction or rehabilitation or renovation with the joint committee on state building construction.

(d) "Revenue bonds" means bonds issued by a board under authority of K.S.A. 76-6a13 *et seq.*, and amendments thereto, and payable as to both principal and interest solely and only out of (1) the income and revenues arising from the operation of the building for which such bonds are issued, or (2) in the case of a building to be constructed for an institution under the control and supervision of the state board of regents and upon a determination by the state board of regents that the best interests of the state and the institution will be served thereby, the revenues derived from student fees levied for this purpose or for other bonds after such other bonds are retired, or both, (3) any combination of the revenues described in clause (1) or (2), and (4) in addition to the revenues described in clauses (1), (2) or (3), in the discretion of the board, out of one or both of the following additional sources: (A) The proceeds of any grant in aid of such project which may be received from any source, and (B) the net income and revenues arising from the operation of another building already owned and operated by the board and located on the same campus of the institution where the building for which bonds are to be issued will be located.

(e) "Net income and revenue" means the income arising from the operation of a building remaining after providing for the costs of operation of such building and the costs of maintenance thereof.

(f) "Building," when heretofore or hereafter acquired or constructed by a board other than the state board of regents, means and includes one or more dormitories, kitchens, dining halls, student union buildings, field houses, student hospitals, libraries, on-campus parking or additions heretofore or hereafter erected in connection therewith, or any combination thereof.

Sec. 35. K.S.A. 76-768 shall be amended to read as follows: 76-768. (a) On and after July 1, 2006:

(1) No postsecondary educational institution shall print or encode a person's social security number on or into the person's identification card.

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(2) Any distinguishing identifier assigned to the person's identification card shall be a combination of numbers or letters or both, which is unique to such person.

(3) A person's distinguishing identifier shall not, in any way, be based on or depend on the person's social security number.

(b) As used in this section:

(1) "Person" means an employee of or a student enrolled at a postsecondary educational institution.

(2) "Postsecondary educational institution" means and includes ~~area vocational schools, area vocational technical schools,~~ community colleges, the municipal university, state educational institutions, technical colleges, the institute of technology at Washburn university and private institutions of postsecondary education.

Sec. 36. K.S.A. 71-201, 71-601, 71-604, 71-609, 71-609a, 71-613, 71-613a, 71-614, 71-620, 71-701, 71-802, 71-1201, 71-1507, 71-1706, 72-4412, 72-4415, 72-4428, 72-4430, 72-4431, 72-4432, 72-4433, 72-4435, 72-4416, 72-4440, 72-4441, 72-4442, 72-4450, 72-4453, 72-4454, 72-4466, 72-4468, 72-4470a, 72-4480, 72-6214, 72-6803, 73-1217, 73-1218, 74-3201b, 74-3229a, 74-32,146, 74-32,151, 75-4364, 75-53,112, 75-7222, 76-6a13, 76-768, and 76-781 are hereby repealed.

Sec. 37. This act shall take effect and be in force from and after its publication in the Kansas Register.

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KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

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KACCT 2010-2011 Legislative Proposals:
Proposal 2

1. Legislative Proposal

The community colleges would like to have the tax credits reinstated to 60% of statutorily available amounts. In addition, community colleges would like unused tax credits to go into a pool if not used by a certain date so that another college could use them rather than the tax credits being lost.

2. Issue Background

This legislation on tax credits for community colleges, technical colleges and postsecondary education institutions was enacted in 2007. Community Colleges were not given the option of pooling unused tax credits by a date certain so other community colleges could use them, but instead lose them if not used in the taxing year. Community Colleges request that we be given this option. In addition, we request that the 60% tax credit be restored. (The legislature gave the tax credits a "haircut" in 2009. (K.S.A. 79-32,264). In addition, this current legislation only allows tax credits through tax year 2012, and we would like to extend that date.

3. Rationale/Consequences

Taxpayers making contributions to community colleges for capital improvements were allowed tax credits and this provision allowed community colleges to fund important capital improvements like renovation and infrastructure improvement. We would ask to restore tax credits to 60%. Community Colleges have had a 12 -13% reduction in state operating grants, loss of the equipment & machinery slider and lowered valuations. Raising the credit back to 60% and allowing reallocation for community colleges of unused credits prior to the end of the year would financially help community colleges.

4. Fiscal and Administrative Impact

Reallocation of unused tax credits within the taxing year, will not cost anything more than current law allows. Lowering the total tax credit amount (in 2010, capped at \$208,233.33) so that 60% of the amount is allowed, rather than allowing 54% of \$208,233.33, would have no greater fiscal impact for the State.

5. Impact on other State Agencies

None more than currently required.

3-39

6. Questions Legislators May Ask/Possible Political Hurdles

Obstacles expected would be request for original amount of tax credit in a time of a large gap between state revenues and expenditures. Those who would lobby perhaps against this might be Department of Revenue and those who oppose tax credits. Those competing for scarce state dollars might object. No outreach with proponents or opponents has occurred.

7. Draft legislation attached. Proposed deletions are highlighted in yellow and bracketed; proposed amendments with new language are highlighted in blue.

3-40

KACCT legislative proposal 2010

Proposal 2 – Legislative Draft

*delete highlighted and bracketed portion

*add blue highlighted portion

79-32,264

Chapter 79.--TAXATION

Article 32.--INCOME TAX

79-32,264. Limitations on tax credits; credits allowed and amounts to be carried forward. (a) For tax years 2009 and 2010, for any tax credit provided under the following: K.S.A. 65-7107, 79-1117, 79-32,176, 79-32,177, 79-32,190 and 79-32,200 and K.S.A. 2009 Supp. 40-2246, 74-50,154, 74-50,173, 74-50,208, 74-8133, 74-8205, 74-99c09, 79-32,153, 79-32,160a, 79-32,181a, 79-32,182b, 79-32,196, 79-32,197, 79-32,201, 79-32,202, 79-32,204, 79-32,207, 79-32,211a, 79-32,212, 79-32,213, 79-32,215, 79-32,218, 79-32,222, 79-32,224, 79-32,229, 79-32,234, 79-32,239, 79-32,242, 79-32,244, 79-32,246, 79-32,252, 79-32,261 and [79-32,262], and amendments thereto, the total of any such credit or credits allowed against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, shall not exceed the lesser of 90% of the total amount of such credit or credits earned in a current tax year or claimed in a current tax year as a carry forward from a prior tax year, or 90% of the tax as computed prior to the allowance of any such credit or credits. Except as otherwise provided by subsections (c) and (d), the amount of such credit or credits that may be carried forward in any succeeding taxable year shall be reduced by an amount equal to the lesser of 10% of the total amount of such credit or credits earned in a current tax year or claimed in a current tax year as a carry forward from a prior tax year, or 10% of the tax as computed prior to the allowance of any such credits.

(b) For tax years 2009 and 2010, for any tax credit provided under K.S.A. 2009 Supp. 79-32,206 and 79-32,210, and amendments thereto, the total amount of any credits refunded or allowed against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, shall not exceed 90% of the total amount of tax credit or credits earned, and the remaining portion of such tax credit or credits shall be lost.

(c) For any tax credit or credits earned pursuant to K.S.A. 79-32,160a, and amendments thereto, other than tax credits earned pursuant to subsection (e) of K.S.A. 79-32,160a, and amendments thereto, in a tax year prior to 2009 and carried forward from such prior tax year and claimed in tax years 2009 or 2010, any reduction in the amount of credit or credits that may be carried forward to any succeeding tax year determined pursuant to subsection (a), may be carried forward to any tax year after 2010, pursuant to the applicable carry-forward period provided in K.S.A. 79-32,160a, and amendments thereto.

(d) For any tax credit earned pursuant to subsection (e) of K.S.A. 79-32,160a, and amendments thereto, by a taxpayer qualified and certified under the provisions of K.S.A. 74-50,131, and amendments thereto, who has received prior to June 1, 2009, written approval from the secretary of commerce of a certificate of intent to invest in a qualified business facility, any reduction in the amount of credit or credits that may be carried forward to any succeeding tax year determined pursuant to subsection (a), may be carried forward to any tax year after 2010, pursuant to the applicable carry-forward period provided in K.S.A. 79-32,160a, and amendments thereto.

History: L. 2009, ch. 142, § 2; May 28.

3-41

79-32,261

Chapter 79.--TAXATION Article 32.--INCOME TAX

79-32,261. Tax credit for certain contributions to community college, technical college or postsecondary educational institution. (a) On and after July 1, 2008, any taxpayer who contributes in the manner prescribed by this section to a community college located in Kansas for capital improvements, to a technical college for deferred maintenance or the purchase of technology or equipment or to a postsecondary educational institution located in Kansas for deferred maintenance, shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated. The tax credit allowed by this section is applicable for the tax year 2008 for any contributions made on and after July 1, 2008, and [for the tax years 2009, 2010, 2011 and 2012] for any contributions made during the entire tax year after 2009. The amount of the credit allowed by this section shall not exceed 60% of the total amount contributed during the taxable year by the taxpayer to a community college or a technical college located in Kansas for such purposes. The amount of the credit allowed by this section shall not exceed 50% of the total amount contributed during the taxable year by the taxpayer to a postsecondary educational institution for such purposes. If the amount of the credit allowed by this section for a taxpayer who contributes to a community college or a technical college exceeds the taxpayer's income tax liability imposed by the Kansas income tax act, such excess amount shall be refunded to the taxpayer. If the amount of the tax credit for a taxpayer who contributes to a postsecondary educational institution exceeds the taxpayer's income tax liability for the taxable year, the amount which exceeds the tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year succeeding the taxable year in which the contribution is made. Prior to the issuance of any tax credits pursuant to this section, the structure of the process in which contributions received by a community college, a technical college or a postsecondary educational institution qualify as tax credits allowed and issued pursuant to this section shall be developed by a community college, a technical college and a postsecondary educational institution in consultation with the secretary of revenue and the foundation or endowment association of any such community college, technical college or postsecondary educational institution in a manner that complies with requirements specified in the federal internal revenue code of 1986, as amended, so that contributions qualify as charitable contributions allowable as deductions from federal adjusted gross income.

(b) (1) Upon receipt of any such contributions to a community college made pursuant to the provisions of this section, the treasurer of the community college shall deposit such contributions to the credit of the capital outlay fund of such community college established as provided by K.S.A. 71-501a, and amendments thereto. Expenditures from such fund shall be made for the purposes described in subsection (a) of K.S.A. 71-501, and amendments thereto, except that expenditures shall not be made from such fund for new construction or the acquisition of real property for use as building sites or for educational programs.

(2) Upon receipt of any such contributions to a technical college made pursuant to the provisions of this section, such contributions shall be deposited to the credit of a deferred maintenance fund or a technology and equipment fund established by the technical college which received the contribution. Expenditures from such fund shall be made only for the purpose as provided in this subsection.

(3) Upon receipt of any such contributions to a postsecondary educational institution made pursuant to the provisions of this section, such contributions shall be deposited to the credit of the appropriate deferred maintenance support fund of the postsecondary educational institution which received the contribution. Expenditures from such fund shall be made only for the purposes designated for such fund pursuant to law.

(c) (1) In no event shall the total amount of credits allowed under this section for taxpayers who contribute to any one such community college or technical college exceed the following amounts: For the tax year 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount not to exceed \$156,250; and for [the] succeeding tax years [2010, 2011 and 2012,] an amount not to exceed \$208,233.33. Any tax credit not used by a community college by a date certain as determined by the board of regents in conjunction with the community colleges can be reallocated to another community college for use in the same taxing year.

(2) In no event shall the total of credits allowed under this section for taxpayers who contribute to postsecondary educational institutions exceed the following amounts: For the tax year 2008, an amount not to exceed \$5,625,000; for the tax year 2009, an amount not to exceed \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to exceed \$15,000,000. Except as otherwise provided, the allocation of such tax credits for each individual state educational institution shall be determined by the state board of regents in consultation with the secretary of revenue and the university foundation or endowment association of each postsecondary educational institution, and such determination shall be completed prior to the issuance of any tax credits pursuant to this section. Not more than 40% of the total of credits allowed under this section shall be allocated to any one postsecondary educational institution unless all such postsecondary educational institutions approve an allocation to any one such postsecondary educational institution which exceeds 40% of the total of such credits allowed under this section.

(d) As used in this section: (1) "Community college" means a community college established under the provisions of the community college act;

(2) "deferred maintenance" means the maintenance, repair, reconstruction or rehabilitation of a building located at a technical college or a postsecondary educational institution which has been deferred, any utility systems relating to such building, any life-safety upgrades to such building and any improvements necessary to be made to such building in order to comply with the requirements of the Americans with disabilities act or other federal or state law;

(3) "postsecondary educational institution" means the university of Kansas, Kansas state university of agriculture and applied science, Wichita state university, Emporia state university, Pittsburg state university, Fort Hays state university and Washburn university of Topeka; and

(4) "technical college" means a technical college as designated pursuant to K.S.A. 72-4472, 72-4473, 72-4474, 72-4475 and 72-4477, and amendments thereto.

(e) Any taxpayer not subject to Kansas income, privilege or premiums tax who contributes to a community college, technical college or postsecondary educational institution, hereinafter designated the transferor, may sell, assign, convey or otherwise transfer tax credits allowed and earned pursuant to this section. The sale price of a tax credit shall be at least 50% of the full value of the credit. Such credit shall be deemed to be allowed and earned by any such taxpayer which is only disqualified therefrom by reason of not being subject to such Kansas taxes. The taxpayer acquiring earned credits, hereinafter designated the transferee, may use the amount of the acquired credits to offset up to 100% of the taxpayer's income, privilege or premiums tax liability for the taxable year in which such acquisition was made. Such credits may be sold or transferred only one time and, if sold or transferred, shall be transferred in the tax year such credit is earned or the two successive

tax years. A transferred credit shall be claimed in the year purchased. The transferor shall enter into a written agreement with the transferee establishing the terms and conditions of the sale or transfer and shall perfect such transfer by notifying the secretary of revenue in writing within 30 calendar days following the effective date of the transfer, subject to the review and approval or denial of such transfer by the secretary of revenue. The transferor and transferee shall provide any information pertaining to the sale or transfer as may be required by the secretary of revenue to administer and carry out the provisions of this section. The amount received by the transferor of such tax credit shall be taxable as income of the transferor, and the excess of the value of such credit over the amount paid by the transferee for such credit shall be taxable as income of the transferee.

(f) The secretary of revenue shall submit an annual report to the legislature to assist the legislature in the evaluation of the utilization of any credits claimed pursuant to this act, including information specific as to each community college, technical college or postsecondary educational institution. Such report shall be due on or before the first day of the legislative session following the tax year in which the credits were claimed.

(g) The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this section.

History: L. 2007, ch. 200, § 16; May 24.

3-44

Amend KSA 75-7201

1) Legislative Proposal- Amend KSA 75-7201 to raise the dollar threshold that triggers approval from the Chief Information Technology Officer from \$250,000 to \$1,000,000 and eliminate infrastructure projects from the definition of Information Technology Project.

2) Issue Background- KSA 75-7201 provides the definitions for KSA 75-7201 through 75-7212 which lay out the procedures and authorizations required for information technology projects. The procedures require that a project plan be submitted to and approved by the Chief Information Technology Officer (CITO) for all projects that exceed \$250,000. The State Universities propose to raise the dollar threshold to \$1,000,000 with the additional requirement that more than \$500,000 of the total cost must be costs external to the organization. The State Universities also propose to eliminate "infrastructure projects" from the definition of information technology project. Infrastructure projects would include the following types of projects:

- Any investment in telecommunications equipment, network equipment, or computer support facilities associated with new building construction or major building rehabilitation.
- Any investment in telecommunications equipment, network equipment, or computing equipment purchased primarily to replace comparable but outmoded equipment.
- Any software, hardware, or licensing upgrade to an existing, fully operational system (for example, an enterprise-level financial or human resources system)

3) Rationale/Consequences- The reporting and approval process was established twelve years ago primarily for other state agencies as a planning and budgeting process by which they are requesting a project budget and then held accountable for reporting on the use of those funds. The State Universities are not requesting funding but are required to follow the same process. We are moving at a very different pace than the current CITO approval process allows. The amount of time it takes to go through this process does not blend well with the agility necessary to implement a project, particularly when more and more projects include some element of leverage and negotiations with a vendor.

Since this legislation was passed 12 years ago, all of the State Universities have developed capable Information Technology (IT) and telecommunications support groups who are capable of handling infrastructure projects routinely. In the last twelve years, technology costs have changed, the complexity of IT has changed, making \$250,000 an extremely low threshold for enterprise scale projects in 2010. In addition, the \$250,000 threshold is a one-size-fits-all figure intended to cover everything from a university to the Kansas Cosmetology Board. A \$250,000 undertaking is a major effort for the Cosmetology Board but a very modest initiative for a State University.

In addition, the planning process methodology, based on 15-year old frameworks for application development ("coding"), is inappropriate for infrastructure projects and adds considerable unproductive overhead to otherwise straightforward, routine IT and telecommunication activities.

Reducing the project reporting burden (and staff cost/overhead of generating those reports) to the state is consistent with the principles embodied in block grants and decentralized purchasing authority.

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4) Fiscal and Administrative Impact- It is difficult to quantify the fiscal impact as a result of this proposal. Reducing the project reporting burden would result in less staff time and overhead costs dedicated to generating reports.

5) Impact on other State Agencies- The Office of the Chief Information Technology Officer should experience a reduction in workload. No other State Agencies will be impacted by this proposed legislation.

6) Questions Legislators May Ask/ Possible Political Hurdles/ Anticipated Opposition or Allies-

- The recent experience gained during the passage of the purchasing and surplus property statutes during the 2010 legislative session would indicate questions will be raised regarding how the State Universities will work together collaboratively as well as who will maintain oversight over these projects if the current state process is eliminated.
- Why should the universities be treated differently? Answer: All of the Regents Universities now have mature information technology units that are experienced in managing complex projects. This was not the case when the legislation was passed 12 years ago.

7) Draft of Proposed Legislation- (proposed amendment highlighted)

3-46

75-7201

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES Article 72.--INFORMATION TECHNOLOGY

75-7201. Definitions. As used in K.S.A. 2009 Supp. 75-7201 through 75-7212, and amendments thereto:

(a) "Cumulative cost" means the total expenditures, from all sources, for any information technology project by one or more state agencies to meet project objectives from project start to project completion or the date and time the project is terminated if it is not completed.

(b) "Executive agency" means any state agency in the executive branch of government.

(c) "Information technology project" means a project for a major computer, telecommunications or other information technology improvement with an estimated cumulative cost of \$250,000 or more and includes any such project that has proposed expenditures for: (1) New or replacement equipment or software; (2) upgrade improvements to existing equipment and any computer systems, programs or software upgrades therefor; or (3) data or consulting or other professional services for such a project.

- (1) For state universities under the control of the Kansas state board of regents, "information technology project" means a project for a major computer, telecommunications or other information technology improvement with an estimated cumulative cost of \$1,000,000 or more, including \$500,000 or more in costs to parties that are external to the university or Board of Regents, and includes
- a. any project, other than infrastructure projects, that has proposed expenditures for new or replacement equipment or software;
 - b. upgrade improvements to existing equipment and any computer systems, programs or software upgrades therefor; or
 - c. data or consulting or other professional services for such a project.

- (2) For state universities under the control of the Kansas state board of regents, "infrastructure projects" means any of the following:
- a. any investment in telecommunications equipment, network equipment or computer support facilities associated with new building construction or major building rehabilitation;
 - b. any investment in telecommunications equipment, network equipment or computing equipment purchased primarily to replace comparable but outmoded equipment; or
 - c. any software, hardware, or licensing upgrade to an existing, fully operational system.

(d) "Information technology project change or overrun" means any of the following:

(1) Any change in planned expenditures for an information technology project that would result in the total authorized cost of the project being increased above the currently authorized cost of such project by more than either \$1,000,000 or 10% of such currently authorized cost of such project, whichever is lower;

(2) any change in the scope of an information technology project, as such scope was presented to and reviewed by the joint committee or the chief information technology officer to whom the project was submitted pursuant to K.S.A. 2009 Supp. 75-7209 and amendments thereto; or

(3) any change in the proposed use of any new or replacement information technology equipment or in the use of any existing information technology equipment that has been significantly upgraded.

(e) "Joint committee" means the joint committee on information technology.

- (f) "Judicial agency" means any state agency in the judicial branch of government.
- (g) "Legislative agency" means any state agency in the legislative branch of government.
- (h) "Project" means a planned series of events or activities that is intended to accomplish a specified outcome in a specified time period, under consistent management direction within a state agency or shared among two or more state agencies, and that has an identifiable budget for anticipated expenses.
- (i) "Project completion" means the date and time when the head of a state agency having primary responsibility for an information technology project certifies that the improvement being produced or altered under the project is ready for operational use.
- (j) "Project start" means the date and time when a state agency begins a formal study of a business process or technology concept to assess the needs of the state agency, determines project feasibility or prepares an information technology project budget estimate under K.S.A. 2009 Supp. 75-7209 and amendments thereto.
- (k) "State agency" means any state office or officer, department, board, commission, institution or bureau, or any agency, division or unit thereof.

History: L. 1998, ch. 182, § 1; May 21.

Housing Suspense Fund

- 1) Legislative Proposal- Amend KSA 76-762 to make the use of the Housing Suspense Fund optional rather than mandatory.
- 2) Issue Background- KSA 76-762 authorizes three housing funds at each state educational institution: a housing suspense fund, a housing operations fund, and a housing system repairs, equipment and improvement fund. The statute provides that all payments received for rents and boarding fees and other charges in connection with the operation of the housing system be remitted to the state treasurer and deposited in the housing suspense fund. Some of the universities would prefer to deposit funds directly to the Operations fund rather having the funds flow through the Suspense fund.
- 3) Rationale/Consequences- Some of the universities would prefer to deposit funds directly to the Operations fund rather than having the funds flow through the Suspense fund to the Operations fund.
- 4) Fiscal and Administrative Impact- There is no proposed fiscal impact to the proposal.
- 5) Impact on other State Agencies- There will be no impact on other State Agencies.
- 6) Questions Legislators May Ask/ Possible Political Hurdles/ Anticipated Opposition or Allies-
- 7) Draft of Proposed Legislation- (proposed amendment highlighted)

76-762. Same; operating funds created; deposit of moneys; interest on moneys deposited in housing system suspense fund; use of moneys in funds. (a) There is hereby created in the custody of the state treasurer the following funds at each state educational institution from which the housing system shall be operated:

- (1) A housing system suspense fund;
- (2) a housing system operations fund; and
- (3) a housing system repairs, equipment and improvement fund.

(b) Payments received for rents and boarding fees and other charges in connection with the operation of the housing system shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the housing system suspense fund **or the housing system operations fund as directed by the state educational institution.**

(c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the housing system suspense fund, **the housing system operations fund and the housing system repairs, equipment and improvement fund** of each state educational institution interest earnings based on:

- (1) The aggregate of (A) the average daily balance of moneys in the housing system suspense fund (B) the average daily balance of moneys in the housing system operations fund, and (C) the average daily balance of moneys in the housing system repairs, equipment and improvement fund of the state educational institution for the preceding month; and
- (2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(d) The housing system operations fund shall be used to pay the expenses of operation of the housing systems and for the operation and maintenance of the system. ~~The state educational institution shall transfer~~ **Transfers may be made** from the housing system suspense fund to the operations fund amounts needed for the operation and maintenance of the system **as determined by the state educational institution**. Each state educational institution shall establish such accounts within the housing system operations fund as are required for the efficient management of the system.

(e) The housing system repairs, improvements and equipment fund shall be used for repairs, equipment, improvements and expansion of the housing system that cannot be financed from the housing system operations fund. Transfers may be made to this fund from the housing system suspense fund or the housing system operations fund as determined by the state educational institution. Expenditures from this fund may be made for projects that have been approved by the state board of regents.

History: L. 1985, ch. 296, § 2; L. 1996, ch. 253, § 34; L. 2001, ch. 5, § 421; L. 2006, ch. 132, § 12; July 1, 2007.

JCERTA Earned Income Retention

- 1) Legislative Proposal- Enable the Universities to retain earned interest on revenue raised by the Johnson County Education Research Triangle Authority sales tax.

- 2) Issue Background- The Johnson County Education Research Triangle Authority (“JCERTA”) oversees revenue raised by a one-eighth-cent sales tax in Johnson County. The JCERTA funds are used for building, construction, academic and research program development and growth, faculty and staff recruitment and retention, and operations and maintenance in support of the undergraduate and graduate programs at the Edwards Campus of the University of Kansas, the research and education programs in animal health and food safety and security at the Johnson County location of Kansas State University, and the medical education and life sciences and cancer research programs at the Johnson County locations of the University of Kansas Medical Center.

Current statutes do not contemplate what is to be done with the interest earned on JCERTA funds. However, the earned interest on JCERTA funds should be used in the same manner as other revenue derived from the JCERTA sales tax. Amending the statute would ensure that all revenue, including earned interest, from the sales tax is used for its intended purpose of supporting the Johnson County Education Research Triangle.

- 3) Rationale/Consequences- Retaining earned interest to further support the Johnson County Education Research Triangle is consistent with the Johnson County Education Research Triangle Authority Act. Specifically, K.S.A. 76-5005 directs that, “[a]ll revenue received by the county treasurer pursuant to this act shall be appropriated by the county to the Johnson county education research triangle authority.” Retaining the earned interest ensures that all revenue so received is appropriated to JCERTA. Furthermore, retaining the earned interest is consistent with other statutes, such as K.S.A. 76-762, that allow state agencies to retain the earned interest on funds used to support the institutions mission.

- 4) Fiscal and Administrative Impact- Retaining the earned interest on JCERTA funds would increase the revenue available to support the research triangle.

- 5) Impact on other State Agencies- The three components of the research triangle: the Johnson County locations of the University of Kansas Medical Center, the Edwards Campus of the University of Kansas, and the Johnson County location of Kansas State University would benefit from retaining the earned interest on JCERTA funds.

- 6) Questions Legislators May Ask/ Possible Political Hurdles/ Anticipated Opposition or Allies-

- 7) Draft of Proposed Legislation- (proposed amendment highlighted)

19-5003. Same; creation; imposition or levy of tax; sales tax, administration and procedure; voter recall

(a) If a majority of the electors voting at the election provided in K.S.A. 19-5002, and amendments thereto, shall approve such proposition to create the Johnson county education research triangle authority and to grant authority to impose a retailers' sales or levy an annual tax

on real property within the county, or combination of both, the authority shall be created and the board of county commissioners shall provide by resolution for the imposition of the sales tax or levy of the annual tax on real property, or combination of both, and pledging the revenues received therefrom for such purposes as specified in this section. With regard to the retailers' sales tax, Johnson county shall utilize the services of the state department of revenue to administer, enforce and collect such tax. The sales tax shall be administered, enforced and collected in the same manner and by the same procedure as other countywide retailers' sales taxes are levied and collected and shall be in addition to any other sales tax authorized by law. Upon receipt of a certified copy of a resolution authorizing the levy of a countywide retailers' sales tax pursuant to this act, the state director of taxation shall cause such tax to be collected within and outside the boundaries of Johnson county at the same time and in the same manner provided for the collection of the state retailers' sales tax and local retailers' sales tax. All retailers' sales tax moneys collected by the director of taxation under the provisions of this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Johnson county education research triangle authority retailers' sales tax fund which fund is hereby established in the state treasury. Any refund due on any retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from retailers' sales tax revenue collected pursuant to this act. All retailers' sales tax revenue collected within any county pursuant to this act shall be remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of Johnson county.

(b) Any such sales tax imposed or tax levy on real property enacted by the voters of Johnson county shall be subject to voter recall upon proper petition and submission of the issue to a recall ballot in a general election.

(c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the Johnson county education research triangle funds appropriated to the University of Kansas, Kansas State University, and the University of Kansas Medical Center interest earnings based on the average daily balance of moneys in the Johnson county education research triangle fund for the preceding month.

Wichita State University
KBOR 2011 Legislative Proposal Suggestion
Concerning Authority to Issue Revenue Bonds for
Remodeling of the Rhatigan Student Center
September 10, 2010

1. Legislative Proposal

Wichita State University requests legislative authority for the issuance of approximately \$33 million in revenue bonds for the Rhatigan Student Center Expansion and Renovation Project.

2. Issue Background

The Rhatigan Student Center (RSC) serves as a venue for food services, the University Bookstore, meeting rooms, recreational facilities, a bank, and lounge space for students to relax or study. It also houses the Student Government Association, Student Activities Council, Center for Student Leadership, Shocker Bowling Program, and other academic and campus-related programs. The building opened in 1959, and a major addition was added on at the south end of the building in 1969. The building has undergone miscellaneous interior remodeling projects over the years, but the elevators and mechanical systems in the building are now in need of replacement and/or refurbishing. While the RSC has served the University campus well for the past fifty years, it has become increasingly apparent that many areas of the building need to be upgraded and expanded in an effort to accommodate the needs of students, faculty, staff, alumni, and the community.

3. Rationale/Consequences

After assessing current needs, the potential for future growth, and an evaluation of existing building conditions and its infrastructure, conceptual plans and cost estimates were developed for a major renovation and expansion to the Rhatigan Student Center. Resulting plans include additions to the building totaling approximately 35,000 square feet, renovation to approximately 80% of the existing building, and upgrades to the building's infrastructure. The project is included in the Wichita State University Five Year Capital Improvement Plan. Deferred maintenance and accessibility issues must be addressed.

4. Fiscal and Administrative Impact

The estimated cost of the project, including bond costs, is approximately \$33 million. The project will be funded through a sale of revenue bonds supported by student fees as approved by the Wichita State University Student Government Association and the Kansas Board of Regents. Assessment of the \$6.00 per credit hour student fee began in the fall 2010 semester.

5. Impact on Other State Agencies

There will be no impact on other state agencies.

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Wichita State University
KBOR 2011 Legislative Proposal Suggestion
Concerning Authority to Issue Revenue Bonds for
Remodeling of the Rhatigan Student Center
September 10, 2010

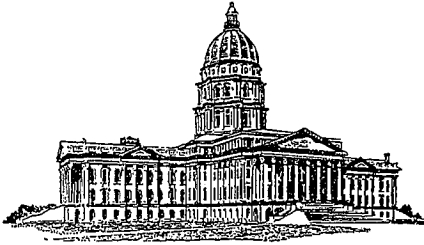
6. Questions Legislators May Ask

Questions are not expected as this is standard operating procedure for these types of projects.

7. Draft of Proposed Legislation

Proposed legislation is being drafted by the Kansas Development Finance Authority, and Gilmore and Bell, bond counsel.

MARY ANN TORRENCE, ATTORNEY
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OFFICE OF REVISOR OF STATUTES
KANSAS LEGISLATURE

Legal Consultation—
Legislative Committees and Legislators
Legislative Bill Drafting
Legislative Committee Staff
Secretary—
Legislative Coordinating Council
Kansas Commission on
Interstate Cooperation
Kansas Statutes Annotated
Editing and Publication
Legislative Information System

TO: Legislative Educational Planning Committee
FROM: Theresa Kiernan, Senior Assistant Revisor of Statutes
RE: Unresolved Issues of 2010 Legislative Session
DATE: November 4, 2010

Below is a brief discussion of issues which were raised on several occasions during the 2010 Legislative Session either in the form of a bill or offered as amendments to various bills, but which were not enacted.

SB 354 was introduced by the Committee on Ways and Means at the request of Senator Vratil. The bill would amend three provisions in the school finance law relating to levies imposed by school districts for the ancillary facilities weighting, cost of living weighting and declining enrollment weighting. The bill would add a definition of “taxable tangible property” to each of those sections. The term would mean real property, personal property, state-assessed property and motor vehicles.

The bill was introduced to resolve an issue created by the interplay of the school finance law and the law under which motor vehicles and recreational vehicles are taxed. A portion of the revenue derived from the tax imposed on motor vehicles under K.S.A. 79-5101 et seq. is allocated to each tax levy fund of all taxing districts in the state, except for the general fund of each school district.

The laws requiring school districts to remit (to the state) revenues derived from the tax levies imposed to fund the three weightings had been interpreted to require school districts to also remit motor vehicle revenue in those tax levy funds. When computing the amount of revenue attributable to the tax levies, the State Board did not include the motor vehicle. The result was that a portion of the money remitted by districts imposing the levies was deposited in the state school district finance fund and allocated to all school districts in the form of state aid. The sponsor of the bill felt that all the revenue remitted to the state under the three provisions should be returned entirely to the districts imposing the levies. In an opinion issued after the session, the Attorney General stated that motor vehicles taxed under K.S.A. 79-5101 et seq. are not subject to property or ad valorem taxes levied under any other law of the state or city ordinance or county resolution, including the tax levies in the school finance law.

As a result of the opinion, the State Board refunded the revenue attributable to motor vehicles that had been remitted in school year 2009-2010, but the districts do not have authority to spend that

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money or reduce their mill levies.

Legislation would be required to authorize the state board to include any moneys which have been apportioned to the levy funds of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. when determining the amount of revenue produced by the tax levied by a district to fund the weightings.

The same issue applies to revenue attributable to the tax on recreational vehicles under K.S.A. 79-5118 et seq. Any legislation should include a comparable amendment for recreational vehicle revenue.

HB 2748 was introduced by the Committee on Appropriations at the request of Representative McLeland. The bill would amend several provisions of law relating to the use of the unencumbered balances in certain school district funds.

The bill would authorize each school district to expend, for general education purposes of the district, moneys attributable to state appropriations and fees and transfers from certain school district funds. The bill would authorize such expenditures in school year 2010-2011. In addition, moneys in the capital outlay fund which were attributable to transfers of moneys from the general fund of a school district in school year 2008-2009 could be transferred to the contingency reserve fund of the district in school year 2009-2010. Moneys in the capital outlay fund which were attributable to transfers of moneys from the general fund of a school district in school year 2008-2009 or school year 2009-2010 could be expended for general education purposes of the school district in school year 2009-2010 and school year 2010-2011.

The State Board would be required to adopt guidelines to assist school districts in the implementation of the act and to prevent the expenditure of tax moneys in violation of the Kansas Constitution.

The bill would not apply to moneys derived from the federal government or locally-imposed property tax levies.

The bill would apply to the unencumbered balance of moneys contained in the following funds on June 30, 2010: Bond and interest fund, parent education program fund, virtual school fund, adult education fund, adult supplementary education fund, at-risk education fund, preschool-aged at-risk education fund, special education fund, vocational education fund, driver training fund, food service fund, tuition reimbursement fund, summer program fund, extraordinary school program fund, special liability expense fund, special reserve fund, textbook and student materials revolving fund, capital outlay fund, bilingual education fund and professional development fund.

The bill also would repeal K.S.A. 72-6422 which established the area vocational school fund. All area vocational schools were required to become a technical college or merge with a postsecondary institution.

HB 2587 was introduced by Representative Spalding. The bill concerned "categorical" state aid for the provision of special education and related services. The bill was intended to provide that a school district would not be reimbursed for more than 92% of the *excess cost* of providing special education and related services.

After the bill was introduced, Representative Spalding realized that the language in the bill did not reflect her intent. The bill states that a school district shall not be paid in excess of 92% of the *actual amount expended* by the district for the provision of special education and related services.

SB 74 was a bill introduced during the 2009 legislative session and was used by the House as a vehicle for many of the education issues it wanted to be considered in conference. One amendment to the bill concerned the money paid by the state as the employer's contributions to KPERS for teachers. The amendment would have created a KPERS weighting. Under the amendment, the amount of money paid by the state for the employer's contribution to KPERS would be deposited in the general fund of the school district and an equal amount then would be transferred to the special retirement contributions fund of the school district (and then returned to the state). The end result would be to increase the local option budget authority of school districts.

MEMORANDUM

To: Legislative Educational Planning Committee

From: Jason B. Long, Assistant Revisor

Re: Summary of Petition filed by Schools for Fair Funding

Date: November 5, 2010

This memorandum provides a brief summary of my presentation to the Legislative Educational Planning Committee (Committee) on the Petition filed by Schools for Fair Funding. The plaintiffs in this case are four unified school districts and certain students who attend schools within those school districts. Their claims can be summarized as follows:

1. Certain provisions of the School District finance and Quality Performance Act (the Act), including the amount of base state aid per pupil established by the act, violate Article 6 of the Kansas Constitution by not making suitable provision for the financing of education in Kansas.

2. Legislative enactments and budget allotments over the past two years have further reduced the amount of state aid being distributed to the school districts. These actions also violate Article 6 of the Kansas Constitution.

3. The inadequate funding of education has led to the inequitable distribution of state aid because poorer school districts that rely on state equalization payments have incurred greater reductions proportionally than wealthier school districts.

4. Capital outlay equalization payments were not paid for the 2009-2010 school year as required by K.S.A. 72-8814. The failure to make these payments affects all school districts entitled to receive such payments. Therefore, Plaintiffs are seeking to make this a class action so that any judgment for the Plaintiffs awarding money damages for the capital outlay equalization payments would also apply to all other school districts entitled to such payments.

5. Education is a fundamental right that Kansas students are being denied through the inadequate funding of education.

6. The school funding formula does not equitably distribute state aid to school districts. Students in school districts that do not receive an equitable portion of state aid are being denied equal protection under the law.

7. K.S.A. 72-64b03(d) is an unconstitutional limit on the judicial branch. This statute prohibits the courts from issuing orders closing public schools or enjoining the use of state funds for education as remedial measures in cases concerning the constitutionality of the Act.

8. The State has failed to comply with K.S.A. 72-64c03, which requires the Legislature to give education first priority in the budgeting process.

9. The State has failed to comply with K.S.A. 72-64c04, which requires the Legislature to increase state aid in accordance with increases in the Consumer Price Index (urban).

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
CIVIL DEPARTMENT

LUKE GANNON, ANDREW GANNON, and GRACE GANNON, by their next friends and guardians, Jeff and Meredith Gannon; JADA BURGESS and JETT BURGESS, by their next friend and guardian, Andrea Burgess; OLIVIA KENNEDY, by next friend and guardian, Jennifer Kennedy; COLTEN OAKMAN, by next friend and guardian, Schelena Oakman; CAMERON PINT, by next friend and guardian, Martha Pint; ALEXIS SEEBER and BRADY SEEBER, by their next friends and guardians, David and Misty Seeber; LEVI CAIN, by next friends and guardians, John and Becky Cain; JEREMY COX, by next friends and guardians, Darrin and Lois Cox; ALEC ELDREDGE, by next friends and guardians, Danie and Josh Eldredge; JOSEPH HOLMES, by next friends and guardians, Jim and Joy Holmes; LILY NEWTON, by next friends and guardians, Matt and Ivy Newton; ALEXANDER OWEN, by next friend and guardian, Glenn Owen; MIKE RANK, by next friend and guardian, Ryan Rank; QUANTEZ WALKER, by next friend and guardian, Beulah Walker; MARIKSA ALVAREZ, by next friend and guardian, Bianca Alvarez; PRISCILLA DEL REAL and VALERIA DEL REAL, by their next friend and guardian, Norma Del Real; TONATIUH FIGUEROA, by next friend and guardian, Adriana Figueroa; DULCE HERRERA, GISELLA HERRERA, and KAROL HERRERA, by their next friend and guardian, Eva Herrera; MIQUELA SHOTGUNN, by next friend and guardian, Rebecca Fralick; ALEXI TRETO, by next friend and guardian, Consuelo Treto; TED BYNUM, by next friend and guardian, Melissa Bynum; BRIEANNA CROSBY, by next friends and guardians, Evette Hawthorne-Crosby and Bryant Crosby; GEORGE MENDEZ, by next friends and guardians, George and Monica Mendez; AMALIA MURGUIA, by next friends and guardians, Sally and Ramon Murguia; NATALIE WALTON, by next friend and guardian, Clara Osborne; UNIFIED SCHOOL DISTRICT NO. 259; UNIFIED SCHOOL DISTRICT NO. 308; UNIFIED SCHOOL DISTRICT NO. 443; and UNIFIED SCHOOL DISTRICT NO. 500,

Plaintiffs,

v.

THE STATE OF KANSAS,

Defendant.

Case No.

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PETITION

COMES NOW, the Plaintiffs, in the above-captioned matter, and for their Petition against Defendant, state and allege as follows:

Parties

1. Plaintiff Luke Gannon, by next friends and guardians, Jeff and Meredith Gannon, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
2. Plaintiff Andrew Gannon, by next friends and guardians, Jeff and Meredith Gannon, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
3. Plaintiff Grace Gannon, by next friends and guardians, Jeff and Meredith Gannon, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
4. Plaintiff Jada Burgess, by next friend and guardian, Andrea Burgess, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
5. Plaintiff Jett Burgess, by next friend and guardian, Andrea Burgess, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
6. Plaintiff Olivia Kennedy, by next friend and guardian, Jennifer Kennedy, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
7. Plaintiff Colten Oakman, by next friend and guardian, Schelena Oakman, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
8. Plaintiff Cameron Pint, by next friend and guardian, Martha Pint, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.

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9. Plaintiff Alexis Seeber, by next friends and guardians, David and Misty Seeber, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
10. Plaintiff Brady Seeber, by next friends and guardians, David and Misty Seeber, is a student attending public school at U.S.D. 259 and is a citizen and resident of the State of Kansas.
11. Plaintiff Levi Cain, by next friends and guardians, John and Becky Cain, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
12. Plaintiff Jeremy Cox, by next friends and guardians, Darrin and Lois Cox, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
13. Plaintiff Alec Eldredge, by next friends and guardians, Danie and Josh Eldredge, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
14. Plaintiff Joseph Holmes, by next friends and guardians, Jim and Joy Holmes, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
15. Plaintiff Lily Newton, by next friends and guardians, Matt and Ivy Newton, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
16. Plaintiff Alexander Owen, by next friend and guardian, Glenn Owen, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
17. Plaintiff Mike Rank, by next friend and guardian, Ryan Rank, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
18. Plaintiff Quantez Walker, by next friend and guardian, Beulah Walker, is a student attending public school at U.S.D. 308 and is a citizen and resident of the State of Kansas.
19. Plaintiff Marixsa Alvarez, by next friend and guardian, Bianca Alvarez, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.

20. Plaintiff Priscilla Del Real, by next friend and guardian, Norma Del Real, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
21. Plaintiff Valeria Del Real, by next friend and guardian, Norma Del Real, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
22. Plaintiff Tonatiuh Figueroa, by next friend and guardian, Adriana Figueroa, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
23. Plaintiff Dulce Herrera, by next friend and guardian, Eva Herrera, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
24. Plaintiff Gisella Herrera, by next friend and guardian, Eva Herrera, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
25. Plaintiff Karol Herrera, by next friend and guardian, Eva Herrera, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
26. Plaintiff Miquela Shotgun, by next friend and guardian, Rebecca Fralick, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
27. Plaintiff Alexi Treto, by next friend and guardian, Consuelo Treto, is a student attending public school at U.S.D. 443 and is a citizen and resident of the State of Kansas.
28. Plaintiff Ted Bynum, by next friend and guardian, Melissa Bynum, is a student attending public school at U.S.D. 500 and is a citizen and resident of the State of Kansas.
29. Plaintiff Brianna Crosby, by next friends and guardians, Evette Hawthorne-Crosby and Bryant Crosby, is a student attending public school at U.S.D. 500 and is a citizen and resident of the State of Kansas.

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30. Plaintiff George Mendez, by next friends and guardians, George and Monica Mendez, is a student attending public school at U.S.D. 500 and is a citizen and resident of the State of Kansas.
31. Plaintiff Amalia Murguia, by next friends and guardians, Sally and Ramon Murguia, is a student attending public school at U.S.D. 500 and is a citizen and resident of the State of Kansas.
32. Plaintiff Natalie Walton, by next friend and guardian, Clara Osborne, is a student attending public school at U.S.D. 500 and is a citizen and resident of the State of Kansas.
33. Plaintiffs identified in Paragraphs 1 - 32 are collectively referred to as the "Individual Plaintiffs."
34. Plaintiff Unified School District No. 259 ("U.S.D. 259") is a school district formed pursuant to state law and is located in Wichita, Kansas.
35. Plaintiff Unified School District No. 308 ("U.S.D. 308") is a school district formed pursuant to state law and is located in Hutchinson, Kansas.
36. Plaintiff Unified School District No. 443 ("U.S.D. 443") is a school district formed pursuant to state law and is located in Dodge City, Kansas.
37. Plaintiff Unified School District No. 500 ("U.S.D. 500") is a school district formed pursuant to state law and is located in Kansas City, Kansas.
38. Plaintiffs U.S.D. 259, U.S.D. 308, U.S.D. 443, and U.S.D. 500 (collectively, the "Plaintiff School Districts") each possess the power to sue and be sued pursuant to state statute.
39. Individual Plaintiffs and Plaintiff School Districts (collectively, the "Plaintiffs") have standing to bring this claim.

40. Defendant State of Kansas is a state governmental entity and may be served with process by serving Kansas Attorney General, Steve Six, at Memorial Hall, 2nd Floor; 120 SW 10th Street; Topeka, Kansas 66612.

Jurisdiction and Venue

41. This court possesses original jurisdiction over Plaintiffs' claims arising under the Kansas Constitution, pursuant to K.S.A. 20-301.

42. Venue is proper in this court and in Shawnee County, pursuant to K.S.A. 60-602(2) and K.S.A. 72-64b04.

43. Plaintiffs complied with the requirements of K.S.A. 72-64b02(a) and properly filed a Notice of Claims with the required parties on June 17, 2010. [*See generally* Exhibit 1: Notice of Claims, incorporated completely and fully herein by reference].

Relevant Facts

44. Efforts to compel the Legislature to provide adequate funding for education through litigation began in Kansas as early as 1972. [*See* Exhibit 1: Notice of Claims, at 8].

45. Despite extensive efforts to compel the Legislature's compliance with the Constitution, the Legislature has continuously evaded its duties by adopting new legislation, the only purpose of which is to end the litigation, and not remedy the problems underlying the school funding scheme. [*See* Exhibit 1: Notice of Claims, at 11].

46. The Legislature is fully aware that adopting new school funding schemes mid-litigation does little other than to put the issue "beyond the reach of the Supreme Court in the school finance case." [*See* Exhibit 1: Notice of Claims, at 11; *see also* Exhibit 2: Kansas State Board of Education Special Meeting Minutes, July 5, 2005, pg. 1].

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47. The State of Kansas currently funds its public schools, grades K-12, through various statutes, including the School District Finance and Quality Performance Act, K.S.A. 72-6405, *et seq.* Pursuant to these statutes, all public school districts in Kansas are allotted funds to operate their educational programs according to the statutory funding formula.
48. The current funding scheme exists in its present form in large part due to litigation in the *Mock v. Kansas*, Case No. 91-CV-1009, slip op. at 491 (Kan. Dist. Ct. Shawnee Co., Oct. 14, 1991), *Unified School District Number 229 v. State*, 256 Kan. 232 (1994), and the *Montoy v. State of Kansas* line of cases. [See Exhibit 1: Notice of Claims, at 9-10].
49. Under the current funding formula, each public school district receives a set amount of money per student enrolled in the district (“base state aid per pupil” or “BSAPP”).
50. The Legislature set the BSAPP at \$4492 for the 2009-10 fiscal year, an amount of state aid that it determined was adequate to properly fund education in Kansas.
51. Defendant, through the actions of the Governor and the Legislature have, in tandem, reduced the BSAPP to \$4012 for the 2010-11 fiscal year, through the following legislative acts and budget allotments:
- a. The enactment of S.B. 23 on February 12, 2009, which cut thirty-three dollars from the BSAPP (lowering the base from \$4433 to \$4400), and reduced the funding for special education by one percent. This cut reduced school funding statewide in the amount of \$25,345,039 for fiscal year 2009. [See Exhibit 1: Notice of Claims, at 13].
 - b. The March 31, 2009 enactment of H.B. 2354, which cut an *additional* \$33 from the BSAPP (lowering it from \$4400 to \$4367), and cut an *additional* one percent from the special education budget. This cut reduced school funding statewide in the amount of \$27,009,474. [See Exhibit 1: Notice of Claims, at 13].

- c. The enactment of H.B. 2373 on May 7, 2009, which cut another \$87 from the BSAPP (lowering it from \$4367 to \$4280), and purported to eliminate equalization aid for capital outlay. This cut reduced school funding statewide in the amount of \$54,630,111 for the cut to the base, and an additional \$22,338,825 for the loss of capital outlay equalization aid. [See Exhibit 1: Notice of Claims, at 13].
- d. Governor Mark Parkinson's approval of a budget allotment, which cut an *additional* \$39,327,580 from school funding on July 2, 2009. The budget allotment cut another \$62 from the BSAPP, lowering it from \$4280 to \$4218. [See Exhibit 1: Notice of Claims, at 13].
- e. Governor Mark Parkinson's approval of a second budget allotment on November 23, 2009, which cut another \$206 from the BSAPP, lowering it from \$4218 to \$4012. This budget allotment cut an *additional* \$134,355,363 from school funding. [See Exhibit 1: Notice of Claims, at 13].

Count One: Suitability of Funding Under the Kansas Constitution

- 52. Plaintiffs incorporate by reference the allegations contained in paragraphs 1-51 above as though fully set out herein.
- 53. Article 6 of the Kansas Constitution compels the legislature to provide for the educational interests of the State of Kansas and further commands it to make suitable provision for the financing of said educational interests.
- 54. When the Legislature enacted S.B. 549, it enacted an unconstitutional funding scheme that did not properly fund Kansas education.

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55. With the Legislature's continued legislative enactments and the Governor's budget allotments, the Defendant has further reduced the total amount of state aid, from an already unconstitutional level to an even lower level.
56. The Kansas Constitution imposes a general mandate that our educational system cannot be static or regressive, but must be one which "advance[s] to a better quality or state." *Montoy v. State of Kansas*, 278 Kan. 769, 773, 120 P.3d 306 (2005) (*Montoy II*). By reducing the BSAPP from \$4492 to \$4012, the Defendant has failed to meet this constitutional duty. [See Exhibit 1: Notice of Claims, at 12-13].
57. Two critical factors which must be taken into consideration before a school finance formula can be deemed constitutional are (1) actual costs of providing adequate education and (2) equity of distribution. *Montoy II*, 278 Kan. at 275; *Montoy v. State of Kansas*, 282 Kan. 9, 10, 138 P.3d 75 (2006) (*Montoy V*). [See Exhibit 1: Notice of Claims, at 11].
58. The actual costs of providing an adequate education to Kansas school children has increased. [See Exhibit 1: Notice of Claims, at 13, 15].
- a. The Legislative Post Audit study (which was used as a basis for the accepted formula in *Montoy V*), was updated by the Legislature in the summer of 2008 to show that Kansas schools need an *additional* \$635.9 million to be adequately funded for 2010-11. [See Exhibit 1: Notice of Claims, at Exhibit K, pg. 4].
 - b. The Kansas State Board of Education, at its July 15, 2009 meeting, reviewed school funding levels. Upon motion duly made, seconded, and carried, by a vote of 8-1, the State Board voted to recommend that the Legislature replace the cut funding and return the Base to its statutory level of \$4492. This motion requested a \$281,780,223

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increase in school funding. [See Exhibit 1: Notice of Claims, at Exhibit J, pg. 3].

Defendant did not do so.

c. The Kansas State Board of Education, at its July 13, 2010 meeting, reviewed school funding levels. Upon motion duly made, seconded, and carried, by a vote of 7-1-1, the State Board voted to recommend that the Legislature replace the cut funding and return the Base to its statutory level of \$4492. This motion requested a \$471,761,017 increase in school funding. Defendant did not do so. [See Exhibit 3: Kansas State Board of Education Meeting Minutes, July 13, 2010, pg. 3].

d. Defendant has a duty to educate students and comply with the No Child Left Behind Act of 2001, as amended (“NCLB”), and the Individuals with Disabilities Education Act, as amended (“IDEA”), including the Individuals with Disabilities Improvement Act of 2004 (“IDEIA”) (collectively, the “Federal Requirements”). It is the Legislature’s duty to ensure that the current funding level is high enough so that school districts can properly educate children to meet these Federal Requirements. The standards of these Federal Requirements continue to increase (with a 100% target for 2013-2014), which has increased the costs of funding an adequate education. [See Exhibit 4: Kansas State Department of Education New AYP Targets; see also Exhibit 1: Notice of Claims, at 12].

59. The actual costs of providing an adequate education to Kansas school children will continue to increase.

a. Inflation has continuously caused the cost of education to increase, while the BSAPP has yet to be adjusted to reflect such an increase. [See Exhibit 1: Notice of Claims, at 13].

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- b. The Adequate Yearly Progress (“AYP”) targets, as defined by the Federal No Child Left Behind Act (“NCLB”), continue to increase every year, which necessarily causes the cost of educating students to those targets to increase.
- c. A review of the 2010-2011 school district budgets indicates that there will be an increase in the number of free lunch applications in Kansas school districts. Although the exact increase is not ascertainable as of the filing of this Petition, an increase as slight as three percent would result in the need for an additional \$9.4 million in funding.
- d. Future enrollment projections predict a 5% increase between the 2010-2011 and 2014-2015 school years, which means that enrollment is steadily increasing to the highest statewide level since the early 1970’s. [See Exhibit 5: K-12 Headcount Enrollment Project for Kansas].
- e. Kansas recently adopted the Common Core standards, which will result in increased costs as school districts are required to adopt and conform to new standards as well as develop and administer new assessment tests.

60. The resources provided to schools are linked to student achievement according to the Legislative Division of Post Audit (“LPA”), a research arm of the Legislature. LPA has “found a strong association between the amounts districts spend and the outcomes they achieve.”

61. Defendant has clearly reduced school funding without regard to the actual costs of providing an adequate education, which have increased and continue to increase. [See Exhibit 1: Notice of Claims, at 11].

6-11

62. The State Board and 2010 Commission (the agency created by the Legislature to study and advise the Legislature on matters of school finance) have requested and recommended that the BSAPP be increased to address the increasing costs. [See Exhibit 1: Notice of Claims, at 13; see also Exhibit 3: Kansas State Board of Education Meeting Minutes, July 13, 2010, pg. 3].
63. Defendant has clearly reduced school funding through the actions outlined in Paragraph 51 against the advice of the State Board and the 2010 Commission (which it created).
64. Defendant has reduced the BSAPP without regard to the equity of the legislative enactments and budget allotments.
65. Ignoring the fact that the current school finance formula does not adequately fund schools, Defendant has additionally failed to appropriate a sufficient amount of money to adequately fund the current school finance formula. The under-appropriation for the 2010-11 year totals \$415,130,648. This inadequate appropriation has caused:
- a. The BSAPP to be adjusted downward to fit the amount of money appropriated, rather than appropriating a sufficient amount of money to fund the known costs of operating the schools. For 2010-11, this component is \$314,400,000 underfunded.
 - b. Local Option Budget Equalization Aid (Supplemental General State Aid) to fall short of the statutorily required reimbursement amount. Poor districts have had their equalization aid payments reduced and are currently only receiving 92% of the equalization to which they are entitled. This cut does not affect the wealthiest 18.8% of the districts in the state. For 2010-11, this component is \$37,787,001 underfunded.

6-12

- c. Special Education funding to fall short of the statutorily required reimbursement rate of 92%. Special education funding has been under appropriated such that only 86.2% of costs are being funded. For 2010-11, this component is \$25,000,000 underfunded.
- d. The Mentor teacher program to be underfunded. For 2010-11, this component is \$2,050,000 underfunded.
- e. Statutorily required Professional Development to be underfunded. For 2010-11, this component is \$8,500,000 underfunded.
- f. The school lunch program to be underfunded. For 2010-11, this component is \$1,043,647 underfunded.
- g. The Capital Outlay Equalization Aid to be eliminated. This underfunding affects only 163 poor districts. It does not affect 130 wealthy districts or districts that do not make a capital outlay levy. [See Exhibit 6: Letter Dale Dennis to Kent Olson, dated September 22, 2010]. For 2010-11, this component is \$21,989,096 underfunded.
- h. Reimbursements for National Board Certification to be underfunded. For 2010-11, this component is approximately \$350,000 underfunded.

66. Cutting the BSAPP to fit the amount appropriated inequitably distributes the cuts among school districts. The formula's pupil weighting system recognizes that some pupils cost more than other pupils to educate. More costly children are assigned additional weights in the formula to compensate for their higher costs. The total weighted enrollment of a district is multiplied by the base to arrive at the General Fund of the district (and the General Fund is then again multiplied by a percentage to arrive a district's allowable Local Option Budget.) When the BSAPP is cut, those districts with the most high-cost children take a higher per actual pupil cut than those districts with the least costliest children.

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67. Defendant's cost cutting scheme inequitably cuts more funding from the poorest school districts and cuts more funding from those districts with the most high-cost children. The scheme impermissibly discriminates based upon district wealth and impermissibly moves the state away from a cost-based funding formula.
68. Defendant has given tax cuts, reduced revenue, and consciously determined not to take actions to raise more money to fund education to constitutional standards. [See Exhibit 1: Notice of Claims, at 12, Exhibit B, Exhibit C].
69. The current school funding scheme does not provide a suitable education for general education pupils, at-risk pupils, special education pupils, bilingual pupils, and pupils from less wealthy districts. [See Exhibit 1: Notice of Claims, at 15].
70. The actions of the Defendant have resulted in underlying, fundamental flaws in the school financing system which render it unconstitutional, including, but not limited to, the following: [See Exhibit 1: Notice of Claims, at 14 and Exhibit K].
- a. A BSAPP that is inadequate to fund the required level of education for all students;
 - b. At-risk weightings that are inadequate to fund the required level of education for at-risk students;
 - c. Local Option Budgets ("LOBs") that are no longer "local" and are required to be used for state mandated programs and requirements, but which are reliant upon the outcomes of local elections for adoption;
 - d. LOBs which are not properly equalized to level the playing field between wealthy and poor districts;
 - e. Wealth disparities between the districts;

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- f. Capital improvements funding (bond and interest) provisions that are not properly equalized to level the playing field between wealthy and poor districts;
- g. Capital outlay provisions that are not equalized at all for two years and then are not properly equalized to adequately fund education;
- h. Special education funding provisions that do not provide adequate funds to meet the required level of education for educating special education students and that pull funding away from general education students; and
- i. A school finance scheme that does not adequately fund education, as shown by the state's own education cost studies.

71. Plaintiffs in this lawsuit have suffered and continue to suffer injury as a result of Defendant's violation of Article 6, §6 of the Kansas Constitution. [See Exhibit 1: Notice of Claims, at 16-18].

- a. For the 2008-2009 school year, Kansas did not meet the AYP requirements of the NCLB, in which Kansas is required to participate. [See Exhibit 1: Notice of Claims, at Exhibit M].
 - i. While 9.6% of white students did not test at a level of proficiency in reading and 12.3% did not test at a level of proficiency in math, more than 30% of the following students did not test at a level of basic proficiency in the 2008-2009 school year:
 - 1. Students with Disabilities (30.6% non-proficient in reading, 32.8% non-proficient in math);
 - 2. English Language Learners (34.5% non-proficient in reading, 31.1% non-proficient in math); and

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3. African-Americans (31.8% non-proficient in reading, 36.2% non-proficient in math).
- b. For the 2007-2008 school year, Kansas did not meet the NCLB AYP requirements. [See Exhibit 1: Notice of Claims, at Exhibit N].
- i. While 11% of white students did not test at a level of proficiency in reading and 13.6% did not test at a level of proficiency in math, more than 30% of the following students did not test at a level of basic proficiency in the 2007-2008 school year:
 1. Students with Disabilities (33.4% non-proficient in reading, 35.1% non-proficient in math);
 2. English Language Learners (36.5% non-proficient in reading, 31.7% non-proficient in math);
 3. African-Americans (32.9% non-proficient in reading, 38.7% non-proficient in math); and
 4. Hispanics (31% non-proficient in reading).
- c. Kansas is failing to meet its own AYP requirements and federal standards under NCLB. In 2008-09, Plaintiff School Districts had 63 school buildings that failed to make AYP. Three of the four Plaintiff School Districts, as a whole, did not have the resources available as a district to make district-wide AYP in 2008-09. By 2009-10, this number had grown from 63 buildings to 79 buildings in the four Plaintiff School Districts. All four Plaintiff School Districts failed to attain AYP on a district-wide basis in 2009-10. On a statewide basis, 172 school buildings did not make AYP in 2008-09. By 2009-10 this statewide number had grown 48% in one year to 255

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buildings. In 2008-09, there were 34 districts that did not meet AYP requirements. This number increased by 141% in one year to 82 districts lacking the resources to make AYP. By 2009-10, a full 28% of the districts in Kansas did not have adequate resources to make AYP and meet federal standards. [See Exhibit 7: Kansas State Department of Education Press Release, dated September 14, 2010].

- d. Kansas schools do not have enough money to fund the education that state and federal laws require them to provide.
 - i. Budget cuts have resulted in scaling back the following programs: before- and after- school programs, summer school, fine arts, and all-day kindergarten.
 - ii. Budget cuts have resulted in shortened school days/years, reductions in professional development, delays in purchasing textbooks and school buses, increased pupil-teacher ratios, the closure of educational buildings.
- e. Kansas does not provide adequate resources to meet federal burdens under the Equal Education Opportunity Act of 1974, which requires all school districts to “take appropriate action to overcome language barriers that impede equal participation by its students in its instructional programs.”
- f. Plaintiffs have suffered adverse educational outcomes as a result of Defendant’s actions, which include, but are not limited to: poor standardized test scores, high dropout and truancy rates, and victimization from violent crimes at school.

72. The current finance formula fails to make suitable finance provisions for financing the education of public school students, in violation of the Kansas Constitution, Article 6, §6. In

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practice, the Defendant has underfunded the Plaintiff School Districts and has deprived the Individual Plaintiffs of a constitutionally adequate education.

Count Two: Class Action Regarding Suitability of Funding Under the Kansas Constitution

73. Plaintiff School Districts incorporate by reference the allegations contained in paragraphs 1-72 above as though fully set out herein.

DEFINITION OF THE CLASS

74. Plaintiff School Districts bring this Count individually and as representatives of the class defined as: All Kansas school districts who were entitled to capital outlay equalization payments pursuant to K.S.A. 72-8814(b) during the 2009-10 school year (the "Class").

CLASS ALLEGATIONS

75. The proposed Class is so numerous that joinder is impractical. Therefore, the disposition of this Count through a class action will be more efficient and will benefit the parties and the Court.

76. The questions of law and fact common to the Class are identical and predominate over questions affecting the individual Class members and include, but are not limited, to whether Defendant distributed the capital outlay equalization payment to the Class members as required by K.S.A. 72-8814(b) during the 2009-10 school year.

77. Plaintiff School Districts and the Class members have suffered similar harm as a result of Defendant's actions and the claims of the Plaintiff School Districts are typical of the claims of the class.

78. Plaintiff School Districts will fairly and adequately represent and protect the interests of the Class members because their interests do not conflict with the interests of the Class members they seek to represent.

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79. Plaintiff School Districts have no claims antagonistic to those of the Class.
80. Plaintiff School Districts have retained counsel competent and experienced in complex class actions and school finance litigation.
81. A class action is superior to other available methods for the fair and efficient adjudication of this controversy because individual litigation of this count by all Class members is impractical.
82. The claim asserted in this Count is certifiable under K.S.A. 60-223(b)(1) and/or 60-223(b)(3) because:
- a. Requiring each Class member to individually litigate this matter would be expensive and unduly burdensome on both the individual Class members and this Court.
 - b. Individual litigation would increase the expense and delay to all parties and the Court system in resolving legal and factual issues that are common as a result of Defendant's actions.
 - c. Individual litigation would present a potential for inconsistent or contradictory judgments with respect to individual Class members, thus establishing compatible standards of conduct for Defendant.
 - d. The questions of law or fact common to the Class members predominate over any questions affecting only individual members, and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

CAUSE OF ACTION

83. The inequitable distribution of funds is a critical factor in determining whether a school finance formula can be deemed constitutional. *Montoy II*, 278 Kan. at 275; *Montoy v. State*

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of Kansas, 282 Kan. 9, 10, 138 P.3d 75 (2006) (Montoy V). [*See* Exhibit 1: Notice of Claims, at 11].

84. In enacting the current school finance formula, the Defendant determined that, in order to suitably and equitably fund education, certain school districts would require equalization in the form of capital outlay equalization payments. *See* K.S.A. 72-8814. Thus, failure to make capital outlay equalization payments results in the inequitable distribution of funds.
85. K.S.A. 72-8814(b) states that school districts are entitled to receive payment from the school district capital outlay state aid fund.
86. Defendant, through the State Board of Education and director of accounts and reports, has a duty to certify the entitlements and transfer the money from the state general fund to the school district capital outlay state aid fund.
87. The State Board of Education has certified the funds as required by K.S.A. 72-8814(b). [*See* Exhibit 6: Letter Dale Dennis to Kent Olson, dated September 22, 2010].
88. The director of accounts and reports has failed to transfer the money from the state general fund to the school district capital outlay state aid fund for distribution to Class members as required by K.S.A. 72-8814(b).
89. Defendant has failed to make capital outlay equalizations payments pursuant to K.S.A. 72-8814(b) without regard to the equity of such action and without regard to the fact that the payments are mandated by law.
90. Defendant's failure to make the capital outlay equalization payments did not affect wealthier districts and resulted in a \$22.3 million loss to poorer districts and those districts that do not make a capital outlay levy. [*See* Exhibit 1: Notice of Claims, at 13].

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91. Defendant's failure to comply with its duties and certify capital outlay equalization aid payments pursuant to K.S.A. 72-8814 (b) has created an inequitable distribution of funds in violation of the Kansas Constitution. [See Exhibit 1: Notice of Claims, at 13].

Count Three: Substantive Due Process

92. Plaintiffs incorporate by reference the allegations contained in paragraphs 1- 91 above as though fully set out herein.

93. Education is a fundamental right.

94. The current funding formula denies Plaintiffs and all students of all Kansas school districts access to an adequately funded education. There is no compelling state interest for the underfunding the current funding formula by lack of appropriation. There is no compelling state interest for setting the components of the formula at levels known by Defendant to be inadequate.

95. Even if a compelling state interest did exist, the legislative enactments and budget allotments are not narrowly tailored to meet any such interest.

96. Some components of the current funding formula lack any reasonable basis and bear no rational relationship to legitimate legislative objectives.

Count Four: Equal Protection

97. Plaintiffs incorporate by reference the allegations contained in paragraphs 1-96 above as though fully set out herein.

98. Some components of the current funding formula combined with the under-appropriation of money to fund the formula deny Plaintiffs equal protection of the laws guaranteed by Section 1 – 2 of the Bill of Rights of the Kansas Constitution and the Fourteenth Amendment of the United States Constitution.

(6-2)

99. Some components of the current funding formula combined with the under-appropriation of money to fund the formula treat similarly situated students differently, depending on the number of students enrolled in the school district, relative wealth of the school district, and the political advantage of the school district.
100. There is no compelling state interest for certain components of the current funding scheme. Even if a compelling state interest did exist, the legislative enactments and lack of appropriations are not narrowly tailored to meet that interest. Furthermore, some components of the current funding formula combined with the under-appropriation of money to fund the formula lack any reasonable basis and bear no rational relationship to legitimate legislative objectives.

Count Five: Unconstitutionality of K.S.A. 72-64b03(d)

101. Plaintiffs incorporate by reference the allegations contained in paragraphs 1-100 above as though fully set out herein.
102. The Legislature attempts to limit the powers of the judiciary in a manner which transgresses the separation of powers.
103. K.S.A. 72-64b03(d) restricts the judiciary's ability to determine and interpret the proper remedy for a violation of Article 6 of the Kansas Constitution and is therefore unconstitutional.

Count Six: Failure to Comply with Mandates of K.S.A. 72-64c03

104. Plaintiffs incorporate by reference the allegations contained in paragraphs 1-104 above as though fully set out herein.
105. K.S.A. 72-64c03 requires education be given first priority in the budgeting process and shall be paid first from existing state revenues.

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106. Defendant has failed to comply with K.S.A. 72-64c03 through various actions including those outlined in Paragraph 51.

Count Seven: Failure to Comply with Mandates of K.S.A. 72-64c04

107. Plaintiffs incorporate by reference the allegations contained in paragraphs 1-107 above as though fully set out herein.

108. K.S.A. 72-64c04 requires the Legislature to increase state aid to schools by not less than a percentage equal to the percentage increase in the Consumer Price Index (urban) during the preceding fiscal year.

109. Defendant has failed to comply with K.S.A. 72-64c04, and in fact, has decreased the state aid to schools.

Relief Requested

WHEREFORE, Plaintiffs respectfully request the following relief:

- a. A judgment and order declaring the some of the components of the current funding formula combined with the under-appropriation of money to fund the formula, are in violation of the Kansas Constitution;
- b. A permanent injunction prohibiting Defendant from administering, enforcing, funding, or otherwise implementing the unconstitutional provisions of the current funding formula;
- c. A permanent injunction requiring the Legislature to appropriate sufficient amounts of money to fund the school funding formula to the level required by Article 6 of the Kansas Constitution;
- d. A judgment and order requiring the director of accounts and reports, state board of education, state treasurer, and treasurer of the school district to comply with all duties under K.S.A. 72-8814(b) in order to properly transfer and distribute the capital outlay

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- equalization payments from the state general fund to the capital outlay state aid fund pursuant to K.S.A. 72-8814(b) for the 2009-10 school year;
- e. A judgment and order requiring Defendant to make the required payments under K.S.A. 72-8814 to the Class members;
 - f. A judgment and order declaring K.S.A. 72-64b03(d) to be in violation of the Kansas Constitution;
 - g. A judgment and order mandating compliance with K.S.A. 72-64c03;
 - h. A judgment and order mandating compliance with K.S.A. 72-64c04;
 - i. The reasonable attorneys' fees incurred in litigating this action;
 - j. The costs of this action; and
 - k. Such other relief as this Court deems just and equitable.

Dated this 2nd day of November, 2010.

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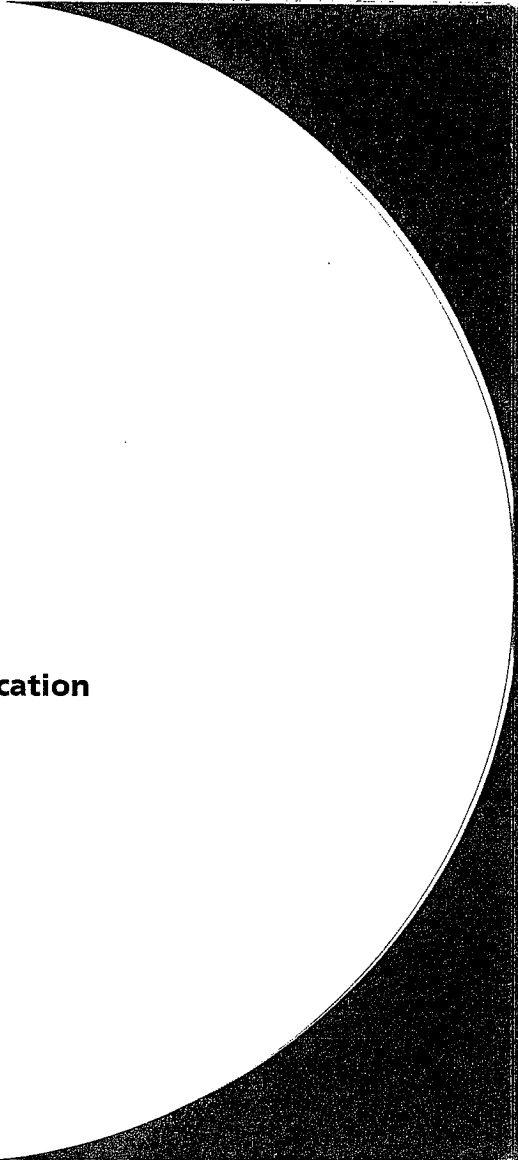
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**Reflect,
Transform,
Lead:**

A New Vision for Career Technical Education

A New Vision

The United States has long held its leading economic status in the world.

Propelled by innovation, the competitive character of capitalism, and the spirit of entrepreneurship, our nation thrived as a power house setting both the standards and pace for the world economy. On the heels of national fiscal crises, a flattening globe, and the challenges and opportunities brought on by technology, we must now take a hard look at how our workforce is prepared if the United States is to retain its leadership position in the dynamic global economy.



Photo courtesy of Missouri Dept. of Elementary & Secondary Education

①

Hence, CTE has a positive impact on student achievement and transitions. The programs help students find their passion, bolster their confidence and empower them to succeed. Because CTE demonstrates a positive return on investment, CTE is a trusted, long-standing partner with the employer community. And since CTE programs can be found in rural, suburban and urban communities in every state in our nation, CTE has the capacity and infrastructure to be the vehicle to prepare students of all ages to be successful in this ever-changing, world marketplace. While many CTE programs have evolved in the ways noted above, not all have. We have made much progress but we can and must go further. Excellence in all of our programs is essential.

Transform: A Reinvention

The forecasted needs of the 21st century, the pace of technological change, demographics, the challenges of student engagement and achievement, and growing global competition have created an urgency to evaluate the trajectory and role of CTE in the United States. In keeping with our leadership role and responsibility, the National Association of State Directors of Career Technical

Education Consortium puts forth this bold vision intended to guide CTE's role in our nation's educational, workforce and economic advancement and success.

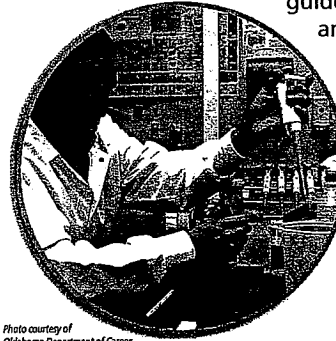


Photo courtesy of Oklahoma Department of Career and Technology Education

The five principles below collectively form our vision for CTE. The principles are interdependent and should not be considered in isolation. This vision charts a progressive, challenging agenda that seeks to ensure that CTE's contributions and potential are fully realized.

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Reflect: An Evolution

In the early 1900s, vocational education emerged in response to the burgeoning industrial era. Designed to train individuals with job-specific skills, vocational education helped drive our nation's economic engine throughout the 20th century. Today, vocational education is called career technical education (CTE). To be clear - CTE is not a new label for the same system. While CTE is built upon the rich history and tradition of vocational education, it has adapted to meet the dynamic demands of the global economy. CTE programs at the secondary, postsecondary and adult levels prepare individuals for a wide range of careers such as health care/bio-medical, renewable energy, hospitality, nanotechnology, engineering, logistics, law enforcement, and information technology. As such, CTE reflects the modern workplace. And since the majority of careers require a postsecondary credential, high-quality CTE programs incorporate rigorous academic and technical standards, as well as critical workplace skills such as problem solving, communication and teamwork, to ensure career and college success for its students.

CTE is critical to ensuring that the United States leads in global competitiveness.

By addressing the current needs and anticipating the future demands of the economy, CTE is critical to our nation's economic success. CTE is a leader in building collaborative connections among education, economic development, and workforce development to ensure alignment of policies and program delivery. The programs are flexible in how and when they are delivered, and are innovative and quick to respond to employer needs. Standards incorporated in the programs are rigorous, blended academic and technical content, and internationally benchmarked. And students of all ages – youth to adult – who enroll in these programs are prepared as global citizens with an innovative and entrepreneurial spirit and who are boundless in their ideas and endeavors to stimulate positive economic change.

To accomplish this, we will:

- Develop a national common core of technical standards, built upon The National Career Clusters Knowledge and Skills Statements that are benchmarked internationally and supported by leaders from business, labor, education and government.
- Initiate federal policy that secures CTE's leadership role in leading alignment among education, economic development and workforce development, and increases U.S. investment in CTE.
- Launch a marketing and communications campaign to showcase CTE's critical role in transforming the way education is delivered to all students, and to underscore the positive economic impact it provides for individuals and our nation.

CTE actively partners with employers to design and provide high-quality, dynamic programs.

CTE aligns its programmatic offerings to current, emerging and projected labor market needs. Therefore, partnership with business and industry is absolutely essential to our success. Drawing our curricula, standards and organizing principles from the workplace, employers are critical partners in the design and delivery of CTE programs.

To accomplish this, we will:

- Partner with business and industry organizations to develop and implement rigorous, internationally benchmarked CTE programs of study^a that are aligned to state, national and international economic demands and industry standards.
- Partner with business and industry organizations to ensure that the credentials earned by students enrolled in CTE programs are valued by the labor market and are, at a minimum, nationally portable.
- Close skills gaps by providing learners of all ages with access to the education and training necessary to be highly competitive in the labor market, including ongoing skill development of the existing workforce.

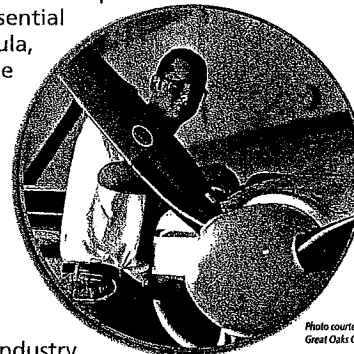


Photo courtesy of Great Oaks Career Campus

7-3

CTE prepares students to succeed in further education and careers.

The dichotomy of preparation for work or college is no longer relevant. The global economy places a premium on skills acquisition and innovation. Therefore, all workers must be lifelong learners who continue to cultivate and grow their knowledge and skills through further education^b. CTE programs prepare students to be successful by providing adaptable skills and knowledge, thereby ensuring flexibility to transition careers as interests change, opportunities emerge and the economy transforms. To document competency of these knowledge and skills, valid and reliable assessments that result in nationally recognized and portable credentials are necessary.



Photo courtesy of Missouri Dept. of Elementary & Secondary Education

To accomplish this, we will:

- Support policies that require all students to have a personalized learning plan that clearly maps out a comprehensive strategy to achieve their education and career goals.
- Promote the acquisition of college and career ready standards, aligned to The National Career Clusters Essential Knowledge and Skills Statements^c, for all students.
- Aspire to have CTE be performance-based, student-centered programs that are delivered without regard to time or place, to the extent feasible without diminishing the quality of the programs.
- Support the development of valid, reliable and rigorous national technical assessments, aligned to a national common core of technical standards, resulting in recognized and portable credentials.

CTE is delivered through comprehensive programs of study aligned to The National Career Clusters framework.

To achieve our vision, ongoing transformation in the content and delivery of CTE programs is necessary. Programs of study aligned to The National Career Clusters framework^d are the means to accomplish this goal and should be the method of delivery of all of CTE. A rigorous and comprehensive program of study, delivered by qualified instructors, is a structured sequence of academic and CTE courses that leads to a postsecondary-level credential. In a program of study, the standards, curriculum, and assessments are aligned, thereby ensuring coordination and seamless delivery of instruction and transitions for students. Students are given opportunities to explore myriad career possibilities and have access to comprehensive career planning that empowers them to plan and prepare for a lifetime of career and educational choices. Relevant work-based learning opportunities, and leadership development offered through career technical student organizations (CTSOs), are incorporated into the program of study.

To accomplish this, we will:

- Convene and lead education, employers, labor and government to develop policy, resources and technical assistance to help states with the design and implementation of programs of study as a standard approach to delivering high-quality CTE.
- Support incentives for employers to provide work-based experiences and professional development opportunities for teachers and faculty, so they are aware of and can incorporate the latest industry standards and technologies into their programs.
- Encourage dual academic and technical certification of all teachers and faculty to support seamless and blended instruction.
- Support federal legislation that encourages rigorous, comprehensive programs of study as the delivery model for education.

7-4

7

CTE is a results-driven system that demonstrates a positive return on investment.

CT emphasizes the critical importance of accountability and data-driven decisions. CTE's performance must be measured by appropriate indicators that accurately reflect programmatic outcomes. Data is used to drive decisions on resources and programs, thus ensuring programs are aligned to the economy's needs and resources are directed toward areas of highest need. Further, data demonstrates CTE's positive impact through return on investment measured by fiscal returns or savings for government and employers, favorable societal impact, career benefits for individuals and a positive impact on regional, state or national economies.

To accomplish this, we will:

- Use data to identify high quality, successful, scalable CTE practices and programs, target efforts and funds to those found effective, and eliminate those that are ineffective.
- Support federal policies that make the collection of nationally comparable, valid and reliable data possible and efficient.
- Encourage longitudinal data systems to incorporate the data components necessary to support CTE accountability measures.
- Promote alignment of data requirements and accountability measures among federal education and workforce preparation programs.
- Develop a national return on investment model to demonstrate CTE's positive fiscal, societal, and economic impact.

8

Lead: A Call to Action

Our nation is at a critical juncture as competition in the global economy intensifies. We believe our nation's economic vitality hinges on our commitment to invest in and ensure the preparedness, efficiency, innovation, creativity and productivity of the U.S. workforce.

CTE also has reached a critical juncture. Success in this global economic environment demands a different type of workforce. If CTE is to have a role in successfully preparing this workforce, we must look at program content, how we deliver our programs, and let go of what no longer works. We will strive to create only programs of excellence. We must be willing to take the bold steps necessary to jumpstart dramatic change in our nation's education and workforce preparation systems. The dichotomous silos of academics versus CTE must be eliminated and their supporting infrastructures must be re-imagined to meet the needs of the economy. As the lines of economies blur, so too must the lines that currently separate CTE and academic education.

As we look to the future, imagine an education and workforce system that rewards innovation, synergistically and cohesively supports different learning styles, equally values different interests and talents, nimbly adapts and responds to technology and workplace needs, and prepares all students for career success through multiple pathways. This is our vision for the future of CTE. Bold leadership and actions will be necessary to realize this vision. We will provide the leadership to ensure our vision is achieved.

References

For more information on the references below, visit www.careertech.org.

^a A program of study is a comprehensive, structured approach for delivering academic and career technical education to prepare students for postsecondary education and career success. A framework has been developed in partnership with the U.S. Department of Education's Office of Vocational and Adult Education. This framework provides the expanded definition of a comprehensive program of study.

^b The term "further education" encompasses all forms of postsecondary education including community and technical colleges, universities, military service, apprenticeship, licensure, and industry credentials/certification.

^c Career Clusters Essential Knowledge and Skills Statements, which have been nationally validated, represent a comprehensive definition of what constitutes the core of initial college and career readiness across all 16 Career Clusters. The essential knowledge and skills are organized in the following categories: technical skills; academic foundations (minimally defined as a state's graduation requirements); communications; problem solving and critical thinking; information technology applications; systems; safety, health and environmental; leadership and teamwork; ethics and legal responsibilities; employability and career development.

^d The National Career Clusters framework organizes CTE instruction and learning experiences in 16 career themes and facilitates a seamless transition for students from secondary to postsecondary.

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The National Association of State Directors of Career Technical Education Consortium (NASDCTEC) was established in 1920 to represent the state and territory heads of secondary, postsecondary and adult career technical education (CTE) across the nation. NASDCTEC, through leadership, advocacy and partnerships, aims to support an innovative CTE system that prepares individuals to succeed in education and their careers, and poises the United States to flourish in a global, dynamic economy.

*National Association of State Directors of Career Technical Education Consortium (NASDCTEC) | 8484 Georgia Avenue Suite 320
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Kansas State Board of Education: Career and Technical Education Policy Initiatives

On May 11, 2010, the Kansas State Board of Education approved policy motions that reflect a progressive, challenging agenda that seek to ensure Career and Technical Education's contributions and potential are realized. These policy motions not only embrace the priorities of the *Reflect, Transform, Lead: New Vision for Career and Technical Education*, but also strategically ensure that all students will achieve challenging academic and technical standards and be prepared for high-skill, high-wage, or high-demand occupations in current or emerging professions by improving high school completion and the transitions to and success in postsecondary degree or credentialing programs.

- 1) Create an integrated system of assessments for each of the career clusters, the tested academic content areas and the 21st Century Profiles that provide both state/federal accountability and career-readiness certification.
- 2) Adopt integrated core content standards with CTE Career Cluster Pathways utilizing the 21st Century skills as the organizing principle.
- 3) Support the creation of performance-based Qualified Admissions Standards by KBOR.
- 4) Revise Teacher Preparation Program Standards to reflect the integration of content standards.
- 5) Require schools to create integrated courses that allow students to gain at least three additional credits in career clusters during his/her K-12 experience.
- 6) Expect that all students enter secondary-level studies prepared to succeed in project-based, contextual learning activities that prepare them for further education and training that meet rigorous academic and technical standards.
- 7) Offer a school accreditation option for all Kansas schools based on the 21st Century Learning Environments that will help guide reform and/or redesign of public schools.
- 8) Offer a graduation option for all Kansas students designed around the 21st Century Learner Profiles.
- 9) Require all Kansas local education agencies to ensure every student has access to services that help guide them in career planning.
- 10) Require every Kansas student, beginning in middle-level or junior high school, to utilize a personalized college career plan of study throughout his/her school experience.
- 11) Create opportunities for Kansas schools utilizing KSDE resources to develop funding mechanisms based on verified, performance-based student achievement that respond to the changing workforce and economic development needs.

Kansas Career Fields and Clusters Model

Agriculture, Food, and Natural Resources

- Animal Systems
- Agribusiness Systems
- Biotechnology in Agriculture
- Environmental Service Systems
- Food Products and Processing Systems
- Natural Resources Systems
- Plant Systems
- Power, Structural, and Technical Systems

Art, Media, Performance, and Communications

- Audio/Video Techniques
- Journalism and Broadcasting
- Performing Arts
- Printing Techniques
- Telecommunications Techniques
- Visual Arts

Information Technology

- Information Support and Services
- Web and Digital Communications
- Network Systems
- Programming and Software Development

Transportation, Distribution, and Logistics

- Facility and Mobile Equipment Maintenance
- Health, Safety, and Environmental Management
- Logistics Planning and Management Services
- Sales and Services
- Transportation Operations
- Warehousing and Distribution Center Operations

Science, Technology, Engineering, and Mathematics

- Engineering and Technology
- Science and Math (Investigative, Informational, and Educational)

Architecture and Construction

- Construction
- Design and Pre-construction
- Maintenance and Operations

Manufacturing

- Production
- Manufacturing Production Process Development
- Maintenance, Installation, and Repair
- Quality Assurance
- Logistics and Inventory Control
- Health, Safety, and Environmental Assurance

Health Science

- Biotechnology Research and Development
- Diagnostic Services
- Supportive Services
- Health Informatics
- Therapeutic Services

Environmental and Agricultural Systems

Information Technology and Communications

Business Management and Administration

Foundation Knowledge and Skills

Academic and Technical Skills

- Employability
- Ethics
- Systems
- Teamwork
- Career Development
- Problem Solving
- Critical Thinking
- Information Technology Application
- Legal Responsibilities
- Communication
- Safety, Health, and Environment

Human Resources and Services

Hospitality and Tourism

- Lodging
- Recreation, Amusements, and Attractions
- Restaurants and Food and Beverage Services
- Travel and Tourism

Marketing

- Merchandising
- Marketing Management
- Marketing Communications
- Marketing Research
- Professional Selling

Education and Training

- Administration and Administrative Support
- Professional Support Services
- Teaching/Training

Human Services

- Consumer Services
- Counseling and Mental Health Services
- Early Childhood Development and Services
- Family and Community Services
- Personal Care Services

Law, Public Safety, and Security

- Correction Services
- Emergency and Fire Management Services
- Law Enforcement Services
- Legal Services
- Security and Protective Services

Business Management and Administration

- Administrative Services
- Business Information Management
- Human Resources Management
- General Management
- Operations Management

Finance

- Banking Services
- Business Finance
- Securities and Investments
- Insurance
- Accounting

Government and Public Administration

- Revenue and Taxation
- Foreign Service
- Governance
- National Security
- Planning
- Public Management and Administration
- Regulation

Kansas Career Fields and Clusters Model

- Agriculture, Food, and Natural Resources**
- Animal Systems
 - Agribusiness Systems
 - Biotechnology in Agriculture
 - Environmental Service Systems
 - Food Products and Processing Systems
 - Natural Resources Systems
 - Plant Systems
 - Power, Structural, and Technical Systems

- Arts, Media, and Entertainment**
- Audio/Video Techniques
 - Journalism and Broadcasting
 - Performing Arts
 - Printing Techniques
 - Telecommunications Techniques
 - Visual Arts

- Information Support and Services**
- Web and Digital Communications
 - Network Systems
 - Programming and Software Development

- Business Management and Administration**
- Administrative Services
 - Business Information Management
 - Human Resources Management
 - General Management
 - Operations Management

- Hospitality and Tourism**
- Lodging
 - Recreation, Amusements, and Attractions
 - Restaurants and Food and Beverage Services
 - Travel and Tourism

- Finance**
- Banking Services
 - Business Finance
 - Securities and Investments
 - Insurance
 - Accounting

- Marketing**
- Merchandising
 - Marketing Management
 - Marketing Communications
 - Marketing Research
 - Professional Selling

Foundation Knowledge and Skills

Academic and Technical Skills

- Employability
- Ethics
- Systems
- Teamwork
- Career Development
- Problem Solving
- Critical Thinking
- Information Technology Application
- Legal Responsibilities
- Communication
- Safety, Health, and Environment

Engineering, Technology, and Mathematics

Health Science

Human Resources and Services

- Government and Public Administration**
- Revenue and Taxation
 - Foreign Service
 - Governance
 - National Security
 - Planning
 - Public Management and Administration
 - Regulation

- Education and Training**
- Administration and Administrative Support
 - Professional Support Services
 - Teaching/Training

- Human Services**
- Consumer Services
 - Counseling and Mental Health Services
 - Early Childhood Development and Services
 - Family and Community Services
 - Personal Care Services

- Law, Public Safety, and Security**
- Correction Services
 - Emergency and Fire Management Services
 - Law Enforcement Services
 - Legal Services
 - Security and Protective Services

Health Science

- Biotechnology Research and Development
- Diagnostic Services
- Supportive Services
- Health Informatics
- Therapeutic Services

- Architecture and Construction**
- Construction
 - Design and Pre-construction
 - Maintenance and Operations

- Manufacturing**
- Production
 - Manufacturing Production Process Development
 - Maintenance, Installation, and Repair
 - Quality Assurance
 - Logistics and Inventory Control
 - Health, Safety, and Environmental Assurance

- Transportation, Distribution, and Logistics**
- Facility and Mobile Equipment Maintenance
 - Health, Safety, and Environmental Management
 - Logistics Planning and Management Services
 - Sales and Services
 - Transportation Operations
 - Transportation/Systems Infrastructure Planning, Management, and Regulation
 - Warehousing and Distribution Center Operations

- Science, Technology, Engineering, and Mathematics**
- Engineering and Technology
 - Science and Math (Investigative, Informational, and Educational)

Kansas State Board of Education: Career and Technical Education Policy Initiatives

On May 11, 2010, the Kansas State Board of Education approved policy motions that reflect a progressive, challenging agenda that seek to ensure Career and Technical Education's contributions and potential are realized. These policy motions not only embrace the priorities of the *Reflect, Transform, Lead: New Vision for Career and Technical Education*, but also strategically ensure that all students will achieve challenging academic and technical standards and be prepared for high-skill, high-wage, or high-demand occupations in current or emerging professions by improving high school completion and the transitions to and success in postsecondary degree or credentialing programs.

- 1) Create an integrated system of assessments for each of the career clusters, the tested academic content areas and the 21st Century Profiles that provide both state/federal accountability and career-readiness certification.
- 2) Adopt integrated core content standards with CTE Career Cluster Pathways utilizing the 21st Century skills as the organizing principle.
- 3) Support the creation of performance-based Qualified Admissions Standards by KBOR.
- 4) Revise Teacher Preparation Program Standards to reflect the integration of content standards.
- 5) Require schools to create integrated courses that allow students to gain at least three additional credits in career clusters during his/her K-12 experience.
- 6) Expect that all students enter secondary-level studies prepared to succeed in project-based, contextual learning activities that prepare them for further education and training that meet rigorous academic and technical standards.
- 7) Offer a school accreditation option for all Kansas schools based on the 21st Century Learning Environments that will help guide reform and/or redesign of public schools.
- 8) Offer a graduation option for all Kansas students designed around the 21st Century Learner Profiles.
- 9) Require all Kansas local education agencies to ensure every student has access to services that help guide them in career planning.
- 10) Require every Kansas student, beginning in middle-level or junior high school, to utilize a personalized college career plan of study throughout his/her school experience.
- 11) Create opportunities for Kansas schools utilizing KSDE resources to develop funding mechanisms based on verified, performance-based student achievement that respond to the changing workforce and economic development needs.

Wichita Public Schools' Career & Technical Education programs

- Accounting Technician
- Automotive Technician
- Business and Computer Technology
- Communications Technology
- Computer Programming
- Construction Pathway
- Culinary Arts and Hospitality Management
- Design and Pre-Construction Pathway
- Early Childhood Education
- Fashion, Textiles and Interiors
- Health Science Pathway
- Manufacturing Production Pathway
- Marketing Education
- Motorcycle Technician
- Pre-Engineering Technology (PLTW)
- Teaching/Training Pathway
- Work and Family Studies



Students in Firefighter 1 class at Northeast Magnet practice tying knots that firefighters use to secure and hoist equipment

The district's CTE program has articulation agreements with:

Wichita State University
 Wichita Area Technical College
 Butler Community College
 Hutchinson Community College

8,867 Wichita high school students are enrolled in at least one CTE class this year. Breakdown by class: 60% Freshmen --- 73% of Sophomores ---- 69% of Juniors ---- 56% of Seniors.

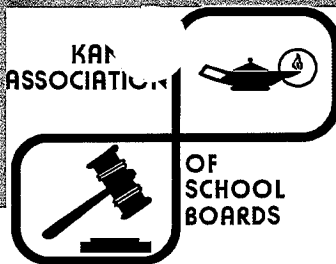


"Teaching as a Career" class at South High demonstrate a game they developed for the classroom.

- **Teaching as a Career** is a new pathway offered at three high schools; a completed pathway with appropriate grade point average will articulate to Wichita State University's college of education.
- **Firefighter pathway** at Northeast Magnet, in partnership with Wichita Fire Department, will be a four year fire science program. During the summer the instructor spent time at the fire department to learn more about fire safety and science. Firefighters frequently visit Northeast Magnet to teach proper techniques.
- Four Wichita high schools are piloting **Financial Education** course. Junior and seniors will gain financial proficiency through a project based curriculum, including financial planning, decision making, goal setting, banking, financial services and consumer choices. Beginning as a one semester class the Assistant Superintendent for High Schools plans to expand to all high schools.
- Each summer CTE teachers and high school counselors have an opportunity to learn more about career options by participating in **summer externships**. This summer 25 CTE teachers and 7 high school counselors spent one or two weeks gaining direct experience in jobs and careers ranging from culinary, auto, aviation and financial. Real-world, real-work settings become powerful and valuable classroom lessons for students.
- A James L. Knight grant, in partnership with Wichita State University and U.S. Department of Labor, in expanding **Project Lead the Way** into more middle and high schools. PLTW is a rigorous project based curriculum providing real-world applications in engineering which reinforce math and science concepts.

Career exploration:

- Each high school hosts a career fair in the fall involving over 60 local businesses, organizations and colleges. Middle school students attended a career fair at Koch Arena in October.
- All WPS 9th graders take ACT Explorer which broadly identifies their areas of interests.
- All WPS 10th graders take ACT Plan further defines coursework in student's area of interest.



STATE AND NATIONAL TESTS SHOW KANSAS ACHIEVEMENT RISING

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In the past decade, Kansas adopted unprecedented standards for student achievement in public schools, both to comply with the federal No Child Left Behind Act and address broader social and economic concerns. To help school districts meet those standards, the state significantly increased funding, especially after the Supreme Court ruled in the 2005 *Montoy* decision the Legislature was not providing constitutionally suitable financing based on state standards and cost studies. Much of the increase was targeted at student groups that have lagged behind academically, particularly low-income, disabled and English language learners. What has been the impact on student achievement?

NCLB requires each state to test students annually in reading and math, using assessments based on state curriculum standards, and to determine a proficiency level on those tests. Each school is expected to meet rising annual targets based on the percentage of students scoring at or above the proficient level, called Adequate Yearly Progress.

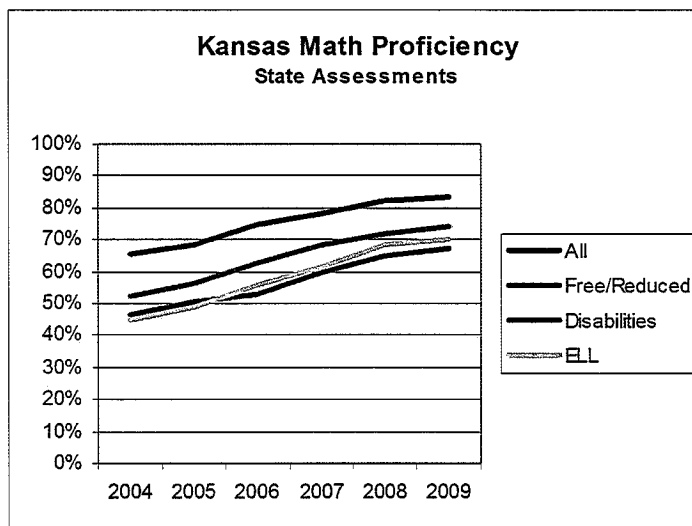
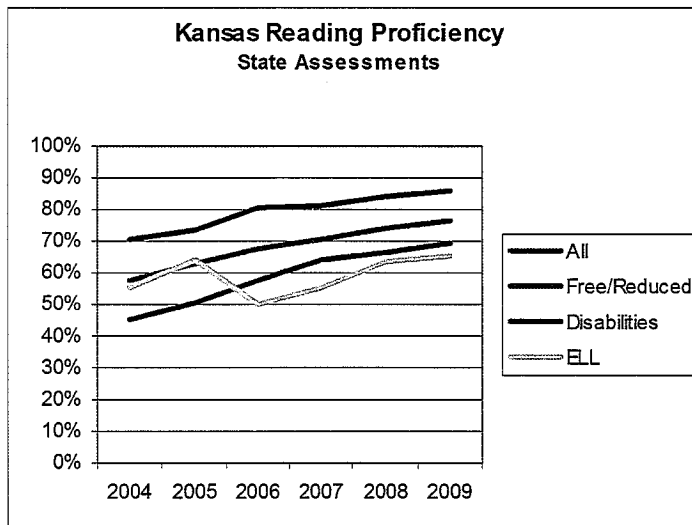
State tests show steady improvement

As the charts in the right column show, students made significant progress on state assessments between 2004 and 2009, with reading proficiency rising from 70 percent to 86 percent for all students, and math proficiency rising from 65 percent to 84 percent. Groups targeted for more assistance – students qualifying for free or reduced price lunch, students with disabilities and English language learners – have also made significant progress, helping to narrow the “achievement gap” for these groups.

State assessments are validated by outside experts, federal review

While state assessments are developed at the state level and by the Kansas State Board of Education, the U.S. Department of Education requires a peer review process for the Kansas testing program. In addition, Kansas uses an independent technical advisory committee to ensure the validity of its tests. The proficiency levels are determined through a formula established in the federal NCLB law.

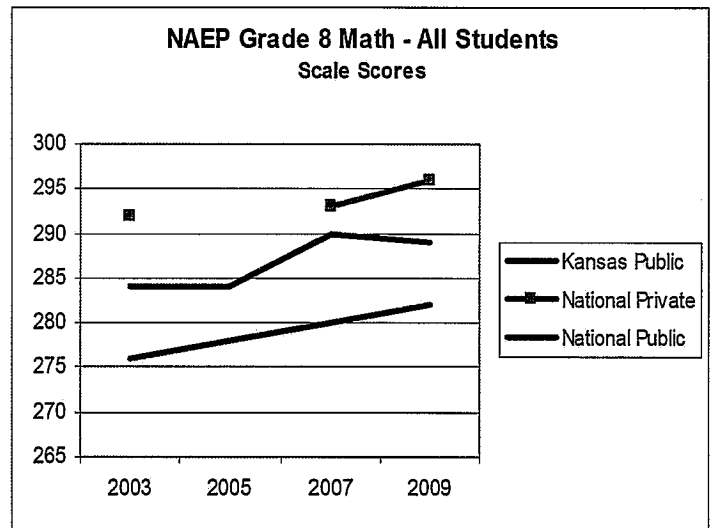
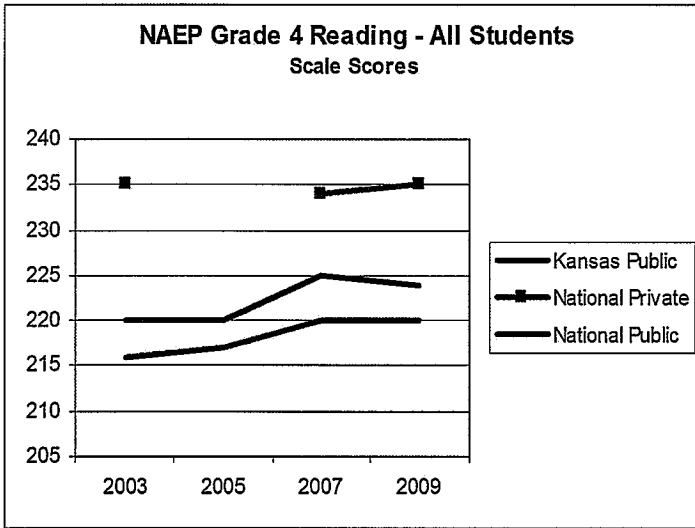
Some critics charge that improvement on state assessments is contradicted by the National Assessment of Educational Progress (NAEP). In fact, the two assessments are separate and independent measures of student progress – each developed by different groups according to different standards. While NAEP is administered by the U.S. Department of Education, the assessment itself is developed by the National Assessment Governing Board.



Kansas and the National Assessment of Educational Progress

Since 2003, NCLB has required all states to participate in NAEP reading and mathematics assessments, which are given every two years at fourth and eighth grade. However, unlike state assessments, the law does not require that students reach proficiency on the NAEP. Also unlike the state assessments, NAEP tests are given only to a small sample of students. NAEP tests are not aligned with Kansas curriculum standards – which means these tests may not closely reflect what Kansas schools have been directed to teach. However, the NAEP does provide a benchmark to measure academic progress over time and in comparison to other states and school systems. Some critics say Kansas NAEP scores have not shown improvement and much higher percentages of students are scoring below proficient.

NAEP tests show Kansas improvement, especially by lower performing groups



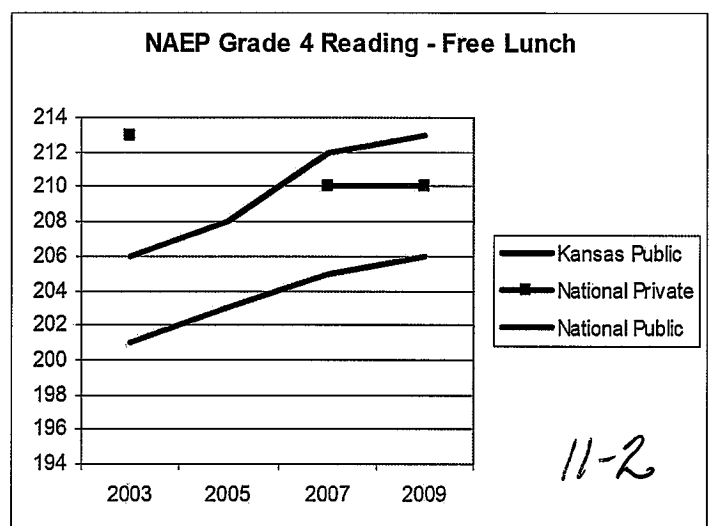
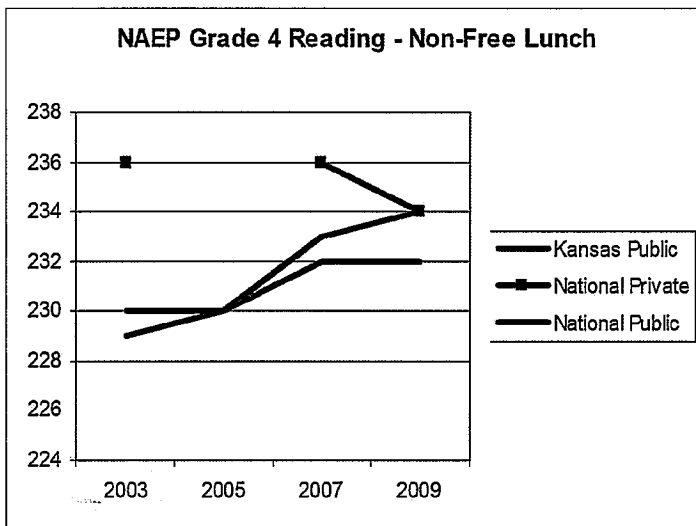
Average NAEP scores for Kansas public school students have increased since 2003. For example, the following charts show fourth grade reading and eighth grade math. Even after a small decline in 2009, scores remain above the baseline year of 2003 and Kansas continues to exceed the national average for public school students. Kansas scores overall are below the average for private schools nationally. (There were not enough private school students tested by NAEP for a valid result in 2005.)

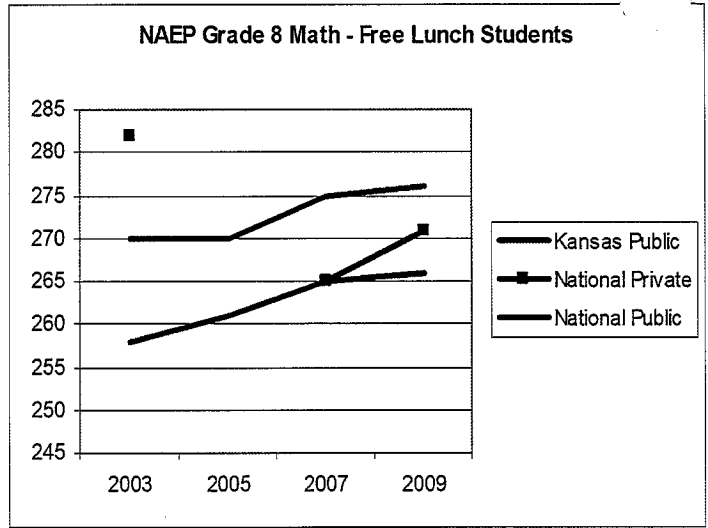
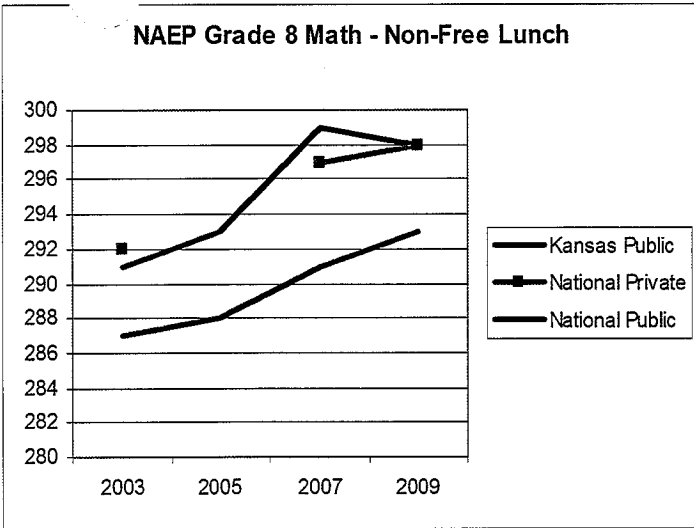
The same is true for eighth grade math. Kansas public school scores for both mid- and upper-income students and low income students rose more than their combined total. Both exceeded the national private school average. Kansas non-free-lunch students were slightly below the national private school average in 2003, did better than private school students in 2007 and were tied in 2009. Kansas low-income students performed better than private school students nationally in both 2007 and 2009.

However, the picture changes when looking at NAEP results for different groups of students. It is important to stress that test results for schools, districts and states are heavily affected by student characteristics – more “at-risk” students usually results in lower overall scores. As the first chart in the next column shows, reading scores for Kansas fourth-graders who do not qualify for free/reduced price lunches not only increased since 2003 and widened the lead over non-free-lunch students in other states; they actually tied the scores of non-free-lunch students in private schools. For Kansas free/reduced students, the increase was even greater – in fact, Kansas low income public school students scored higher than private school low-income students in both 2007 and 2009.

Kansas testing far more low income students

How can Kansas scores for both low-income and non-low-income students increase more than the average for both? Because the percentage of low income students tested in Kansas has risen substantially. Students eligible for free or reduced price lunch rose from 41 percent in 2003 to 48 percent in 2009 for fourth grade reading, and from 33 percent in 2003 to 42 percent in 2009 for eighth grade math. The percentages of other “at-risk” groups have also increased, which means Kansas schools must improve achievement for a more challenging student population.





Proficiency Rates: NAEP versus Kansas

Another concern is the different percentages of students scoring proficient on Kansas assessments compared to NAEP. For example, 87.2 percent of fourth graders met or exceeded the standard on the Kansas reading test, but only 35 percent scored proficient or higher on the NAEP test. Does that mean that Kansas tests are flawed? No.

First, NAEP doesn't test the same things as the state assessment. Second, "proficiency" is a subjective judgment. Suppose a student scored 80 percent on a test. If 75 percent (a "C" in most schools) is considered passing, the student might be considered proficient. If the standard

is 85 percent (often considered a "B"), the student would be below proficient. A better question might be: are Kansas tests simply "too easy" or are NAEP standards extremely high or ambitious?

It should be noted that only a handful of states approach 50 percent of students at proficient on the NAEP. Kansas consistently ranks among the higher performing states, especially on math, and exceeds four neighboring states on almost every measure. Kansas scores equal or exceed private schools for comparable students. If NAEP results show Kansas public schools are failing, then virtually every school system, public or private, must be considered failing as well.

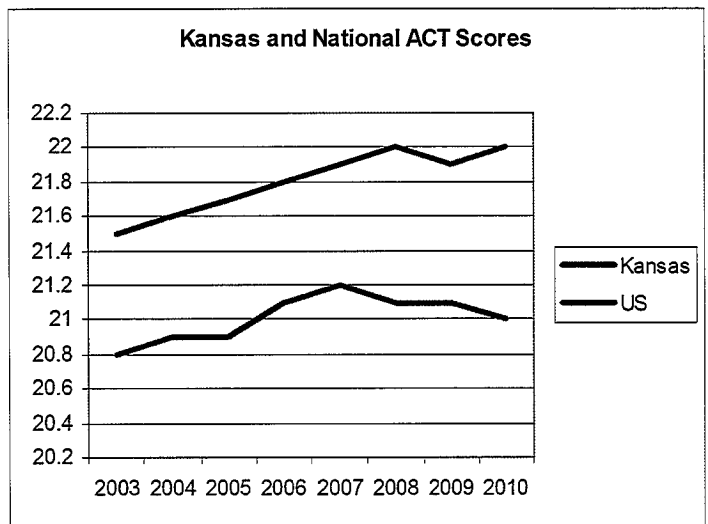
Kansas college readiness measures improving, exceed national scores, participation

Critics have also charged that Kansas college readiness tests have not shown improvement. In Kansas, as in about half of the states in the nation, most graduating high school seniors take the ACT. (In the other states, the SAT is predominant.) Generally, the more students that take the test in a state, the lower its average score tends to be, because more students who rank in the bottom half of the class are assessed. Kansas ranks among the highest states nationally in students testing for college and completing college degrees.

As with NAEP scores, the actual ACT results demonstrate student achievement has increased in Kansas. The chart below indicates that Kansas scores rose steadily from 2003 through 2008, and after a one-year drop, rose again in 2010. Kansas leads the national average, which peaked in 2007 and has been declining. In fact, Kansas posted the highest average composite score among the 13 states where at least 75 percent of graduates participated in the exam.

The ACT also measures "college readiness" of students taking the test in four areas (English, math,

reading and science) and a composite of all four. The percentage of students meeting those benchmarks has increased since 2003, and as the chart above demonstrates, Kansas exceeds the national average in each area.





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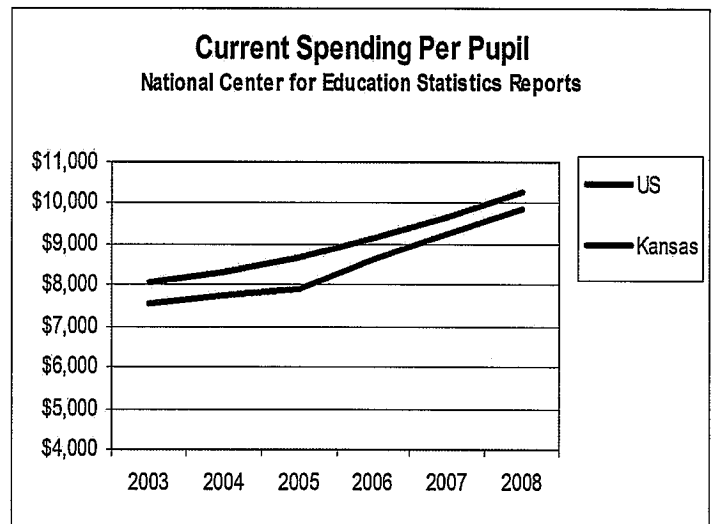
Kansas achieves high results with lower spending

Although Kansas achieves well above the national average and has been showing more improvement on many measures, Kansas spending per pupil has remained below the national average over this same period of time, despite the increased funding provided after the *Montoy* lawsuit. (However, spending per pupil is expected to show declines in 2010 following state funding reductions.)

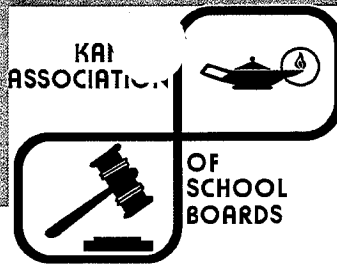
Conclusion

The results of the past seven years have demonstrated that school districts used additional funding to deliver improved educational results; that Kansas achievement compares favorably not only to other states but to private schools; and that Kansas schools and students outperform the nation at a lower cost per pupil.

The work of school improvement is far from finished. More needs to be done to bring all students to proficiency and college or career readiness. This will take additional resources, especially for at-risk students. As educational demands increase, Kansas school districts have demonstrated they are effective stewards of public funds.



For more information, contact KASB Assistant Executive Director/Advocacy
 Mark Tallman at mtallman@kasb.org or 785.273.3600



GRADUATION AND COLLEGE READINESS IMPROVE, BUT GAPS REMAIN

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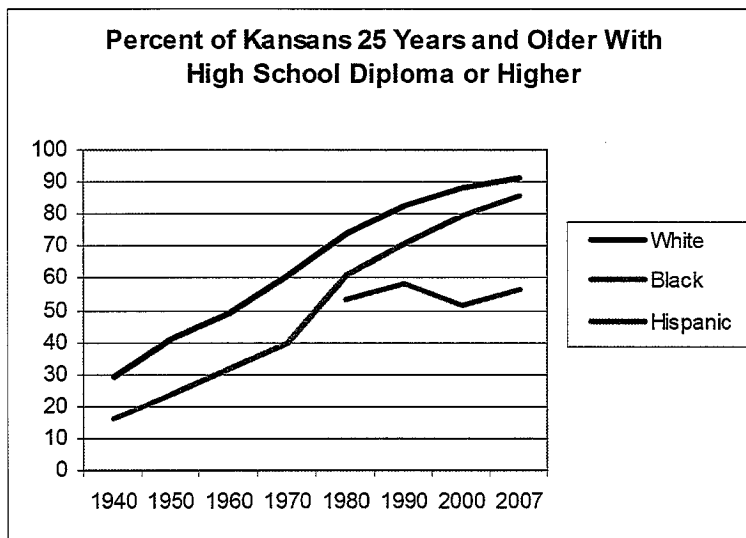
SEPTEMBER 2010

The educational attainment and preparation of Kansas students as they leave the secondary school system is receiving increased attention. A number of groups are studying graduation and drop-out rates and college and career readiness issues. This report provides history, context and challenges facing schools.

High school completion is at an all-time high, but differences among groups remain

According to the U.S. Census, only 28.5 percent of Kansans 25 years old or older had a high school diploma in 1940. By 2000, it had risen to 86.0 percent and was estimated at 88.6 percent in 2005-07 (three-year average). Kansas has consistently exceeded the national average and most neighboring states.

However, as the chart at right shows, high school completion differs among ethnic groups. Graduation rates for white Kansans now top 90 percent, while blacks have narrowed the gap but still trail. The fastest growing population group in Kansas, Hispanics, accounted for over half of the state's population growth since 2000 and made no progress since reporting began in 1980. This is almost certainly due to the influx of immigrants, primarily from Mexico, who are less likely to have a high school diploma.

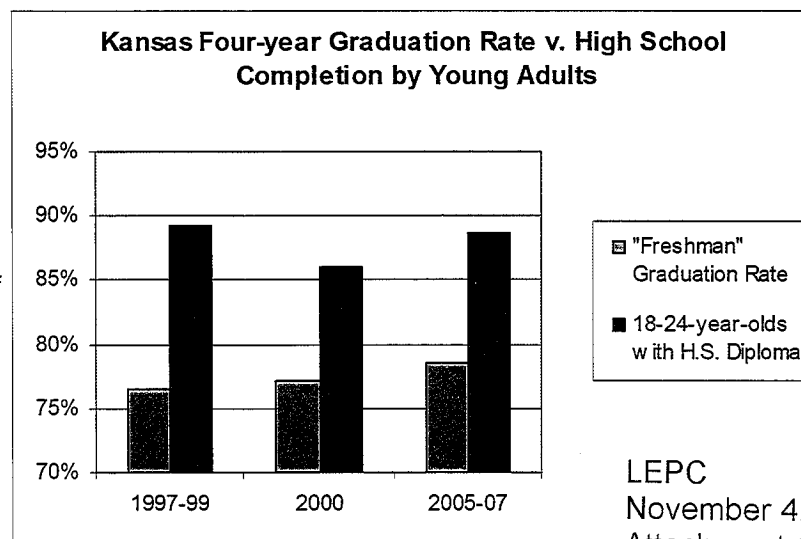


Over three-fourths of students graduate in four years and most finish by age 24

Although statistics on adults completing high school are very clear, there are a number of ways to measure the "graduation rate." The U.S. Digest of Education Statistics uses a "freshman graduation rate," which estimates how many high school freshmen graduate in four years. The Kansas freshman graduation rate improved from 75.5 percent in 1997-99 to 78.5 percent in 2005-07, and has been consistently about five points higher than the national average.

However, this statistic does not count students who graduate in more than four years (for example, passing a course or two during the summer), or who complete drop-out recovery programs or receive a GED. A more comprehensive measure of recent high school graduates is the percent of population age 18-24 with a high school diploma or equivalent. In 1997-99, nearly 90 percent of these young Kansans had a high school credential, dropping to 86 percent in 2000, and rebounding to 88.6 percent in 2005-2007. Here, too, Kansas consistently exceeded the U.S. average.

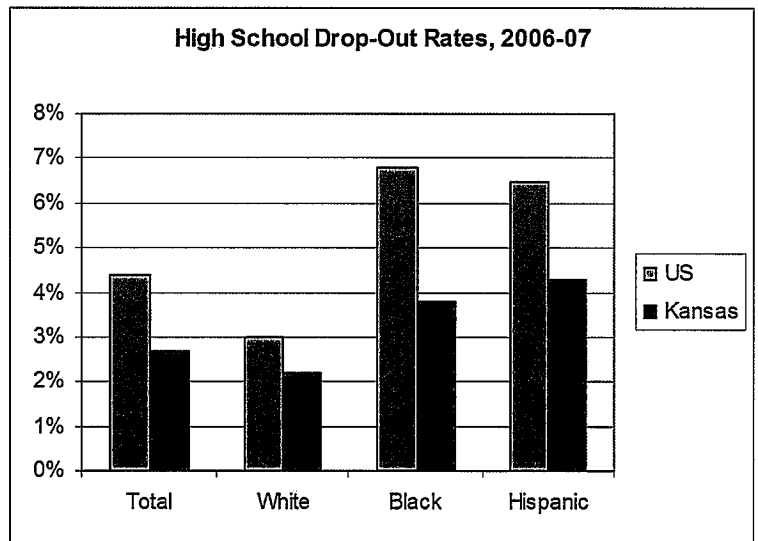
In other words, the true "graduation rate" – young adults who have completed high school or the equivalent – is between 85 and 90 percent. That is far higher than past generations.



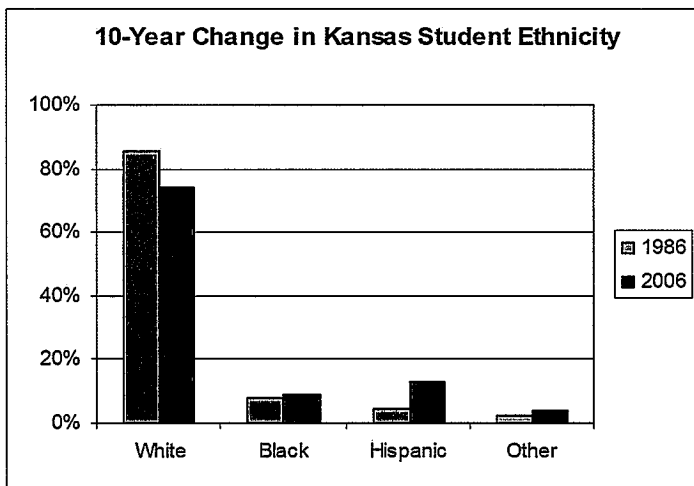
Kansas has fewer drop-outs than most states, but major ethnic differences

Another statistic sometimes used is the "Drop-out Rate." This is NOT simply the reverse of the "graduation rate." Most reports use "event drop-outs," which means the percentage of students in high school who drop out of school each year – not the percentage who drop out of a single class. According to federal reports, Kansas had a drop-out rate of 2.7 percent for grades 9 through 12 in 2006-07. As the chart indicates, white students in Kansas had a drop-out rate of 2.2 percent, while blacks and Hispanics had drop-out rates of 3.8 and 4.3 percent, respectively.

Multiplied by four grades, that number is close to the percent of "non-graduates" in the Kansas adult population. However, the Kansas drop-out rates were below the national average overall and for each major ethnic group. Among neighboring states, Kansas had a lower rate than Colorado, Missouri, Nebraska and Oklahoma, and had lower drop-out rates for minority students than any of our neighbors.



Demographic differences and trends will impact efforts to increase graduation rates



Kansas will find it more difficult to sustain or increase high graduation rates because more students are from groups traditionally less likely to complete school. Although total student enrollment has been stable for the past decade, the ethnic make-up has shifted.

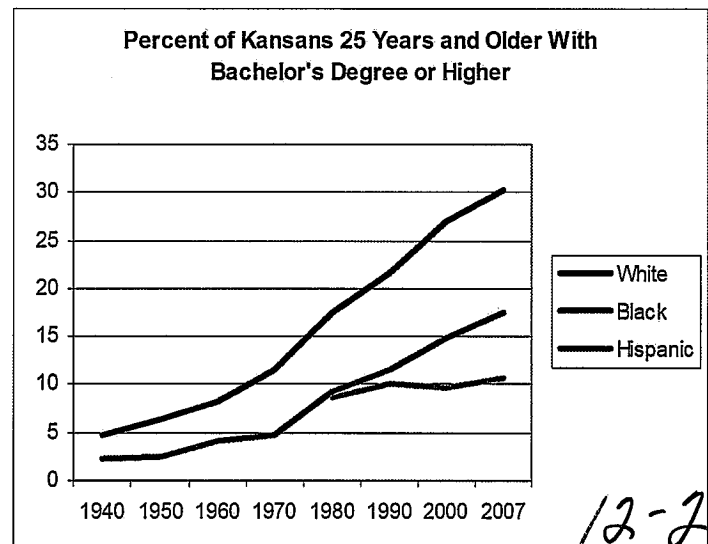
Between 1986 and 2006, whites dropped from 85.6 percent to 73.9 percent, while blacks increased from 7.6 percent to 8.9 percent, and Hispanics tripled from 4.4 percent to 13.0 percent. Projections indicate the Hispanic population will continue to grow. Another group traditionally less successful in school, students on free or reduced price meals, has also increased. Drop-out rates are highest in areas with larger number of "at-risk" students.

College attainment rates have risen dramatically as more students attend college

Kansans with a bachelor's degree rose from less than 5 percent in 1940 to 21.1 percent in 1990 and an average of 28.5 percent in 2005-07. The percentage with a graduate or professional degree rose from 7.0 percent to 9.7 percent – nearly 40 percent total. Kansas college attainment rates are higher than all surrounding states except Colorado.

As with high school graduation, there are significant differences among ethnic groups, with blacks completing a bachelor's degree at less than two-thirds the rate of whites, and Hispanics barely one-third. However, information is not available on how many Hispanics are native-born, or graduates of Kansas high schools.

About two-thirds of Kansas high school graduates attend college, divided almost evenly between four-year universities and two-year colleges.



Preparation for college has improved, even with more challenging students

The predominate measure of college preparation in Kansas is the ACT test. The percentage of Kansas high school graduates taking the ACT increased from 70 percent in 1992 to 75 percent in 2010. Over the same period, the Kansas composite score increased from 21.1 to 22.0, more than double the national increase (from 20.6 to 21.0). These improvements were made with more challenging students. Since 1990, whites dropped from 86 percent of Kansans taking the ACT to 78 percent, while Hispanics increased from 2 percent to 7 percent. The number of students considered "at risk" for other factors has also increased significantly.

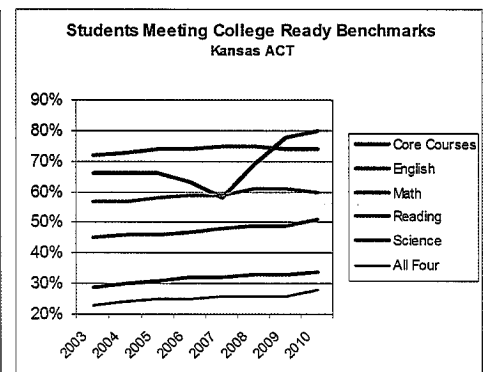
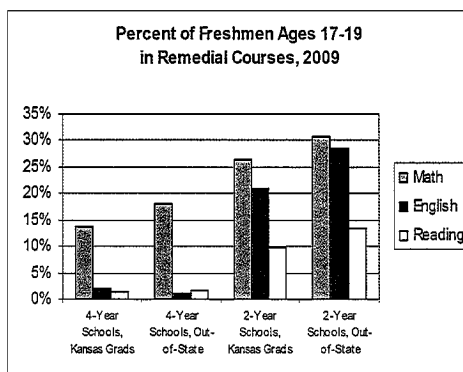
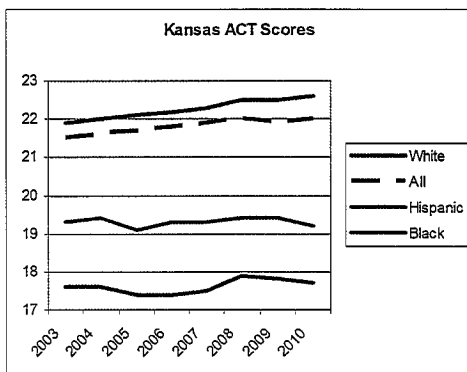
White student scores have improved steadily since 2003. Black and Hispanic scores began increasing after 2005 as funding for at-risk students increased, but retreated during the past two years as state aid was reduced or frozen.

One of the proven ways to increase ACT scores and preparation for college is taking the right courses in high school. The percentage of Kansas ACT-takers completing a "core" college prep curriculum increased from 66 percent in 2003 to 80 percent in 2010.

In addition to composite scores, ACT reports how many test-takers meet college-ready "benchmarks." Over 70 percent of students met ACT's "benchmark" scores in English, 60 percent in reading and 50 percent in math, but only one-third met the science standard and only 28 percent of students in 2010 met all four "benchmarks."

Kansas also exceeds the national average on each benchmark. How do these "benchmarks" compare to students taking remedial courses in college? There is a significant difference between four-year institutions with admissions standards and two-year colleges.

Among 17-19-year-old freshman Kansas high school graduates at four-year universities, 13.8 percent took a remedial math course, but less than 2 percent required remedial courses in English and reading. At two-year colleges where students are not required to complete a core curriculum or have minimum test scores, 26.3 percent of freshman Kansas high school graduates required remedial math, compared to 21 percent in English and 9.8 percent in reading. At both two- and four-year colleges, out-of-state freshman usually have a higher remedial course rate than in-state freshman.



Increasing educational attainment is crucial to income and economic success

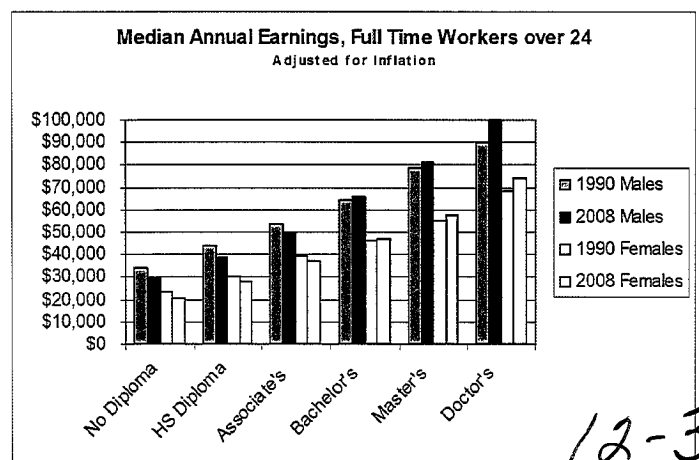
As educational attainment has increased, so has its economic importance. More education increases individual earnings. However, the economic advance of education is growing wider as the economy shifts from a manufacturing base to a knowledge base that rewards high skills and cuts or moves low-skill jobs out of the country.

As the chart shows, every step of educational attainment significantly increases average earnings for both men and women. However, when adjusted for information, workers with less than a bachelor's degree actually had a reduction in earnings between 1990 and 2008. Only jobs expecting college degrees have experienced a real increase in wages over the past two decades.

Individuals with higher levels of education are also more likely to be employed than those with less education.

As a result, states with higher levels of educational attainment tend to rank higher in per capita income. That is true both nationally and regionally. States with higher

educational levels like Colorado, Kansas and Nebraska have higher per capita income than Iowa, Missouri and Oklahoma. In addition, the United States faces growing economic competition from other countries that have raised their own educational levels.



12-3



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What must be done to improve educational outcomes at all levels?

Educational attainment in Kansas has never been higher – yet because of changes in the economy, the state must continue to do better.

Most of the students who fail to graduate from high school or acquire the skills for postsecondary success require more intense educational intervention because of socio-economic circumstances. Schools aren't suddenly "failing" these students – historically those groups have always lagged behind.

Kansas schools have made significant gains in recent years, even with the increasing percentage of "at-risk" students, through both increased accountability for all students and increased funding for proven methods: early childhood programs, additional learning time, smaller class sizes, and improved technology and teaching methods. However, these gains are threatened by state and local budget cuts.

Further improvements in graduation rates and school readiness will require a variety of strategies, including:

- Preparing students for success in high school by maintaining successful programs in lower grades.
- Helping students and families make good school, college and career choices through counseling and outreach activities.
- Restructuring middle and high school programs and improving teaching methods to engage students.

- Providing more support for students dealing with personal, family or economic issues.
- Recognizing the unique challenges of keeping Hispanic students in school and engaged.
- Offering a wider range of career and technical education courses.
- Broadening the focus of school accountability measures beyond "college prep" reading and math.

School districts face two major obstacles in implementing these strategies. First, most require additional resources at a time when state funding is being reduced and long-term prospects are extremely limited. Second, most of these efforts aren't considered "in the classroom" under the misguided state policy goal, which results in criticism of district budget choices by legislators and others. The so-called "65 percent" standard should be replaced with goals focusing on student outcomes rather than arbitrary spending guidelines.

Finally, the state must set realistic definitions and goals for drop-outs, graduation rates and college preparation. At the same time some argue too many students choose college over other training programs, districts are under fire for not preparing more students for college. Parents can allow students to drop out of school before age 18 or attend home school options, but schools are penalized for those choices. Policy-makers must agree on what they really want schools to produce.

For more information, contact KASB Assistant Executive Director/Advocacy
Mark Tallman at mtallman@kasb.org or 785.273.3600 12-4

Changes in Students, Educators and Finance Under Current Finance System

	1993	2000	2005	2009	16 Year Percent Change
STUDENTS					
Full Time Equivalent Enrollment	431,321	448,610	441,868	447,615	3.8%
Percent eligible for free or reduced lunch	28.1% (1995)	32.3%	37.5%	39.8%	41.6%
Percent Special Education	7.9% (1995)	11.0%	13.3%	13.0%	64.6%
Percent English Language Learners	NA	NA	5.2%	7.9%	97.5%
EDUCATORS					
Average Kansas Teacher Salary	\$32,637	\$38,315	\$44,421	\$53,041	62.5%
Total Certified Employees	36,059	40,010	39,481	42,437	17.7%
ECONOMIC MEASURES					
Kansas Personal Income	\$51,729.3	\$74,569.7	\$90,320.5	\$110,673	114.0%
KS Per Capita Income	\$19,784	\$27,374	\$32,836	\$37,916	91.8%
Consumer Price Index	144.5	172.2	195.3	215.3	49.0%
SCHOOL FINANCE AMOUNTS (IN MILLIONS EXCEPT FOR BASE STATE AID)					
Base State Aid Per Pupil	\$3,600	\$3,770	\$3,863	\$4,400	22.2%
Base aid without weightings	\$1,551.6	\$1,688.1	\$1,697.1	\$1,950.7	25.7%
Weightings (excluding special education aid)	\$283.6	\$472.4	\$544.7	\$791.3	179.0%
General Fund (excluding special education aid)	\$1,835.2	\$2,160.5	\$2,241.8	\$2,742.0	49.4%
Special Education State Aid	\$149.0	\$228.8	\$246.7	\$420.4	182.1%
General Fund (including special education aid)	\$1,984.2	\$2,389.3	\$2,488.5	\$3,162.4	59.4%
Total Local Option Budget	\$98.2	\$322.8	\$570.7	\$901.5	818.0%
Total General Fund, Special Ed Aid, LOB	\$2,082.4	\$2,712.1	\$3,059.3	\$4,064.0	95.2%
Total Federal Funding	\$137.3	\$220.8	\$398.7	\$413.6	201.2%
Total revenues: Includes Bonds, Cap. Outlay, Fees	\$2,370.0	\$3,402.7	\$4,289.4	\$5,666.7	139.0%

Changes in Student, Educators and Funding Since 1993 – Key Facts

- The number of students enrolled in Kansas public schools has increased modestly since 1993 and is down slightly since 2000; but the percentage of at-risk and special needs students increased significantly. Studies show these students have more difficulties with achievement and cost more to educate.
- The number of certified employees has increased more than four times the increase in students, primarily because of additional special needs students and efforts to lower class size and improve educational outcomes.
- Average teacher salaries increased by more than the inflation rate but much less than Kansas per capita income or total personal income.
- The base budget per pupil and base state aid without weightings increased at only half the rate of inflation.
- Funding for weightings increased much more than the base, but most of the increase was targeted for at-risk students. Only by adding weighted funding did district general fund spending increase at the same rate as inflation.
- Special education funding also increased significantly to meet state and federal standards for services, and accounted for a large percentage of new employees.
- Local option budgets also increased significantly, which was the only way districts were able to both increase salaries modestly more than inflation and add staff.
- Combining LOB with base aid, weightings and special education provided a total increase of 95 percent; well below the increase in Kansas personal income (114 percent).
- Federal funding increased at more than twice the rate of general fund budgets, but accounts for only about 7.3 percent of total district revenues. Almost all federal funding is targeted for at-risk, low income and special education students.
- Total school district revenues from all sources increased by 139 percent, more than the increase in Kansas personal income. Most of that increase is due to higher district revenues for bond issues approved by local voters, capital outlay levies subject to voter protest, retirement contributions set by the state, and local fees for meals, transportation, textbooks and activities.

Measures of Kansas Academic Progress

KANSAS STATE ASSESSMENTS

Required under the Federal Child Left Behind Act since 2004; approved by U.S. Department of Education; tests all students in grades 3-8 plus one high school grade annually in reading and math; aligned with state curriculum standards.

Percent Proficient, Reading plus Math

	<u>2004</u>	<u>2009</u>	<u>Change</u>
All Students	35.8	169.3	+33.5
Free/Reduced Lunch	10.0	149.8	+39.8
Special Education	1.8	136/6	+44.8
English Language Learners	100.4	135.4	+35

NATIONAL ASSESSMENT OF EDUCATION PROGRESS

Authorized by U.S. Department of Education; tests small sample of students in grades 4 and 8 every other year in reading and math; not aligned with state curriculum standards.

Sum of percent scoring basic and above on four tests

	<u>2003</u>	<u>2009</u>	<u>Change</u>
<i>All Students:</i>			
Kansas	304	320	+16
U.S. Average	277	292	+15
<i>Free/Reduced Lunch Scores</i>			
Kansas	251	276	+25
U.S. Average	210	239	+29
<i>Non-Free/Reduced Lunch Scores</i>			
Kansas	335	356	+21
U.S. Average	323	337	+14

ACT TEST

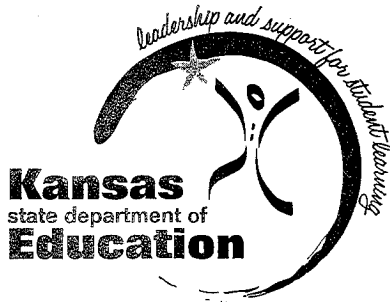
National college aptitude test given annually to graduating seniors; taken by 75 percent of Kansas seniors compared to 47 percent of students nationally.

	<u>2001</u>	<u>2010</u>	<u>Change</u>
Kansas Composite Score	21.6	22.0	+0.4
U.S. Composite Score	20.8	21.0	+0.2

CURRENT EXPENDITURES PER PUPIL

Total expenditures excluding capital outlay and debt service.

	<u>2002</u>	<u>2008</u>	<u>Change</u>
Kansas	\$7,339	\$9,883	+34.7 percent
U.S. Average	\$7,734	\$10,297	+33.1 percent



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November 4, 2010

TO: Legislative Educational Planning Committee

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: USD Instructional Operating Expenditures

The Chairman has requested that we review the percentage of operating expenditures that are a part of instruction as well as the pupil and staff support services.

DEFINITIONS

Operating Expenditures (U.S. Census Bureau)

The current definition of operating expenditures of the U. S. Census Bureau includes all operating costs not just general and supplement general funds.

1000-Instruction – State Average 61.54%

1000-Instruction includes the following expenditures: certified and non-certified salaries; employee benefits; all purchases and professional services related to instruction; and supplies, textbooks, and equipment related to instruction.

2100-Student Support Services – State Average 4.71%

2100-Student Support Services includes the following expenditures: social services, student attendance services, student accounting services, counseling services, health services (dental, nursing, etc.), psychological services, speech pathology and audiology services, occupational therapy services improvement of instruction services

2200-Staff Support Services – State Average 4.46%

2200-Staff Support Services includes the following expenditures: library media (school library and audio-visual), instruction and related technology, network services, and academic student assessments.

LEPC
November 4, 2010
Attachment 14

Numerous questions have been raised concerning the percentage of operating expenditures for instruction. Many times a definition is not attached to the comments. Therefore, if you include the 1000, 2100, and 2200 services, the state average was 70.71 percent for the 2008-09 school year. The 2009-10 data will not be available for approximately 60 days.

Many educators consider social workers, counseling services, health services, psychological services, speech pathology/audio-visual services, occupational therapy services, and library media services as part of the instructional program. Therefore, the definitions used for whatever percentage the locally elected boards of education choose to spend in the appropriate categories need to be defined carefully. The decision on expenditures and allocation of expenditures is made by the local boards of education.

STATE TOTALS

**2008-2009 Current Operating Expenditures
(as defined by U.S. Census Bureau)**

Function	Function Description	Expenditures*	State Percent
1000	Instruction	2,883,093,520	61.54%
2100	Support Services (Pupils)	220,584,667	4.71%
2200	Support Services (Inst. Staff)	208,842,059	4.46%
2300	Support Services (Gen. Admin.)	124,154,475	2.65%
2400	Support Services (School Admin.)	274,692,312	5.86%
2600	Operations & Maintenance	455,580,021	9.72%
2700	Transportation	180,104,316	3.84%
2500, 2900	Other Support Services	114,455,735	2.44%
3100	Food Services	218,979,457	4.67%
3300	Community and Adult Services	4,962,104	0.11%
Total Current Expenditures		4,685,448,666	100.00%

9/20/08 FTE* (inc 4yr at risk) = 447,615.1
 Area Square Miles = 82,019.7
 Free/Reduced Meal Enroll. = 42.70%

*FTE for 2008-09 school year includes 2/20/09 count for military districts that meet HB2059 Military Provision. 2/20/09 count must be at least 25 FTE or 1% of adjusted 9/20/07 enrollment. Kindergarten students may attend full-time, however, under state law they are counted as .5 for funding.

Expenditures do not include equipment (700 object codes), Capital Outlay or Bond & Interest. [700 object codes include expenditures for acquiring fixed assets, including land or existing buildings; improvements of grounds; initial equipment; additional equipment; and replacement of equipment.]

Note: Transportation costs will vary based on the size of the district and the number of students transported. Therefore, you may want to exclude transportation for your district and recompute the percentages.

14-3

Explanation of Operating Expenditures and Cost Differences between School Districts

BACKGROUND

The operating expenditures attached are defined by the U.S. Census Bureau. Each state submits the data on an annual basis. Each function is defined by the National Center of Educational Statistics (NCES) handbook entitled "Financial Accounting for Local and State School Systems, 2003 Edition." The expenditure reports to the U.S. Census Bureau are completed by each state using the guidance of the NCES handbook.

POSSIBLE COST DIFFERENCES IN SCHOOL DISTRICTS

Comparing expenditures between school districts must be done with caution. Listed below are some of the reasons that may cause school districts' expenditures to vary.

- **Transportation Costs** – The size of Kansas School Districts vary from 10 square miles to nearly 1,000 square miles. In addition, the number of children transported also varies from just a few students to over 18,000.
- **Number of Buildings** – Because of the size of districts, some boards choose to operate more buildings, which result in additional operating costs.
- **Age of Buildings** – The age of buildings also may require more upkeep and be less efficient than new buildings.
- **Program Offerings Vary** – Some schools operate programs such as all-day kindergarten, Parents As Teachers, Summer School, and extended learning time for students.
- **Pupil Teacher Ratio (PTR)** – The size of a district in most cases will have an impact of ratios. Smaller districts may offer similar core courses as larger districts, but have fewer students which results in a lower PTR.
- **Students Eligible for Free/Reduced Price Meals** – Districts with a high concentration of students on free and/or reduced price meals pose a special challenge for those districts, such as the need for additional social workers or guidance counselors.
- **Bilingual/Migrant Students** – Schools with bilingual and/or migrant students have a greater cost due to the needs of those students.
- **Special Needs Students** – Some schools have a high number of special needs students which result in additional teachers, paraprofessionals, and transportation costs.

DISTRICTS LOCALLY GOVERNED

All Kansas School Districts are governed by local boards of education that decide locally how they want to operate their district. Some communities may prefer all-day kindergarten, while others may determine they want a smaller number of students for each teacher. Thus the percentage of expenditures reflects both the local decisions and the geographic makeup of the district.

			Col 1	Col 2	Col 3	Col 4	Col 5
				2008-2009	2008-2009	2008-2009	2008-09
				1000	2100	2200	
USD#	COUNTY NAME	USD NAME	9/20/08 FTE	Instruction	Support Svcs (Pupils)	Support Svcs (Inst. Staff)	TOTAL
258	Allen	Humboldt	493.0	67.24%	2.19%	0.68%	70.11%
257	Allen	Iola	1,392.5	61.58%	3.19%	3.09%	67.86%
256	Allen	Marmaton Valley	321.0	64.31%	1.81%	1.43%	67.55%
479	Anderson	Crest	221.0	62.36%	2.94%	3.22%	68.52%
365	Anderson	Garnett	1,107.2	62.83%	1.46%	3.18%	67.47%
409	Atchison	Atchison	1,580.0	59.24%	5.89%	2.98%	68.11%
377	Atchison	Atchison County	683.6	58.03%	2.52%	3.00%	63.55%
255	Barber	South Barber Co.	220.5	57.68%	1.93%	4.39%	64.00%
254	Barber	Barber Co.	500.5	59.30%	2.72%	3.45%	65.47%
431	Barton	Hoisington	607.5	59.79%	1.91%	3.81%	65.51%
428	Barton	Great Bend	2,972.8	62.92%	3.41%	1.86%	68.19%
355	Barton	Ellinwood	425.7	63.46%	0.97%	1.10%	65.53%
354	Barton	Claffin	222.1	62.10%	3.09%	3.41%	68.60%
235	Bourbon	Uniontown	433.4	65.43%	4.42%	0.60%	70.45%
234	Bourbon	Ft. Scott	1,947.5	65.63%	3.11%	1.20%	69.94%
430	Brown	Brown County	635.5	67.49%	3.18%	2.37%	73.04%
415	Brown	Hiawatha	841.8	62.94%	3.87%	3.55%	70.36%
492	Butler	Flinthills	294.8	60.32%	4.49%	2.03%	66.84%
490	Butler	El Dorado	1,992.9	61.67%	4.40%	4.51%	70.58%
402	Butler	Augusta	2,141.1	64.24%	3.77%	2.76%	70.77%
396	Butler	Douglass	776.5	62.22%	3.04%	3.58%	68.84%
394	Butler	Rose Hill	1,660.4	62.58%	4.27%	3.82%	70.67%
385	Butler	Andover	4,538.3	62.57%	3.00%	2.60%	68.17%
375	Butler	Circle	1,593.8	61.77%	4.22%	5.54%	71.53%
206	Butler	Remington-Whitewater	511.8	66.36%	1.05%	1.45%	68.86%
205	Butler	Bluestem	582.9	58.10%	3.45%	4.68%	66.23%
284	Chase	Chase County	417.5	61.70%	5.60%	2.44%	69.74%
286	Chautauqua	Chautauqua	364.0	71.42%	0.92%	2.35%	74.69%
285	Chautauqua	Cedar Vale	139.5	60.87%	0.63%	0.59%	62.09%
508	Cherokee	Baxter Springs	926.5	62.76%	4.18%	3.23%	70.17%
499	Cherokee	Galena	728.0	64.78%	1.94%	3.22%	69.94%
493	Cherokee	Columbus	1,152.6	57.51%	5.68%	1.75%	64.94%
404	Cherokee	Riverton	827.5	64.06%	2.97%	1.95%	68.98%
297	Cheyenne	St. Francis	297.5	66.22%	1.31%	2.00%	69.53%
103	Cheyenne	Cheylin	130.5	63.10%	2.79%	2.03%	67.92%
220	Clark	Ashland	217.2	58.87%	2.45%	2.23%	63.55%
219	Clark	Minneola	271.0	60.58%	2.25%	1.88%	64.71%
379	Clay	Clay Center	1,358.4	61.65%	3.85%	3.06%	68.56%
334	Cloud	Southern Cloud	231.5	62.63%	1.03%	2.42%	66.08%
333	Cloud	Concordia	1,062.1	61.81%	2.83%	4.12%	68.76%
245	Coffey	LeRoy-Gridley	259.5	62.66%	1.79%	1.68%	66.13%
244	Coffey	Burlington	820.4	62.68%	3.58%	5.25%	71.51%
243	Coffey	Lebo-Waverly	547.0	66.50%	0.85%	1.30%	68.65%

14-5

			Col 1	Col 2	Col 3	Col 4	Col 5
				2008-2009	2008-2009	2008-2009	2008-09
				1000	2100	2200	
USD#	COUNTY NAME	USD NAME	9/20/08 FTE	Instruction	Support Svcs (Pupils)	Support Svcs (Inst. Staff)	TOTAL
300	Comanche	Comanche County	307.0	59.79%	2.95%	2.18%	64.92%
471	Cowley	Dexter	173.0	62.83%	0.61%	0.40%	63.84%
470	Cowley	Arkansas City	2,709.3	64.66%	3.62%	4.47%	72.75%
465	Cowley	Winfield	2,430.7	59.09%	8.41%	3.69%	71.19%
463	Cowley	Udall	391.2	61.83%	0.47%	1.03%	63.33%
462	Cowley	Central	336.5	60.71%	1.88%	4.10%	66.69%
250	Crawford	Pittsburg	2,638.1	61.35%	4.94%	5.22%	71.51%
249	Crawford	Frontenac	827.5	67.31%	3.60%	3.38%	74.29%
248	Crawford	Girard	996.5	66.16%	2.22%	2.07%	70.45%
247	Crawford	Cherokee	706.5	60.88%	3.15%	3.03%	67.06%
246	Crawford	Northeast	527.5	59.92%	3.26%	5.83%	69.01%
294	Decatur	Oberlin	366.2	64.28%	2.09%	1.59%	67.96%
487	Dickinson	Herington	516.4	63.70%	2.67%	4.91%	71.28%
481	Dickinson	Rural Vista	416.0	60.92%	2.73%	3.57%	67.22%
473	Dickinson	Chapman	973.0	59.36%	2.47%	3.18%	65.01%
435	Dickinson	Abilene	1,495.5	68.62%	3.13%	2.34%	74.09%
393	Dickinson	Solomon	389.6	67.11%	2.54%	1.53%	71.18%
486	Doniphan	Elwood	309.9	68.27%	1.79%	1.23%	71.29%
429	Doniphan	Troy	337.5	70.98%	0.00%	0.63%	71.61%
406	Doniphan	Wathena	401.0	63.90%	1.58%	5.45%	70.93%
111	Doniphan	Doniphan West Schools	377.4	65.43%	1.92%	1.45%	68.80%
497	Douglas	Lawrence	10,418.4	60.79%	6.61%	5.35%	72.75%
491	Douglas	Eudora	1,396.3	67.40%	3.98%	4.30%	75.68%
348	Douglas	Baldwin City	1,359.4	60.27%	3.80%	3.57%	67.64%
502	Edwards	Lewis	101.6	61.27%	2.17%	0.89%	64.33%
347	Edwards	Kinsely-Offerle	302.6	67.21%	2.67%	1.51%	71.39%
283	Elk	Elk Valley	185.0	63.70%	0.19%	2.14%	66.03%
282	Elk	West Elk	355.2	66.54%	1.10%	0.33%	67.97%
489	Ellis	Hays	2,758.2	67.16%	5.14%	2.43%	74.73%
432	Ellis	Victoria	257.5	61.07%	3.21%	2.69%	66.97%
388	Ellis	Ellis	367.6	63.95%	2.93%	3.70%	70.58%
328	Ellsworth	Lorraine	453.0	67.13%	1.27%	2.71%	71.11%
327	Ellsworth	Ellsworth	639.6	56.84%	2.61%	3.05%	62.50%
457	Finney	Garden City	6,751.5	57.74%	7.33%	6.67%	71.74%
363	Finney	Holcomb	865.0	62.97%	0.61%	0.81%	64.39%
459	Ford	Bucklin	232.9	59.93%	2.02%	2.24%	64.19%
443	Ford	Dodge City	5,550.7	60.37%	4.73%	3.09%	68.19%
381	Ford	Spearville	352.0	63.44%	2.49%	0.43%	66.36%
290	Franklin	Ottawa	2,411.9	62.26%	5.87%	4.02%	72.15%
289	Franklin	Wellsville	836.0	62.48%	3.54%	4.65%	70.67%
288	Franklin	Central Heights	543.0	59.52%	4.35%	2.05%	65.92%
287	Franklin	West Franklin	699.0	60.93%	3.17%	2.93%	67.03%
475	Geary	Junction City	7,242.9	56.18%	8.14%	5.74%	70.06%

14-6

			Col 1	Col 2	Col 3	Col 4	Col 5
				2008-2009	2008-2009	2008-2009	2008-09
				1000	2100	2200	
USD#	COUNTY NAME	USD NAME	9/20/08 FTE	Instruction	Support Svcs (Pupils)	Support Svcs (Inst. Staff)	TOTAL
293	Gove	Quinter	261.0	63.43%	2.34%	1.31%	67.08%
292	Gove	Wheatland	112.5	65.54%	1.68%	0.21%	67.43%
291	Gove	Grinnell	81.5	64.01%	1.56%	2.88%	68.45%
281	Graham	Graham County	365.6	65.94%	1.70%	3.48%	71.12%
214	Grant	Ulysses	1,591.0	63.68%	5.09%	2.40%	71.17%
477	Gray	Ingalls	228.5	61.41%	1.98%	2.99%	66.38%
476	Gray	Copeland	112.5	57.95%	0.88%	1.74%	60.57%
371	Gray	Montezuma	214.9	60.58%	1.15%	3.33%	65.06%
102	Gray	Cimarron-Ensign	650.0	65.34%	2.24%	2.53%	70.11%
200	Greeley	Greeley County	211.0	58.50%	2.16%	1.64%	62.30%
390	Greenwood	Hamilton	99.5	63.06%	0.00%	1.51%	64.57%
389	Greenwood	Eureka	598.5	58.78%	4.08%	2.59%	65.45%
386	Greenwood	Madison-Virgil	226.5	59.55%	4.50%	1.90%	65.95%
494	Hamilton	Syracuse	469.5	61.21%	2.54%	1.64%	65.39%
511	Harper	Attica	138.5	59.53%	1.57%	1.66%	62.76%
361	Harper	Anthony-Harper	818.2	60.30%	2.28%	2.84%	65.42%
460	Harvey	Hesston	820.0	60.45%	3.16%	5.65%	69.26%
440	Harvey	Halstead	789.6	59.92%	2.57%	5.79%	68.28%
439	Harvey	Sedgwick	532.0	65.66%	2.14%	4.42%	72.22%
373	Harvey	Newton	3,383.4	62.28%	4.41%	5.32%	72.01%
369	Harvey	Burrton	244.7	62.61%	1.61%	4.73%	68.95%
507	Haskell	Satanta	343.0	62.17%	3.68%	2.94%	68.79%
374	Haskell	Sublette	461.4	67.81%	2.14%	2.46%	72.41%
228	Hodgeman	Hanston	72.5	50.48%	0.47%	0.77%	51.72%
227	Hodgeman	Jetmore	251.5	58.39%	2.46%	1.76%	62.61%
337	Jackson	Mayetta	912.8	59.98%	3.88%	3.63%	67.49%
336	Jackson	Holton	1,052.3	69.23%	2.51%	3.83%	75.57%
335	Jackson	North Jackson	360.0	63.25%	2.91%	1.11%	67.27%
343	Jefferson	Perry	929.2	65.44%	2.71%	3.12%	71.27%
342	Jefferson	McLouth	516.7	63.19%	3.09%	1.92%	68.20%
341	Jefferson	Oskaloosa	523.6	65.49%	1.41%	1.22%	68.12%
340	Jefferson	Jefferson West	916.0	63.68%	4.09%	3.06%	70.83%
339	Jefferson	Jefferson County	488.0	62.46%	2.43%	2.49%	67.38%
338	Jefferson	Valley Falls	409.3	63.66%	2.04%	2.34%	68.04%
107	Jewell	Rock Hills	265.0	56.12%	5.41%	1.68%	63.21%
512	Johnson	Shawnee Mission	26,579.0	64.85%	5.80%	3.93%	74.58%
233	Johnson	Olathe	25,190.1	65.05%	5.86%	5.21%	76.12%
232	Johnson	DeSoto	6,070.0	62.54%	3.38%	3.93%	69.85%
231	Johnson	Gardner-Edgerton	4,332.4	60.60%	4.15%	3.61%	68.36%
230	Johnson	Spring Hill	2,224.7	60.23%	4.88%	3.72%	68.83%
229	Johnson	Blue Valley	19,939.4	61.45%	6.12%	7.08%	74.65%
216	Kearny	Deerfield	278.0	63.27%	2.16%	2.24%	67.67%
215	Kearny	Lakin	637.0	66.30%	0.90%	1.36%	68.56%

14-7

			Col 1	Col 2	Col 3	Col 4	Col 5
				2008-2009	2008-2009	2008-2009	2008-09
				1000	2100	2200	
USD#	COUNTY NAME	USD NAME	9/20/08 FTE	Instruction	Support Svcs (Pupils)	Support Svcs (Inst. Staff)	TOTAL
332	Kingman	Cunningham	176.5	60.92%	2.10%	3.20%	66.22%
331	Kingman	Kingman	1,033.3	62.31%	5.50%	2.32%	70.13%
474	Kiowa	Haviland	139.0	66.10%	0.24%	0.95%	67.29%
424	Kiowa	Mullinville	226.6	49.33%	0.25%	1.50%	51.08%
422	Kiowa	Greensburg	210.5	58.98%	3.63%	2.43%	65.04%
506	Labette	Labette County	1,580.6	59.44%	1.85%	2.37%	63.66%
505	Labette	Chetopa - St. Paul	502.4	67.87%	2.29%	3.26%	73.42%
504	Labette	Oswego	473.6	63.21%	3.14%	2.96%	69.31%
503	Labette	Parsons	1,343.4	66.42%	2.65%	4.11%	73.18%
482	Lane	Dighton	253.0	58.81%	2.60%	2.69%	64.10%
468	Lane	Healy	73.5	67.77%	0.45%	0.28%	68.50%
469	Leavenworth	Lansing	2,402.8	61.50%	5.79%	3.78%	71.07%
464	Leavenworth	Tonganoxie	1,772.4	64.32%	1.47%	3.03%	68.82%
458	Leavenworth	Basehor-Linwood	2,139.1	59.07%	3.20%	3.24%	65.51%
453	Leavenworth	Leavenworth	3,857.2	59.87%	5.57%	2.81%	68.25%
449	Leavenworth	Easton	671.1	61.84%	2.06%	2.24%	66.14%
207	Leavenworth	Ft. Leavenworth	1,859.4	63.82%	2.78%	6.02%	72.62%
299	Lincoln	Sylvan Grove	144.6	69.09%	0.42%	2.28%	71.79%
298	Lincoln	Lincoln	337.0	65.72%	1.86%	0.44%	68.02%
362	Linn	Prairie View	933.5	56.72%	3.17%	2.34%	62.23%
346	Linn	Jayhawk	525.9	62.95%	1.83%	4.73%	69.51%
344	Linn	Pleasanton	359.0	60.25%	2.20%	1.31%	63.76%
275	Logan	Triplains	86.5	62.71%	0.82%	2.85%	66.38%
274	Logan	Oakley	411.7	69.55%	2.19%	0.47%	72.21%
253	Lyon	Emporia	4,307.1	63.20%	4.68%	5.86%	73.74%
252	Lyon	Southern Lyon Co.	511.3	59.88%	4.92%	3.36%	68.16%
251	Lyon	North Lyon Co.	513.0	60.56%	2.60%	2.88%	66.04%
411	Marion	Goessel	245.3	66.16%	0.04%	0.84%	67.04%
410	Marion	Durham-Hills	590.8	59.02%	4.50%	4.33%	67.85%
408	Marion	Marion	597.8	62.60%	2.68%	3.13%	68.41%
398	Marion	Peabody-Burns	335.0	61.17%	3.15%	3.40%	67.72%
397	Marion	Centre	229.2	61.09%	2.10%	3.67%	66.86%
498	Marshall	Valley Heights	363.0	59.89%	4.74%	2.89%	67.52%
488	Marshall	Axtell	296.7	57.83%	2.16%	3.51%	63.50%
380	Marshall	Vermillion	525.0	60.97%	3.97%	2.32%	67.26%
364	Marshall	Marysville	740.0	63.95%	2.00%	4.42%	70.37%
448	McPherson	Inman	445.3	69.03%	0.25%	1.10%	70.38%
423	McPherson	Moundridge	434.5	62.02%	1.31%	6.69%	70.02%
419	McPherson	Canton-Galva	367.8	59.09%	2.20%	3.79%	65.08%
418	McPherson	McPherson	2,259.8	63.47%	4.47%	4.43%	72.37%
400	McPherson	Smoky Valley	1,016.4	60.81%	1.86%	6.05%	68.72%
226	Meade	Meade	458.9	63.58%	2.42%	2.79%	68.79%
225	Meade	Fowler	162.0	56.36%	3.13%	2.67%	62.16%

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			Col 1	Col 2	Col 3	Col 4	Col 5
				2008-2009	2008-2009	2008-2009	2008-09
				1000	2100	2200	
USD#	COUNTY NAME	USD NAME	9/20/08 FTE	Instruction	Support Svcs (Pupils)	Support Svcs (Inst. Staff)	TOTAL
416	Miami	Louisburg	1,644.7	60.98%	1.68%	1.50%	64.16%
368	Miami	Paola	2,027.9	61.34%	2.98%	3.26%	67.58%
367	Miami	Osawatomie	1,121.0	61.62%	1.57%	2.32%	65.51%
273	Mitchell	Beloit	713.9	63.83%	5.40%	4.24%	73.47%
272	Mitchell	Waconda	357.4	64.01%	2.29%	1.82%	68.12%
447	Montgomery	Cherryvale	878.2	67.39%	1.57%	2.00%	70.96%
446	Montgomery	Independence	1,832.0	64.09%	3.85%	2.41%	70.35%
445	Montgomery	Coffeyville	1,800.2	62.78%	5.57%	2.07%	70.42%
436	Montgomery	Caney	807.0	64.68%	1.98%	2.39%	69.05%
417	Morris	Morris County	764.4	66.57%	2.53%	2.32%	71.42%
218	Morton	Elkhart	676.3	71.75%	1.74%	0.93%	74.42%
217	Morton	Rolla	200.0	63.32%	0.40%	2.09%	65.81%
451	Nemaha	B & B	192.5	64.70%	1.11%	2.40%	68.21%
442	Nemaha	Nemaha Valley	439.0	64.94%	1.92%	2.04%	68.90%
441	Nemaha	Sabetha	935.5	58.86%	5.25%	3.82%	67.93%
413	Neosho	Chanute	1,773.0	66.47%	2.59%	4.15%	73.21%
101	Neosho	Erie	547.3	62.48%	2.01%	4.11%	68.60%
303	Ness	Ness City	274.5	57.83%	2.13%	3.92%	63.88%
106	Ness	Western Plains	160.2	59.35%	0.65%	4.13%	64.13%
213	Norton	West Solomon	37.7	55.32%	0.15%	0.46%	55.93%
212	Norton	Northern Valley	206.5	57.75%	1.50%	2.28%	61.53%
211	Norton	Norton	684.0	62.28%	2.26%	3.66%	68.20%
456	Osage	Marais Des Cygnes	267.0	66.74%	0.94%	0.89%	68.57%
454	Osage	Burlingame	329.3	63.40%	2.14%	1.85%	67.39%
434	Osage	Santa Fe	1,115.2	61.19%	3.47%	2.94%	67.60%
421	Osage	Lyndon	432.0	68.82%	2.38%	1.94%	73.14%
420	Osage	Osage City	644.1	65.72%	2.50%	3.33%	71.55%
392	Osborne	Osborne	335.3	65.46%	3.04%	2.58%	71.08%
240	Ottawa	Twin Valley	610.5	57.57%	3.35%	4.35%	65.27%
239	Ottawa	North Ottawa Co.	602.9	59.80%	3.73%	3.45%	66.98%
496	Pawnee	Pawnee Heights	147.1	61.82%	2.46%	1.33%	65.61%
495	Pawnee	Ft. Larned	862.0	62.12%	2.73%	3.22%	68.07%
326	Phillips	Logan	167.5	67.92%	0.71%	0.55%	69.18%
325	Phillips	Phillipsburg	655.0	63.64%	2.65%	2.13%	68.42%
110	Phillips	Thunder Ridge	235.0	61.10%	0.28%	0.20%	61.58%
323	Pottawatomie	Westmoreland	813.7	61.97%	2.90%	2.67%	67.54%
322	Pottawatomie	Onaga	317.5	58.38%	4.24%	4.18%	66.80%
321	Pottawatomie	Kaw Valley	1,122.0	62.31%	4.48%	4.21%	71.00%
320	Pottawatomie	Wamego	1,292.0	63.72%	2.91%	4.85%	71.48%
438	Pratt	Skyline	358.0	66.32%	2.18%	2.19%	70.69%
382	Pratt	Pratt	1,089.4	65.46%	2.67%	3.43%	71.56%
105	Rawlins	Rawlins County	317.5	65.97%	1.38%	2.64%	69.99%
313	Reno	Buhler	2,145.5	60.28%	2.17%	3.00%	65.45%

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			Col 1	Col 2	Col 3	Col 4	Col 5
				2008-2009	2008-2009	2008-2009	2008-09
				1000	2100	2200	
USD#	COUNTY NAME	USD NAME	9/20/08 FTE	Instruction	Support Svcs (Pupils)	Support Svcs (Inst. Staff)	TOTAL
312	Reno	Haven	992.5	65.93%	1.09%	2.84%	69.86%
311	Reno	Pretty Prairie	269.4	63.30%	1.58%	3.94%	68.82%
310	Reno	Fairfield	303.7	56.08%	1.24%	2.98%	60.30%
309	Reno	Nickerson	1,139.4	60.77%	2.76%	2.56%	66.09%
308	Reno	Hutchinson	4,542.4	60.31%	6.35%	4.49%	71.15%
426	Republic	Pike Valley	253.5	60.80%	3.87%	2.61%	67.28%
109	Republic	Republic County	480.0	62.61%	2.47%	2.89%	67.97%
444	Rice	Little River	299.3	59.07%	2.14%	2.36%	63.57%
405	Rice	Lyons	737.1	66.02%	2.94%	4.77%	73.73%
401	Rice	Chase	140.5	65.72%	1.45%	2.56%	69.73%
376	Rice	Sterling	523.6	60.89%	3.31%	2.84%	67.04%
384	Riley	Blue Valley	198.9	58.50%	0.47%	1.78%	60.75%
383	Riley	Manhattan	5,840.7	63.34%	6.29%	4.51%	74.14%
378	Riley	Riley County	646.3	58.51%	2.08%	5.13%	65.72%
271	Rooks	Stockton	297.1	61.63%	2.95%	3.41%	67.99%
270	Rooks	Plainville	381.9	62.87%	3.31%	2.22%	68.40%
269	Rooks	Palco	164.0	58.84%	0.19%	1.87%	60.90%
403	Rush	Otis-Bison	171.3	58.99%	2.63%	2.49%	64.11%
395	Rush	LaCrosse	299.5	66.44%	1.77%	1.67%	69.88%
407	Russell	Russell	923.2	62.99%	4.06%	2.03%	69.08%
399	Russell	Paradise	125.6	61.30%	3.12%	1.07%	65.49%
307	Saline	Ell-Saline	451.0	58.27%	2.17%	5.60%	66.04%
306	Saline	Southeast of Saline	679.6	67.76%	1.16%	1.03%	69.95%
305	Saline	Salina	6,959.3	59.62%	5.70%	7.39%	72.71%
466	Scott	Scott County	855.9	62.51%	2.38%	2.94%	67.83%
268	Sedgwick	Cheney	777.3	59.82%	4.42%	4.92%	69.16%
267	Sedgwick	Renwick	1,927.8	64.06%	2.02%	3.45%	69.53%
266	Sedgwick	Maize	6,327.9	67.86%	3.45%	1.78%	73.09%
265	Sedgwick	Goddard	4,809.8	60.40%	3.98%	2.87%	67.25%
264	Sedgwick	Clearwater	1,280.7	61.75%	2.68%	4.10%	68.53%
263	Sedgwick	Mulvane	1,817.0	58.12%	5.19%	2.17%	65.48%
262	Sedgwick	Valley Center	2,523.3	60.25%	2.94%	4.23%	67.42%
261	Sedgwick	Haysville	4,647.8	55.44%	8.73%	6.99%	71.16%
260	Sedgwick	Derby	6,262.3	65.52%	6.19%	4.36%	76.07%
259	Sedgwick	Wichita	45,579.7	55.64%	7.81%	7.48%	70.93%
483	Seward	Kismet-Plains	714.5	65.90%	2.34%	1.43%	69.67%
480	Seward	Liberal	4,257.7	61.54%	2.88%	2.18%	66.60%
501	Shawnee	Topeka	12,903.4	61.46%	6.74%	3.79%	71.99%
450	Shawnee	Shawnee Heights	3,362.4	60.16%	6.08%	4.07%	70.31%
437	Shawnee	Auburn Washburn	5,356.4	61.49%	5.72%	3.06%	70.27%
372	Shawnee	Silver Lake	716.4	59.76%	6.35%	3.72%	69.83%
345	Shawnee	Seaman	3,467.7	60.48%	4.05%	4.77%	69.30%
412	Sheridan	Hoxie	292.9	59.95%	2.07%	3.76%	65.78%

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			Col 1	Col 2	Col 3	Col 4	Col 5
				2008-2009	2008-2009	2008-2009	2008-09
				1000	2100	2200	
USD#	COUNTY NAME	USD NAME	9/20/08 FTE	Instruction	Support Svcs (Pupils)	Support Svcs (Inst. Staff)	TOTAL
352	Sherman	Goodland	906.4	64.90%	2.90%	3.03%	70.83%
237	Smith	Smith Center	446.0	65.20%	1.11%	2.56%	68.87%
351	Stafford	Macksville	301.9	63.38%	1.30%	2.25%	66.93%
350	Stafford	St. John-Hudson	362.7	65.02%	0.91%	3.55%	69.48%
349	Stafford	Stafford	266.7	58.19%	6.00%	2.65%	66.84%
452	Stanton	Stanton County	423.2	62.36%	1.16%	0.60%	64.12%
210	Stevens	Hugoton	947.7	63.51%	2.57%	5.97%	72.05%
209	Stevens	Moscow	208.7	61.56%	0.71%	3.20%	65.47%
509	Sumner	South Haven	225.5	64.95%	6.22%	1.14%	72.31%
360	Sumner	Caldwell	221.0	67.67%	1.38%	1.07%	70.12%
359	Sumner	Argonia	186.5	63.31%	1.95%	1.22%	66.48%
358	Sumner	Oxford	340.6	60.83%	2.97%	5.22%	69.02%
357	Sumner	Belle Plaine	691.3	70.27%	3.45%	0.09%	73.81%
356	Sumner	Conway Springs	528.4	58.74%	2.99%	3.25%	64.98%
353	Sumner	Wellington	1,642.9	66.46%	2.24%	3.42%	72.12%
316	Thomas	Golden Plains	189.4	62.99%	1.09%	3.46%	67.54%
315	Thomas	Colby	926.4	60.01%	4.20%	6.94%	71.15%
314	Thomas	Brewster	91.5	59.00%	0.69%	3.24%	62.93%
208	Trego	WaKeeney	443.0	64.83%	1.89%	2.12%	68.84%
330	Wabaunsee	Wabaunsee East	475.0	58.93%	3.89%	3.69%	66.51%
329	Wabaunsee	Alma	463.1	59.31%	2.23%	3.64%	65.18%
242	Wallace	Weskan	98.0	63.66%	1.97%	1.41%	67.04%
241	Wallace	Wallace	193.5	60.34%	1.81%	2.71%	64.86%
224	Washington	Clifton-Clyde	292.5	65.96%	2.99%	1.37%	70.32%
223	Washington	Barnes	336.6	66.02%	2.37%	2.53%	70.92%
108	Washington	Washington Co. Schools	400.5	60.59%	1.05%	2.90%	64.54%
467	Wichita	Leoti	426.1	58.63%	2.48%	3.18%	64.29%
484	Wilson	Fredonia	744.1	59.87%	2.72%	2.90%	65.49%
461	Wilson	Neodesha	716.4	60.47%	3.98%	2.30%	66.75%
387	Wilson	Altoona-Midway	179.5	60.78%	3.06%	2.38%	66.22%
366	Woodson	Woodson	399.0	59.13%	4.08%	3.81%	67.02%
500	Wyandotte	Kansas City	18,427.1	60.20%	2.33%	7.21%	69.74%
204	Wyandotte	Bonner Springs	2,279.6	61.16%	4.20%	5.24%	70.60%
203	Wyandotte	Piper	1,581.5	63.22%	3.11%	3.12%	69.45%
202	Wyandotte	Turner	3,853.7	60.73%	3.27%	1.73%	65.73%
		STATE TOTALS	447,615.1	61.54%	4.71%	4.46%	70.71%

h:leg:Operating Expend.--SF1023--11-4-10

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