

CORRECTED

SESSION OF 2012

**CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 155**

As Agreed to May 19, 2012

Brief*

SB 155 concerns career technical education for secondary students, amends the powers and duties of technical college boards by allowing the technical college boards to acquire property by lease-purchase, makes changes to the school finance formula related to at-risk students, and revises the provision in the school finance law concerning the calculation of the high-density at-risk pupil weighting.

Career Technical Education

The bill would require the Kansas State Board of Education (State Board) to conduct or contract for a study of the implementation of a new requirement that each school district maintain an individual career plan of study for each student enrolled in grades 8 through 12. The State Board would need to submit findings from the study to the Legislature by January 15, 2014. This provision would go into effect on July 1, 2013. The State Board also would be required to report to the Legislature by January 15, 2014, regarding a proposed strategy and a proposed plan for providing state aid to career technical education programs or courses in school districts and shall consider the funding

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scheme under the postsecondary tiered technical education state aid act.

The bill also would require the Kansas Board of Regents to establish a career technical education incentive program, which would award \$1,000, subject to appropriation, to a school district for each high school graduate who graduates from that district with an industry-recognized credential in a high-need occupation, as identified by the Kansas Secretary of Labor, in consultation with the Kansas Board of Regents and the State Board. The bill would allow the Kansas Board of Regents to adopt rules and regulations necessary to administer the program. A school district would reimburse a pupil who has not obtained a high school diploma and is currently or previously was enrolled in a career technical education course or program in the district an amount up to half of the cost of the industry-recognized credential assessment (assessment). This reimbursement would be taken out of the \$1,000 incentive award to the school district. No school district would be required to pay for three or more assessments for the same or substantially the same credential if the pupil fails to earn the credential within two attempts of taking the assessment. After payment for assessments, the school district would be allowed to use any remaining portion of the \$1,000 award for the district's operating expenses.

The same provisions would apply to students from a private secondary school, attending a community or technical college or institute of technology, except that the Kansas Board of Regents would reimburse a community or technical college or institute of technology for payment of the cost of assessments up to \$1,000 per student. The bill also clarifies that the Kansas Board of Regents would be required to distribute state funds to community colleges, technical colleges, and the Washburn Institute of Technology for the costs associated with secondary students enrolled at postsecondary career technical educational programs, to the extent sufficient moneys are appropriated to the program.

The bill would allow the governing board of a community college, technical college, or institute of technology to apply to the Kansas Board of Regents for permission to establish a career technical education program outside of the institution's service area if the program is not currently being offered in that service area. The provisions of this section would go into effect on July 1, 2013.

High school students admitted to a vocational education course or program conducted by a community college, technical college, or institute of technology could be charged fees, but not tuition. Tuition for secondary career technical education students would be subject to appropriations.

The bill would define "secondary student" as a pupil who has not attained a high school diploma or a general educational development credential and is regularly enrolled in or attending a public or private secondary school. The term "institute of technology" would refer to the Washburn Institute of Technology.

The bill would require the Kansas Board of Regents to initiate the development of a statewide articulation agreement on career technical education programs among high schools, community colleges, technical colleges, and the Washburn Institute of Technology. This provision would go into effect on July 1, 2013.

The bill would maintain the vocational education program weighting of 0.5 in current law which is used to compute the full-time equivalent enrollment in any approved vocational education program, with no sunset on this provision.

Technical College Boards' Ability to Acquire Property by Lease-Purchase

Additionally, the bill would amend the powers and duties of technical college boards by allowing the boards to acquire

any property by lease-purchase which is necessary or desirable for technical college purposes. The lease purchase agreement is limited to ten years, may provide for annual or other payment of rent or rental fees, including maintenance or other expenses, and is subject to change or termination at any time by the Legislature and must contain a clause containing such termination language.

At-Risk Students

The bill also would make changes to the school finance formula related to at-risk students. If a student submits an application for free meals under the National School Lunch Act, and it is later determined that the student should not have been eligible, the school district or the Department of Education would notify the State Board of Education. After the notification, the Board would recompute the general fund budget of the school district based upon the adjusted enrollment, excluding the at-risk student. The amount of state aid to the affected district would be adjusted accordingly.

In addition, if a student became ineligible to receive free meals under the National School Lunch Act for failure to submit, in a timely manner, documentation necessary for verification of eligibility, the district would have until January 14 of the school year to submit the student's required documentation and avoid exclusion from the district's at-risk student count.

This portion of the bill would not become effective until school year 2012–13.

High-Density At-Risk Pupil Weighting

Finally, the bill would revise the provision in the school finance law concerning the calculation of the high-density at-risk pupil weighting.

The bill would provide for a linear transition formula to calculate the high-density at-risk pupil weighting for districts having between 35.0 percent and 50.0 percent at-risk pupils. For those districts having an at-risk pupil percentage of 50.0 percent or more, or for districts having an enrollment of at least 35.1 percent at-risk pupils and an enrollment density of at least 212.1 pupils per square mile, the district would multiply the number of at-risk pupils by 0.105 to determine the high-density at-risk weighting. For those districts having between 35.0 percent to less than 50.0 percent at-risk pupils, the district would multiply the number of at-risk pupils by a factor of 0.7.

The medium-density at-risk weighting would expire on June 30, 2012.

Conference Committee Action

The Conference Committee removed the contents of SB 155 which concerned the assessed valuations of certain school districts. The Conference Committee then added the contents of Substitute for SB 393, which concerns career technical education and allows technical college boards to acquire property by lease-purchase, sections 1 through 9 and section 41, as it passed the House Committee of the Whole, with the following changes:

- The bill would maintain the vocational education program weighting of 0.5 in current law which is used to compute the full-time equivalent enrollment in any approved vocational education program, with no sunset on this provision; and
- A school district will reimburse a pupil who has not obtained a high school diploma and is currently or previously was enrolled in a career technical education course or program in the district an amount up to half of the cost of the industry-recognized credential assessment. This

reimbursement will be taken out of the \$1,000 incentive award to the school district.

The Conference Committee also added the contents of HB 2017, as it passed the House Committee of the Whole, and HB 2018, as it passed the House Committee of the Whole.

Background

SB 155 Issues

The original SB 155 from the 2011 Legislative Session related to the assessed valuation of the former Kansas Army Ammunitions Plant property to the first consolidated unified school district (USD), if the boards of education of two or more school districts form one consolidated USD and the State Board approves the consolidation before July 1, 2016.

Sub. for SB 393 Issues

Sub. for SB 393, originally, was a portion of SB 361, the Governor's Excellence in Education Act. At the Senate Education Committee hearing on SB 393, representatives of the Kansas Board of Regents, Kansas Restaurant and Hospitality Association, and United School Administrators testified as proponents. There was no other testimony.

The Senate Committee made several changes to the bill, including the following:

- Eliminating a provision that would have abolished the current vocational education weighting in the school finance formula and replacing it with a career technical education state aid payment program to be established by the State Board; and

- Eliminating a provision that would have prohibited provision of career technical education state aid to secondary career technical education programs that were determined by the State Board to be duplicative and located within 30 miles of a program offered by a postsecondary institution.

The Senate Committee recommended a substitute bill with the provisions described above and added definitions for "articulation agreement," "fees and tuition," and "individual career plan."

The House Education Committee made several amendments to the substitute bill, including:

- Making a provision for reimbursement of industry-recognized credential assessments;
- Eliminating the 0.5 vocational education weighting for the 2013–14 school year and years thereafter;
- Adding the Kansas Board of Regents and State Board as consultants with the Kansas Secretary of Labor in determining high-need occupations; and
- Adding definitions for "secondary student" and "institute of technology."

The bill was sent to the House Education Budget Committee by the House Appropriations Committee where the bill was amended to include the contents of the following bills (No provisions of these bills, except HB 2017 and HB 2018, are included in this conference committee report):

- 2011 HB 2200, as amended by the House Committee of the Whole. The House Education Budget Committee amended the dates by which a levy or contractual bond obligation were incurred from July 1, 2011, to January 1, 2013, for Capital

Improvement State Aid and from July 1, 2011, to July 1, 2012, for Capital Outlay State Aid.

- 2011 HB 2017, as amended by the House Committee on Education.
- 2012 HB 2018, as amended by the House Committee on Education. The House Education Budget Committee amended the effective date of the bill to the 2012–13 school year.
- 2012 House Sub. for SB 28, as passed by the House Committee of the Whole.
- 2011 HB 2269, as amended by the House Committee of the Whole. The House Education Budget Committee amended language in the bill passed by the House Committee of the Whole by requiring the district to adopt a local operating budget which is required to be at least 10.0 percent, but not more than 30.0 percent, of state financial aid for the current year. A local operating budget in excess of 30.0 percent shall be adopted by a separate resolution and approved by a majority of qualified electors of the school district voting at election. An amount equal to \$420 multiplied by the adjusted enrollment of the school district must be transferred to the general fund. The transferred funds must be expended first to at-risk (10.0 percent), second to bilingual education (10.0 percent), and, lastly, to general operating expenses (any remaining funds). These funds would be deemed state moneys for education and support services for school districts.
- 2012 HB 2634, as passed by the House Committee of the Whole. The House Education Budget Committee added a new section which would allow a teacher at a community or technical college to teach a career technical education class

at the secondary level without completing a teacher preparation program prior to certification.

The bill also was amended by the House Education Budget Committee to allow the boards of a community college, technical college, or institute of technology to acquire any property by lease-purchase which is necessary or desirable for technical college purposes and to limit the lease-purchase to ten years. Language also was included in the bill to extend the sunset provision for the 0.5 weighting three years and to require the State Board to report to the Legislature by January 15, 2014, regarding a proposed strategy and plan for providing state aid to career technical education programs or courses in school districts. The bill also includes clarifying language regarding the distribution of state funds to community colleges, technical colleges, and the Washburn Institute of Technology for the cost associated with secondary students enrolled in postsecondary career technical education programs as determined by the Kansas Board of Regents.

The House Committee of the Whole made several amendments including establishment of an extracurricular school activities budget, prohibition on the use of supplemental general funds for engaging in or supporting any manner of school finance litigation, establishing a Unified School District Contribution Program check off on individual income tax forms, and expanding the categories those individuals eligible for resident tuition at Kansas Board of Regents institutions, as well as conforming amendments. (These provisions are not included in this conference committee report.)

There was no fiscal note on the substitute bill. The Division of the Budget fiscal note on the original version of SB 393 indicated enactment would require total expenditures of \$57,960,952 from the State General Fund for FY 2013, including \$28.5 million for the Kansas Board of Regents and \$29,460,952 for the Kansas Department of Education.

HB 2017 Issues

This bill was introduced in the 2011 Legislative Session and recommended by the 2010 Special Committee on Education. The House Committee on Education amended the bill by delaying its effects until the 2012–13 school year. The Division of the Budget fiscal note estimated a savings of \$3,293,050 in state aid for the bill as originally written.

HB 2018 Issues

HB 2018 was introduced during the 2011 Legislative session. At the House Committee on Education's hearing on the bill in 2011, proponents included representatives of the Kansas Association of School Boards and the Kansas City, Kansas, School District. There were no opponents. In the 2012 Legislative Session, the House Committee on Education made technical amendments to the bill. The Division of the Budget fiscal note on the original bill included an estimate of \$3,347,680 additional State General Fund dollars for FY 2012. There was no fiscal note for the bill as further amended.

education; school finance; lease-purchase; career technical education; technical college; at-risk; high-density at-risk pupil weighting

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