

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2937**

As Agreed to May 7, 2004

Brief *

HB 2937 contains provisions relating to elementary, secondary, and higher education. Most of the elementary and secondary education provisions would be effective for school year 2004-05 only. The higher education provisions would be permanent. The elementary and secondary education components of the proposal, which total \$108,850,000, would be funded by a one-year increase in sales taxes from 5.3 percent to 5.45 percent and by a one-year 2.5 percent surcharge on individual income taxes. These tax increases would generate additional revenues to the State General Fund of \$100,734,000. In addition, the proposal would require a reduction of \$8,116,000 to State General Fund balances, for total revenues to fund the proposal of \$108,850,000.

Major provisions of the proposal are the following:

Elementary and Secondary Education Components

- ! For FY 2005 only, increase Base State Aid Per Pupil by \$75 (from the allotment rate of \$3,863 to \$3,938), at a cost of **\$43,600,000**.
- ! For FY 2005 only, increase the at-risk weighting from 0.10 to 0.149, at a cost of **\$26,330,000**.
- ! For FY 2005 only, increase the bilingual education weighting from 0.20 to 0.22, at a cost of **\$1,200,000**.
- ! For FY 2005 only, reduce the correlation weighting threshold from 1,725 students to 1,700 students, at a cost of **\$12,600,000**.

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- ! For FY 2005 only, increase the appropriation for special education to fund excess costs at the 85.0 percent level, at an increased cost of **\$8,520,000** over the 82.2 percent level approved in HB 2675 (the appropriations bill).
- ! For FY 2005 only, increase the maximum local option budget authorization from 25 percent to 27.5 percent, at a cost to the state of **\$14,000,000**, including growth attributable to increasing Base State Aid Per Pupil and selected weights. (The estimate does not assume that all districts would opt to go to the maximum.) For school year 2004-05, there would be a one-year suspension of the protest petition requirement to go from 25 percent up to 27.5 percent. After school year 2004-05, protest petitions would be required pursuant to current law.
- ! For FY 2005 only, appropriate funding for the existing Teacher Mentoring Program, at a cost to the state of **\$1,000,000**.
- ! Implement a school district health care plan for school districts with enrollments of under 1,000 full-time equivalent students which are unable to offer health insurance or which have contributed \$100 or less per member per month to an existing plan. The program would be available on a five-year pilot basis. The state would provide funding for the program at a decreasing rate each year for the five-year period, at which point state aid would terminate. (Employees would pay 10 percent of the cost of the plan. The state percentage of the remaining cost would be 70 percent, 60 percent, 50 percent, 40 percent, and 30 percent for the respective years of the five year pilot.) The cost of the plan for FY 2005 from the State General Fund is estimated to be **\$1,500,000**.
- ! Count foreign exchange students as part of regular school district enrollment only if they are regularly enrolled on September 20 and are attending classes for at least one trimester, two quarters, or the equivalent. (This change would be permanent.)
- ! Create a pilot program for six districts to implement building-based budgeting (Topeka, Salina, Dodge City, Leavenworth, and two districts under 300 enrollment selected by the State Board of Education), at a cost to the state of **\$100,000**.
- ! The bill would become effective upon publication in the statute books.

**Total Cost of Elementary and Secondary Education
Components: \$108,850,000 from the State General Fund.**

Revenue Components

- ! For one year only, increase sales and compensating (use) taxes from 5.3 percent to 5.45 percent, effective July 1, 2004. Estimated increase to the State General Fund: **\$51,734,000.**
- ! For one year only, establish a temporary 2.5 percent surcharge on individual income tax liability starting in tax year 2004. Estimated increase to the State General Fund: **\$49,000,000.**
- ! Reduce State General Fund balance at the end of FY 2005 by **\$8,116,000.**

Total Revenue Components: \$108,850,000.

- ! Increased revenues to the State General Fund: **\$100,734,000.**
- ! Reduction to State General Fund balance: **\$8,116,000.**

Higher Education Provisions

Tuition and Residency Provisions

- ! Tuition waiver for a maximum of eight semesters for former prisoners of war, including members of the Kansas National Guard, provided that the individual was a resident of Kansas at the time of his or her imprisonment. (University reimbursed by Board of Regents.)
- ! Tuition waiver for dependents and unremarried spouses of military personnel killed while and as a result of serving in the military; includes Kansas National Guard whether serving in

federal or state service. (University reimbursed by Board of Regents).

- ! Tuition waiver for unremarried spouses of public safety officers killed in the line of duty. Current law provides a tuition waiver for dependents of public safety officers. (University reimbursed by Board of Regents).
- ! Dependents of Military Personnel—Repeal a provision that dependents of military personnel must have graduated from a Kansas high school to be eligible for in-state tuition and authorize KBOR to adopt rules and regulations concerning residency status of military personnel and their dependents for tuition purposes.
- ! Residency Transfer and Appeal:
 - " Jan 1, 2003-July 1, 2005 - person deemed to be resident for tuition purposes at one university shall be resident at all universities;
 - " Person receiving differing determinations during that time frame entitled to refund of difference between in-state and out-of-state tuition; and
 - " Establishes an appeal process effective July 1, 2004, in which appeals of differing residency determinations are made to the Chief Executive Officer of the Board of Regents.

Emergency Medical Services Training and Educational Assistance Act

- ! Establishes a program within the Board of Emergency Medical Services to provide financial assistance for training and certain educational expenses for emergency medical service attendants. Grants would be awarded only to ambulance services in underserved areas of the state, with first priority given to applications seeking grants to finance the cost of initial training courses, and second priority given to applicants for continuing education.
- ! The provisions also establish the following criteria to qualify for financial assistance:

- " an instructor-coordinator or training officer, upon qualifying and accepting financial assistance, must continue services as a volunteer attendant for at least one year following completion of training;
- " for an eligible attendant to qualify for financial assistance for training in a medically related field of study, the attendant must agree to continue serving as a volunteer attendant for six months for each semester of assistance received.
- " Any financial assistance recipient who fails to provide continued service as a volunteer attendant would be required to repay to the Board of Emergency Medical Services an amount equal to that received.