## **HOUSE BILL No. 2375**

## By Committee on Appropriations

3-9

AN ACT concerning school districts; relating to school accountability and parental choice; creating the Kansas school accountability act; creating the Kansas opportunity scholarship act; creating the Kansas tax credit scholarship act; authorizing the establishment of charter technical career centers; amending K.S.A. 72-1903 and repealing the existing section.

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

New Section 1. The provisions of sections 1 through 12, and amendments thereto, shall be known and may be cited as the Kansas school accountability act.

- New Sec. 2. As used in sections 1 through 12, and amendments thereto, unless the context requires otherwise:
- (a) "At-risk student" means: (1) Pupils who are enrolled in grades below fourth grade and who are eligible for free meals under the national school lunch act and who are enrolled in a district which maintains an approved at-risk pupil assistance plan; or (2) pupils who are enrolled in any of the grades four through 12 and who scored less than proficient on the most recent mathematics or reading state assessments administered to the pupil and who are enrolled in a district which maintains an approved at-risk pupil assistance plan.
- (b) "Board of education" or "board" means the board of education or other governing body of a school district.
- (c) "Controlled open enrollment" means a system of school assignment that allows school districts to make student school assignments using parents' indicated preferential school choice as a significant factor.
  - (d) "Department" means the department of education.
- (e) "School" means a school operated by a unified school district organized under the laws of this state.
- (f) "School district" or "district" means any unified school district organized and operating under the laws of this state.
- (g) "State board" means the state board of education created by article 6 of the constitution of Kansas.
  - New Sec. 3. (a) The purpose this section is to:

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(1) Provide parents with specific information about their child's 2 educational progress:

- (2) provide parents with comprehensive information about their choices and opportunities for involvement in their child's education; and
- (3) provide a framework for building and strengthening partnerships among parents, teachers, principals, superintendents and other school district personnel.
- (b) Each board of education, superintendent and teacher shall fully support and cooperate in implementing a well-planned, inclusive and comprehensive program to assist parents and families in effectively participating in their child's education.
- (c) To facilitate meaningful parent and family involvement, the department shall develop guidelines for a parent guide to successful student achievement which describes what parents need to know about their child's educational progress and how such parents can help their child to succeed in school. Such guidelines shall include, but are not be limited to:
  - (1) Parental information regarding:
  - (A) Requirements for their child to be promoted to the next grade;
- progress of their child toward achieving state and school district (B) expectations for academic proficiency;
  - assessment results, including report cards and progress reports; (C)
  - qualifications of their child's teachers; and (D)
- school entry requirements, including required immunizations and the recommended immunization schedule:
  - (2) services available for parents and their children, such as:
  - (A) Mentoring, tutorial and other academic reinforcement programs;
- (B) college planning, academic advisement and student counseling services: and
  - after-school programs;
- (3) opportunities for parental participation, such as parenting classes, adult education and school volunteer programs;
- (4) opportunities for parents to learn about rigorous academic programs that may be available for their child, such as honors programs, dual enrollment and advanced placement;
  - (5) educational choices and scholarship opportunities;
- (6) classroom and test accommodations available for students with disabilities;
- (7) board policies and procedures for student promotion and retention, academic standards, student assessment, courses of study, instructional materials and contact information for school and school district offices: and
  - (8) resources for information on student health and other available

resources for parents.

- (d) The department shall develop and disseminate a checklist for school districts to provide to parents to assist with the parent's involvement in their child's educational progress. The checklist shall be provided each school year to all parents of students in kindergarten and grades one through 12. The checklist shall address parental actions that:
- (1) Strengthen the child's academic progress, especially in the area of reading;
- (2) strengthen the child's citizenship, especially social skills and respect for others;
- (3) strengthen the child's realization of high expectations and setting lifelong learning goals; and
- (4) place a strong emphasis on the communication between the school and the home.
- (e) The department shall establish a parent-response center to provide assistance to parents and families in answering questions and resolving issues related to the child's education.
- (f) Each board of education shall adopt policies and procedures that strengthen family involvement and family empowerment. Each school district shall submit a copy of such policies and procedures to the state board by October 1. Such policies and procedures shall be developed in collaboration with parents, school administrators, teachers and community partners, and shall address:
  - (1) Parental choices and responsibilities;
  - (2) links with community services;
- (3) opportunities for parental involvement in the development, implementation and evaluation of family involvement programs; and
- (4) opportunities for parents to participate in school volunteer programs and other activities.
- (g) Each school district shall develop and disseminate a parent guide to successful student achievement, consistent with the guidelines of the department, which addresses what parents need to know about their child's educational progress and how parents can help their child to succeed in school. Such guide shall:
  - (1) Be understandable to students and parents;
- (2) be distributed to all parents, students and school district personnel at the beginning of each school year;
- (3) be discussed at the beginning of each school year in meetings of students, parents and teachers;
- (4) include information concerning services, opportunities, choices, academic standards and student assessment; and
- (5) provide information on the importance of student health and available immunizations and vaccinations, including, but not limited to, a

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recommended immunization schedule in accordance with United States centers for disease control and prevention recommendations.

- (h) The state board shall annually review each school district's compliance with this section and the school district's success in achieving improved services for families. The state board shall use all appropriate enforcement actions, as provided in section 6, and amendments thereto, until the school district fully complies with the requirements of this section.
- New Sec. 4. (a) The rights of students and their parents with respect to education records created, maintained or used by the state board, the department or any school district shall be protected in accordance with the family educational rights and privacy act (FERPA), 20 U.S.C. § 1232g, the implementing regulations issued pursuant thereto, and this section. The state board shall adopt rules and regulations concerning the rights of students and parents to education records, including, but not limited to:
- (1) The right of students and their parents to access the student's education records, including the right to inspect and review such records;
- (2) the right of students and their parents to waive access to the student's education records in certain circumstances;
- (3) the right of students and their parents to challenge the content of education records in order to ensure that the records are not inaccurate, misleading or otherwise a violation of privacy or other rights;
- (4) the right of students and their parents to privacy with respect to such records and reports; and
- (5) providing notice to the students and their parents of their rights with respect to education records.
- (b) The state board shall monitor the FERPA and notify the legislature of any significant change to the requirements of the FERPA or other major changes in federal law which may impact this section.
- (c) If any official or employee of the state board, the department or any school district refuses to comply with this section, the aggrieved parent or student may bring an action in district court to enforce such parent's or student's rights, and may seek appropriate relief, including, but limited to, injunctive relief. Any aggrieved parent or student who is on the prevailing side in such an action may be awarded reasonable attorney's fees and costs of the action.
- New Sec. 5. (a) Each board of education may offer a controlled open enrollment program within its schools. The controlled open enrollment program shall be offered in addition to any existing school options such as virtual schools, magnet schools, alternative schools, advanced placement and dual enrollment.
  - (b) Each board that offers a controlled open enrollment program

 shall develop a controlled open enrollment plan which describes the implementation of its controlled open enrollment program. Plans shall be submitted to the state board. Each school district shall develop a system of priorities for its plan that includes consideration of the following:

- (1) An application process required to participate in the controlled open enrollment program;
  - (2) a process that allows parents to declare school preferences;
- (3) a process that encourages placement of siblings within the same school;
- (4) a lottery procedure used by the school district to determine student assignment;
  - (5) an appeals process for hardship cases;
- (6) procedures to maintain socioeconomic, demographic and racial balance;
  - (7) availability of transportation;
- (8) a process that promotes strong parental involvement, including the designation of a parent liaison; and
- (9) a strategy that establishes a clearinghouse of information designed to assist parents in making informed choices.
- (c) Each board shall annually prepare and submit to the state board a report on the number of students applying for and attending the various types of schools of choice in the district, including schools such as virtual schools, magnet schools and public charter schools, according to rules and regulations adopted by the state board. The state board shall annually prepare a report on the status of school choice and deliver such report to the governor and the legislature on or before January 14.
- New Sec. 6. (a) The state board shall oversee the performance of school districts in the enforcement of all laws and policies and procedures. The board of education shall be primarily responsible for each school district's compliance with all laws and policies and procedures.
- (b) In order to ensure compliance with all laws and policies and procedures, the state board shall have the authority to request and receive information, data and reports from school districts as requested by the state board. Superintendents shall be responsible for the accuracy of any information and data reported to the state board.
- (c) The state board may direct the department to investigate allegations of noncompliance and determine whether there is probable cause that a violation has occurred. The department shall report any determination of probable cause to the state board. The state board shall require the board of education of such school district to document compliance with any laws and policies and procedures the school district is alleged to have violated.

(d) If the board cannot satisfactorily document compliance, the state board may order compliance within a specified period of time. If the state board determines that a board of education is unwilling or unable to comply within the specified time period, the state board shall have the authority to initiate any of the following actions:

- (1) Report to the legislature that such school district has been unwilling or unable to comply with such laws or policies and procedures as determined pursuant to subsection (c) and recommend action to be taken by the legislature;
- (2) withhold the transfer of general or supplemental state aid until such school district complies with such laws or policies and procedures; or
- (3) require monthly or periodic reporting on the situation related to noncompliance until it is remedied.
- (e) Nothing in this section shall be construed to create a private cause of action or create any rights for individuals or entities in addition to those provided by law.
- New Sec. 7. (a) The state board shall hold all school districts and schools accountable for student performance. In accordance with the provisions of this act, the state board shall develop and maintain a system of school improvement and education accountability that assesses student performance by school, identifies schools in which students are not making adequate progress toward state standards and institutes appropriate measures for enforcing improvement. The system of school improvement and education accountability shall provide for uniform accountability standards, provide assistance of escalating intensity to lowperforming schools, direct support to schools in order to improve and sustain performance, focus on the performance of student subgroups and enhance student performance. School districts shall be held accountable for improving the academic achievement of all students and for identifying and turning around low-performing schools. The state board shall equitably enforce the accountability requirements set forth in this act and may impose additional requirements on school districts in order to improve the academic performance of all districts, schools and students.
- (b) For the purpose of determining action is required for a school to achieve a sufficient level of school improvement, the state board shall annually categorize schools based on the school's grade, as determined pursuant to section 8, and amendments thereto, and the level and rate of change in student performance in the areas of reading and mathematics, disaggregated into student subgroups as described in the federal elementary and secondary education act, 20 U.S.C. § 6311(b)(2)(C)(v) (II).
  - (c) Appropriate intervention and support strategies shall be applied

to schools that require action to achieve a sufficient level of improvement. The intervention and support strategies shall address student performance, including, but not limited to, improvement planning, leadership quality improvement, educator quality improvement, professional development, curriculum alignment and pacing and the use of continuous improvement and monitoring plans and processes. The state board may prescribe reporting requirements to review and monitor the progress of the schools.

- (d) The department shall create a matrix that reflects intervention and support strategies to address the particular needs of schools in each category. Intervention and support strategies shall be applied to schools based upon the school categorization. The department shall apply the most intense intervention strategies to the lowest-performing schools. Except for the lowest-performing schools, the intervention and support strategies shall be administered solely by the school districts and the schools.
  - (e) The lowest-performing schools are schools that have received:
- (1) A grade of "F" in the most recent school year and in four of the last six years; or
- (2) a grade of "D" or "F" in the most recent school year and meet at least three of the following criteria:
- (A) The percentage of students who are not proficient in reading has increased when compared to measurements taken five years previously;
- (B) the percentage of students who are not proficient in mathematics has increased when compared to measurements taken five years previously;
- (C) at least 65% of the school's students are not proficient in reading; or
- (D) at least 65% of the school's students are not proficient in mathematics.
- (f) In the school year after a school is initially identified as a school in the lowest-performing category, the school district shall submit a plan, which shall be subject to approval by the state board and which shall be implemented unless the school moves from the lowest-performing category, for implementing one of the following options at the beginning of the next school year:
- (1) Implementing a turnaround plan approved by the state board which shall become the school's improvement plan;
- (2) reassign students to another school and monitor the progress of each reassigned student;
- (3) close the school and reopen the school as one or more charter schools, each with a governing board that has a demonstrated record of effectiveness; or

 (4) contract with an outside entity that has a demonstrated record of effectiveness to operate the school.

- (g) If a school does not move from the lowest-performing category during the initial year of implementing one of the options in subsection (f), the school district shall submit a plan, which shall be subject to approval by the state board, for implementing a different option from the list set forth in subsection (f) at the beginning of the next school year, unless the state board determines that the school is likely to move from the lowest-performing category if additional time is provided to implement intervention and support strategies. The state board shall determine whether a school district may continue to implement an option beyond one year while a school remains in the lowest-performing category.
- (h) In order to advance to a higher category, a school shall make significant progress by improving its school grade and by increasing student performance in mathematics and reading. Student performance shall be evaluated for each student subgroup as set forth in subsection (b).
- New Sec. 8. (a) The department shall prepare annual reports of the results of statewide assessments which describe student achievement in the state, each district and each school. Such reports shall include descriptions of the performance of all schools participating in the statewide assessments and all of their major student populations as determined by the state board, and shall also include the median scores of all students who scored at or in the lowest 25th percentile of the state in the previous school year. Such report shall be prepared in accordance with the provisions section 4, and amendments thereto, pertaining to student records.
- (b) Except as provided in subsection (c), the annual report shall identify schools as having one of the following grades, defined according to rules and reulgations adopted by the state board:
  - (1) "A," schools making excellent progress;
  - (2) "B," schools making above average progress;
  - (3) "C," schools making satisfactory progress;
  - (4) "D," schools making less than satisfactory progress; or
  - (5) "F," schools failing to make adequate progress.
- (c) Each school that has students who are tested and included in the school grading system shall receive a school grade, except as follows:
- (1) A school shall not receive a school grade if the number of its students tested and included in the school grading system is less than the minimum sample size necessary, based on accepted professional practice, for statistical reliability and prevention of the unlawful release of personally identifiable student data under section 4, and amendments thereto, or 20 U.S.C. § 1232g.

 (2) A school that serves any combination of students in kindergarten and grades one through three if at least 60% of the students in the school are in kindergarten or grades one through three.

- (d) (1) A school's grade shall be based on a combination of:
- (A) Student achievement scores on the statewide assessments;
- (B) student learning gains in reading and mathematics as measured by the statewide assessments; and
- (C) improvement of the lowest 25th percentile of students in the school in reading and mathematics on the statewide assessments, unless these students are exhibiting satisfactory performance.
- (2) For schools comprised of grades nine through 12, or grades 10 through 12, 50% of the school grade shall be based on a combination of the factors listed in paragraph (1) and the remaining 50% on the following factors:
  - (A) The high school graduation rate of the school;
- (B) as valid data becomes available, the performance and participation of the school's students in advanced placement courses, dual enrollment courses and the students' achievement of career and technical education certification programs, pursuant to rules and regulations adopted by the state board;
- (C) postsecondary readiness of the school's students as measured by the SAT or ACT;
  - (D) the high school graduation rate of at-risk students; and
- (E) the growth or decline in the components listed in (A) through (D) from year to year.
- (3) The state board shall adopt appropriate criteria for each school grade. The criteria shall give added weight to student achievement in reading. Schools designated with a grade of "C," making satisfactory progress, shall be required to demonstrate that adequate progress has been made by students in the school who are in the lowest 25th percentile in reading and mathematics on the statewide assessments, unless these students are exhibiting satisfactory performance. For schools comprised of grades nine through 12, or grades 10 through 12, the criteria for school grades shall give added weight to the graduation rate of all at-risk students. In order for a high school to be designated as having a grade of "A," making excellent progress, the school shall demonstrate that at-risk students in the school are making adequate progress.
- (e) The annual report required by subsection (a) shall identify each school's performance as having improved, remained the same or declined. This school improvement rating shall be based on a comparison of the current year's and previous year's student and school performance data. Schools that improve at least one grade level are eligible for school recognition awards under section 11, and amendments thereto.

(f) The department shall annually develop, in collaboration with the school districts, a school report card to be delivered to parents throughout each school district. The report card shall include the school's grade, information regarding school improvement, an explanation of school performance and indicators of return on investment. Each school's report card shall be published annually by the department on its website, and the school district shall provide the school report card to each parent.

- (g) The annual report required by subsection (a) shall include district grades, which shall consist of weighted district average grades, by level, for all elementary schools, middle schools and high schools in the district. A district's weighted average grade shall be calculated by weighting individual school grades by school enrollment.
- New Sec. 9. (a) The state board shall be responsible for implementing and maintaining a system of intensive school improvement and stringent education accountability, which shall include rules and regulations to implement the following:
- (1) A system of data collection and analysis that will improve information about the educational success of individual students and schools. The information and analyses shall be capable of identifying educational programs or activities in need of improvement, and reports prepared pursuant to this section shall be distributed to the appropriate boards of education prior to distribution to the general public;
- (2) a method of delivering services to assist school districts and schools to improve; and
- (3) a method of coordinating state educational goals and school improvement plans with any other state program that creates incentives for school improvement.
- (b) The state board shall develop an annual feedback report to be completed by each school district. The department shall review each school district's feedback report and submit its findings to the state board. If adequate progress is not being made toward implementing and maintaining a system of school improvement and education accountability, the state board shall direct the department to prepare and implement a corrective action plan. The state board shall monitor the development and implementation of the corrective action plan.
- (c) The state board shall annually report to the legislature and recommend changes in state policy necessary to foster school improvement and education accountability. Included in the report shall be a list of the schools for which intervention and support strategies have been developed by the board of education for such school and an analysis of the various strategies used by the such boards.
- (d) Upon request, the department shall provide technical assistance and training to any school, school district or board of education for

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 conducting needs assessments, developing and implementing school improvement plans or implementing other components of school improvement and accountability. Priority for these services shall be given to schools designated with a grade of "D" or "F" and school districts in rural and sparsely populated areas of the state.

- (e) The state board shall assign a community assessment team to each school district with a school graded "F" or a school in the lowest-performing category to review the school performance data and determine causes for the low performance, including the role of school and district administrative personnel. The team shall make recommendations to the board of education and to the state board which address the causes of the school's low performance and may be incorporated into the school improvement plan. The assessment team shall include, but not be limited to, a department representative, parents, business representatives, educators, representatives of local governments and community activists, and shall represent the demographics of the community from which such members are appointed.
- New Sec. 10. (a) The state board shall develop a system for reviewing the financial management practices of school districts to determine whether the operation of such districts meets "best financial management practices."
- (b) The best financial management practices shall instill public confidence by addressing school district use of resources, identifying ways that school districts could save funds and improving school districts' performance accountability systems, including public accountability. To achieve these objectives, best practices shall be developed for, but not limited to, the following areas:
  - (1) Management structures;
  - (2) performance accountability;
- 30 (3) efficient delivery of educational services, including instructional materials;
  - (4) administrative and instructional technology;
  - (5) personnel systems and benefits management;
  - (6) facilities construction:
    - (7) facilities maintenance;
    - (8) student transportation;
    - (9) food service operations; and
  - (10) cost control systems, including asset management, risk management, financial management, purchasing, internal auditing and financial auditing.

The best financial management practices adopted by the state board may be updated periodically after consultation with the legislature, the governor, the department and school districts. Revised best financial

management practices shall be used in the next year's scheduled school district reviews conducted pursuant to this section.

- (c) If sufficient funds are appropriated for the reviews required under this section, the state board shall issue a request for proposal, and upon selection of the most qualified response enter into a contract with such private entity to perform the reviews required under this section. The price set forth in the contract and the number of reviews to be conducted shall be subject to the provisions of appropriation acts for the fiscal year in which the reviews are to be conducted. When sufficient funds are not appropriated to contract for all of the reviews required under this section, the state board shall direct the department to conduct the remaining reviews scheduled for that year. The scope of such reviews shall focus on the best practices adopted by the state board. The state board may include additional items in the scope of such reviews after receiving input on the scope of the reviews from the department and school districts.
- (d) Except as otherwise provided, each school district shall be reviewed on a continuing five-year cycle as established by the state board. The state board may adjust the schedule of districts to be reviewed when unforeseen circumstances prevent initiation of reviews scheduled in a given year. Once the five-year cycle has been completed, reviews shall continue, beginning again with those districts included in year one of the cycle unless a district has requested and received a waiver as provided in subsection (n).
- (e) In addition to the reviews required by subsection (d), the state board, the president of the senate or the speaker of the house of representatives may request not more than two additional best financial management practices reviews for school districts not scheduled for review during that year if such review is necessary to address adverse financial conditions. Such additional reviews shall be conducted only if sufficient funding provided for such reviews in appropriation acts for the fiscal year in which such reviews are to be conducted.
- (f) Districts scheduled for review shall complete a self-assessment instrument developed and provided by the state board which indicates the school district's evaluation of its performance on each best practice. The district shall begin the self-assessment not later than 60 days prior to the commencement of the review. The completed self-assessment instrument and supporting documentation shall be submitted to the state board not later than the date of commencement of the review as set by the state board. The self-assessment information provided by the district shall be used during the review of such district.
- (g) During the review, the reviewing entity, either the state board or a private entity, as the case may be, shall hold at least one advertised

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public hearing as part of the review in order to explain the best financial management practices review process and obtain input from students, parents, the business community and other school district residents regarding concerns about the operations and management of the school district.

- (h) District reviews conducted under this section shall be completed within six months after commencement. The state board shall issue a final report to the governor, the legislature and the school district regarding the school district's use of best financial management practices and cost savings recommendations. Such report shall be issued within 60 days after completion of the review.
- (i) After receipt of the final report and before the board of education takes any action required by this section, the board shall hold an advertised public hearing to accept input from parents, school district employees, the business community and other school district residents and to review the findings and recommendations of the report. A representative of the state board and the private entity conducting the review, if any, shall be present at the public hearing.
- (j) If the school district is found to not conform to best financial management practices, the report shall contain an action plan detailing how the district could meet the best practices within two years. Within 90 days after receipt of the report, the board of education of such school district shall vote on whether or not to implement the action plan included in the report. The board shall notify the state board in writing of the date and outcome of any vote taken by the board on whether to implement the action plan. If the board fails to take a vote on whether to implement the action plan, the superintendent of such school district shall notify the state board of such failure. The department may contact the school district, assess the situation, urge the board to vote and offer technical assistance, if needed. The board of education may vote to reverse a decision not to implement an action plan, provided that the action plan is implemented and there is still sufficient time, as determined by the board, to meet the best practices within two years after issuance of the final report.
  - (k) If a board votes to implement the action plan:
- (1) No later than one year after receipt of the final report, the board shall submit an initial status report to the governor, the legislature and the state board on progress made toward implementing the action plan and whether changes have occurred in other areas of operation that would affect compliance with the best practices; and
- (2) a second status report shall be submitted by the board to the governor, the legislature and the state board no later than one year after submission of the initial report.

Status reports shall not be required once the state board concludes that

the school district is using best practices.

- (l) After receipt of each of a district's two status reports required by subsection (k), the state board shall assess the district's implementation of the action plan and progress toward implementing the best financial management practices in areas covered by the plan. Following each assessment, the state board shall issue a report to the governor, the legislature and the district indicating whether the district has successfully implemented the best financial management practices.
- (m) School districts that successfully implement the best financial management practices within two years, or are determined in the review to be using the best practices, are eligible to receive a "seal of best financial management." The state board shall award such districts a "seal of best financial management" certifying that the district is adhering to the state's best financial management practices. The state board designation shall be effective for five years from the certification date or until the next review is completed, whichever is later. During the designation period, the superintendent shall annually notify the state board of any changes in policies or operations or any other situations that would not conform to the state's best financial management practices. The state board may revoke the designation of a school district at any time if it determines that a district is no longer complying with the state's best financial management practices.
- (n) A school district that has been awarded a "seal of best financial management" and has annually reported to the state board that such district is still conforming to the best financial management practices may request a waiver from undergoing its next scheduled review. To apply for such waiver, on or before September 1 of the year prior to the year in which the review is scheduled to take place, the board of education shall certify to the state board that the board has determined that the school district is still conforming to the best financial management practices. After consultation with the department and reviewing the board's certification, the state board may grant a waiver for the next scheduled review for such school district. If approved for a waiver, the state board shall notify the school district that no review of that district will be conducted during the next scheduled review cycle. The superintendent of such district shall continue to annually report to the state board as required in subsection (m). Any school district granted a waiver pursuant to this subsection shall not be eligible for a waiver of the next scheduled review cycle.
- (o) Any cost savings resulting from implementation of the best financial management practices which are not otherwise encumbered or restricted shall be spent for teacher salaries, teacher training, improved classroom facilities, student supplies, textbooks, classroom technology

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 and other direct student instruction activities.

New Sec. 11. (a) The legislature hereby finds that there is a need for a performance incentive program for outstanding faculty and staff in highly productive schools. The legislature further finds that performance-based incentives are commonplace in the private sector and should be infused into the public sector as a reward for productivity.

- (b) To be eligible to receive an award pursuant to this section a school shall:
- (1) Sustain high performance by receiving a school grade of "A," making excellent progress; or
- (2) demonstrate exemplary improvement due to innovation and effort by improving at least one letter grade or by improving more than one letter grade and sustaining the improvement the following school year.
- (c) All selected schools shall receive financial awards depending on the availability of funds appropriated and the number and size of schools selected to receive an award. Funds must be distributed to the treasurer of the school district in which such school is located and shall be deposited in the general fund of such school district to be spent in accordance with the purposes set forth in subsection (e) as determined by the board. If a school selected to receive a school recognition award is no longer in existence at the time the award is paid, the superintendent shall distribute the funds to teachers who taught at the school in the previous year in the form of a bonus.
  - (d) School recognition awards shall be used for the following:
  - (1) Nonrecurring bonuses to the faculty and staff;
- (2) nonrecurring expenditures for educational equipment or materials to assist in maintaining and improving student performance; or
- (3) temporary personnel for the school to assist in maintaining and improving student performance.
- New Sec. 12. The state board shall adopt rules and regulations necessary to implement the provisions of sections 1 through 11, and amendments thereto.
- New Sec. 13. (a) The provisions of sections 13 through 17, and amendments thereto, shall be known and may be cited as the Kansas tax credit scholarship act.
  - (b) As used in sections 13 through 17, and amendments thereto:
- (1) "At-risk pupils" means: (A) Pupils who are enrolled in grades below fourth grade and who are eligible for free meals under the national school lunch act and who are enrolled in a district which maintains an approved at-risk pupil assistance plan; or (B) pupils who are enrolled in any of the grades four through 12 and who scored less than proficient on the most recent mathematics or reading state assessments administered to

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 the pupil and who are enrolled in a district which maintains an approved at-risk pupil assistance plan.

- (2) "Contributions" means monetary contributions, gifts or donations and in-kind contributions, gifts or donations that have an established market value.
- (3) "Educational scholarship" or "scholarship" means a grant to eligible students to cover all or a portion of the costs of tuition, fees and expenses of the qualified school.
- (4) "Eligible student" means a student who: (1) Is an at-risk student; and (2) was enrolled in a public school during the previous school year or is eligible to enter a public school in the school year in which an educational scholarship is first sought for the student.
- (5) "Parent" includes a guardian, custodian or other person with authority to act on behalf of the student.
- (6) "Program" means the Kansas tax credit scholarship program established by section 14, and amendments thereto.
- (7) "Public school" means a school operated by a unified school district organized under the laws of this state.
- (8) "Qualified school" means any nonpublic elementary or secondary school that complies with the requirements of sections 13 through 17, and amendments thereto, and is accredited by the state board of education.
- (9) "Scholarship granting organization" means an organization that complies with the requirements of sections 13 through 17, and amendments thereto, and provides educational scholarships to students attending qualified schools of their parents' choice.
- (10) "State board" means the state board of education created by article 6 of the constitution of Kansas.
- New Sec. 14. (a) There is hereby established the Kansas tax credit scholarship program. The program shall provide eligible students with an opportunity to attend qualified schools of their parents' choice by receiving scholarships funded by taxpayer contributions, a portion of which may be eligible for a tax credit pursuant to section 18, and amendments thereto.
- (b) Each scholarship granting organization shall issue a receipt, in a form prescribed by the secretary, to each contributing taxpayer indicating the value of the contribution received. Each taxpayer shall provide a copy of such receipt when claiming the tax credit established in section 18, and amendments thereto
- (c) If the state board finds that the scholarship granting organization has knowingly failed to comply with the requirements of the program, the state board may bar that scholarship granting organization from continued participation in the program. If the state board bars a scholarship granting

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 organization from continued participation in the program, the state board shall notify the secretary, the affected eligible students and their parents its decision.

New Sec. 15. (a) To be eligible to participate in the program, a scholarship granting organization shall comply with the following:

- (1) The scholarship granting organization shall notify the state board of the scholarship granting organization's intent to provide educational scholarships to students attending qualified schools;
- (2) in accordance with the rules and regulations established by the state board, the scholarship granting organization shall provide evidence that the scholarship granting organization is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;
- (3) upon receipt of contributions in an aggregate amount or value in excess of \$50,000 during any one school year under the program, a scholarship granting organization shall file with the state board either: (A) A surety bond payable to the state in an amount equal to the aggregate amount of contributions expected to be received during the school year; or (B) financial information demonstrating the scholarship granting organization's ability to pay an aggregate amount equal to the amount of the contributions expected to be received during the school year, which shall be reviewed and approved of in writing by the state board;
- (4) scholarship granting organizations that provide services in addition to providing educational scholarships shall not commingle contributions made pursuant to the program with other contributions made to such organization;
- (5) the scholarship granting organization shall ensure that each qualified school receiving educational scholarships from the scholarship granting organization is in compliance with the requirements of the program and has maintained its accreditation with the state board; and
- (6) if a scholarship granting organization decides to limit the number or type of qualified schools who will receive educational scholarships, the scholarship granting organization shall provide, in writing, to any contributor and the state board the name or names of those qualified schools.
- (b) Any scholarship granting organization shall not provide educational scholarships for students to attend any qualified school with paid staff or paid board members, or relatives thereof, in common with the scholarship granting organization.
- (c) The scholarship granting organization shall disperse 90% of contributions received pursuant to the program in the form of educational scholarships within 36 months of receipt of such contributions. If such contributions have not been dispersed within the applicable 36-month

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 time period, then the scholarship granting organization shall not accept new contributions until 90% of the received contributions have been dispersed in the form of educational scholarships. Any income earned from contributions must be dispersed in the form of educational scholarships.

- (d) A scholarship granting organization shall make payments of an educational scholarship to the qualified school on behalf of the eligible student. Payment shall be made by check made payable to both the parent and the qualified school. If an eligible student transfers to a new qualified school during a school year, the scholarship granting organization shall pay a prorated amount to the original qualified school and the new qualified school based on the student's attendance.
- (e) On or before June 1 of each year, a scholarship granting organization shall submit a report to the state board for the scholarships provided in the immediately preceding 12 months. Such report shall be submitted in a form and manner prescribed by the state board, approved and signed by a certified public accountant, and contain the following information:
  - (1) The name and address of the scholarship granting organization;
- (2) the total number and total dollar amount of contributions received during the 12-month reporting period; and
- (3) the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period.
- New Sec. 16. To be eligible to participate in the program, a qualified school receiving educational scholarships from the scholarship granting organization shall:
- (a) Be required to operate in Kansas and comply with all state laws that apply to an accredited nonpublic school regarding criminal background checks for employees;
- (b) exclude from employment, any persons not permitted by state law to work in an accredited nonpublic school;
- (c) comply with all health and safety laws, regulations and other codes applicable to such entity.
- New Sec. 17. The state board shall adopt rules and regulations necessary to implement and administer the program.

New Sec. 18. (a) There shall be allowed a credit against the income tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon

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 an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for tax year 2011 and all tax years thereafter, an amount equal to the contributions made to a scholarship granting organization pursuant to section 13 et seq., and amendments thereto.

- (b) The credit shall be claimed and deducted from the taxpayer's tax liability during the tax year in which the contribution was made to any such scholarship granting organization.
- (c) For tax year 2011 and all tax years thereafter, in no event shall the aggregate amount of tax credits allowed under this section exceed \$140,000,000 for any one fiscal year.
- (d) If the amount of any such tax credit claimed by a taxpayer exceeds the taxpayer's income, privilege or premium tax liability, such excess amount may be carried over for deduction from the taxpayer's income, privilege or premium tax liability in the next succeeding year or years until the total amount of the credit has been deducted from tax liability, except that no such credit shall be carried over for deduction after the third taxable year succeeding the tax year in which the contribution was made to nay such scholarship granting organization.
- (e) No credit under this section shall be claimed by a taxpayer who may be claimed as a dependent by another taxpayer for federal income tax purposes.
- (f) The secretary of revenue shall adopt rules and regulations regarding filing of documents that support the amount of credit claimed pursuant to this section.
- New Sec. 19. (a) The provisions of sections 19 through 25, and amendments thereto, shall be known and may be cited as the Kansas opportunity scholarship act.
- (b) As used in sections 19 through 25, and amendments thereto, unless the context otherwise requires:
  - (1) "Department" means the department of education.
  - (2) "Eligible student" means a student who:
- (A) During the immediately preceding school year was enrolled in a public school that has received a grade of "F," failing to make adequate progress, pursuant to section 7, and amendments thereto, and that has had two school years in a four-year period of such low performance, and such student was enrolled in such school during a school year in which such categorization was in effect;
- (B) has been enrolled in a school that has not received a grade of "F," failing to make adequate progress, but has been assigned to attend such a school for the next school year; or
- (C) is entering kindergarten and has been assigned to attend a school that has received a grade of "F," failing to make adequate progress, for the next school year.

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 (3) "Qualified school" means any nonpublic school or institution that meets all the requirements of the program.

- (4) "Parent" includes a guardian, custodian or other person with authority to act on behalf of the student.
- (5) "Program" means the Kansas opportunity scholarship program established by section 20, and amendments thereto.
- (6) "Public school" means any school operated by a unified school district in accordance with state law.
- (7) "Resident school district" means the school district in which the student resides.
- (8) "State board" means the state board of education created by article 6 of the constitution of Kansas.

New Sec. 20. (a) There is hereby established the Kansas opportunity scholarship program. The program shall provide eligible students with the opportunity to attend a qualified school of their parents' choice by receiving a state scholarship. The program shall be administered by the department.

- (b) Any parent of an eligible student shall qualify for a scholarship pursuant to the program if:
- (1) The eligible student has been accepted for admission at the qualified school; and
- (2) the parent has submitted an application for a scholarship in the manner specified by the state board.
- (c) Except as provided in subsection (d), any student receiving a scholarship under the program shall fully comply with an qualified school's written code of conduct and shall remain in attendance throughout the school year, unless excused by the qualified school for illness or other good cause.
- (d) A parent may transfer an eligible student to another qualified school at any time. In the event of such transfer, the scholarship amount shall be prorated between the qualified schools according to the attendance of the student at each school.
- New Sec. 21. (a) Upon approval of an application for a scholarship, the department shall notify the resident school district that the eligible student has requested a scholarship under the program.
- (b) The maximum scholarship amount that may be granted under the program to an eligible student shall be an amount equal to the amount of general state aid and supplemental state aid the resident school district is entitled to receive per pupil for the immediately preceding school year, or the cost of tuition and fees to attend the qualified school, whichever is less. For purposes of this section, the term "fees" shall include textbook fees, lab fees and any other fees related to instruction, including transportation.

 (c) The scholarship shall remain in full force and effect until the eligible student is again enrolled in a public school, graduates from high school or reaches the age of 21, whichever occurs first.

- (d) The department shall certify to the director of accounts and reports the amount of the scholarship to be awarded for each eligible student. The director of accounts and reports shall issue a warrant on the state treasurer payable to the qualified school and the parent of each eligible student awarded a scholarship under the program in the amount certified by the department.
- New Sec. 22. (a) A resident school district shall notify the parent of each eligible student of the Kansas opportunity scholarship program and provide such information as required by the department to give the parent an opportunity to have the student participate in the program. However, it shall be the parent's responsibility to apply for admission to the qualified school, and to apply for a scholarship under the program.
- (b) The resident school district shall also provide the parents of such eligible student the opportunity to enroll the student in a public school within the resident school district that has received a grade of "C" or higher.
- (c) Notwithstanding any other provision of law, if a parent of an eligible student chooses to enroll the student in a higher performing public school pursuant to subsection (b), the resident school district shall provide transportation for such eligible student.
- (d) An eligible student receiving a scholarship under the program shall not be counted as a pupil by the resident school district for the purposes of determining enrollment pursuant to the school district finance and quality performance act.
- (e) If the parent of an eligible student receiving a scholarship under the program requests that the student take the statewide assessments, the resident school district shall provide locations and times for the student to take such assessments if such assessments are not offered at the qualified school.
- (f) Eligible students with disabilities who are eligible to receive services from the resident school district under federal or state law, and who participate in the program, shall remain eligible to receive such services from the resident school district as provided by federal or state law.
- New Sec. 23. (a) The state board shall not be liable for claims based on the award of or use of a scholarship awarded pursuant to sections 19 through 25, and amendments thereto.
- (b) The state board may bar a qualified school from receiving scholarships funds under the program if the state board establishes that the qualified school has intentionally and substantially misrepresented

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 information required under section 24, and amendments thereto.

(c) The state board shall notify eligible students and their parents of any decision to bar a qualified school from receiving scholarship funds under the program.

New Sec. 24. (a) In order to receive scholarship funds under the program, a qualified school shall operate in this state and demonstrate:

- (1) That it is in compliance with all health and safety laws, regulations and other codes applicable to such entity;
  - (2) that it holds a valid occupancy permit, if required;
- (3) that it will comply with the nondiscrimination policies set forth in 42 U.S.C. § 1981; and
- (4) that it is in compliance with all applicable state laws regarding criminal background checks for employees.
- (b) All qualified schools shall submit to the state board a financial information report prepared by a certified public accountant. Such report shall:
- (1) Be limited in scope to those records that are necessary for the state board to verify the expenditure of scholarship funds on instructional services provided to the eligible student;
- (2) comply with generally accepted uniform financial accounting standards; and
- (3) certify that the financial information report does not contain any material misstatements.
- (c) If the qualified school is to receive an amount equal to or greater than \$50,000 during any one school year under the program, then the qualified school shall demonstrate its ability to pay any funds that may become due and owing to the state by:
- (1) Filing with the state board, prior to the start of the school year, a surety bond payable to the state in an amount equal to the aggregate amount of funds the qualified school anticipates it will receive during the school year under the program; or
- (2) filing with the state board, prior to the start of the school year, financial information that demonstrates, to the state board's satisfaction, that the qualified school has the ability to pay an amount equal to the aggregate amount of funds the qualified school anticipates it will receive during the school year under the program.
- (d) All qualified schools shall regularly report on the student's progress to the parent.
- (e) A qualified school is autonomous and is not an agent of the state. The state board or any other state agency may not in any way regulate the educational program of such qualified school. The creation of the Kansas opportunity scholarship program does not expand the regulatory authority of the state, its officers or any school district to impose any additional

 regulation of such qualified school beyond those reasonably necessary to enforce the requirements of the program. Such qualified schools shall be given the maximum freedom to provide for the educational needs of their students without governmental control.

New Sec. 25. The state board shall adopt rules and regulations that it deems necessary to implement the provisions of sections 19 through 25, and amendments thereto, including, but not limited to:

- (a) Requirements relating to qualified schools;
- (b) the calculation and awarding of scholarships under the program;
- (c) procedures relating to the submission and approval of applications for scholarships; and
- (d) procedures and safeguards relating to the issuance of vouchers to ensure that moneys awarded for scholarships are used for the purposes set forth in sections 19 through 26, and amendments thereto.

New Sec. 26. (a) The legislature hereby finds that the establishment of charter technical career centers can assist in promoting advances and innovations in workforce preparation and economic development. A charter technical career center may provide a learning environment that better serves the needs of a specific population group or a group of occupations, thus promoting diversity and choices within the public education and public postsecondary technical education community in this state.

- (b) The state board of education may authorize the establishment of a charter technical career center for the purpose of:
- (1) Developing a competitive workforce to support local business and industry and economic development;
- (2) creating a training and education model that is reflective of marketplace realities;
  - (3) offering a continuum of career educational opportunities;
- (4) providing career pathways for lifelong learning and career mobility; and
  - (5) enhancing career and technical training.
- (b) The petition to establish a charter technical career center shall be in such format as prescribed by the state board in accordance with K.S.A. 72-1906, and amendments thereto. Such petition may be submitted to the board of education of a school district for review and approval or disapproval. Such submission and the procedure for review and approval or disapproval shall be conducted in accordance with the provisions of K.S.A. 72-1906, and amendments thereto.
- (c) As an alternative to subsection (b), a petition to establish a charter technical career center may be submitted to the state board for review and approval or disapproval. Such petition may be prepared and submitted to the state board by or on behalf of a school building or school

district employees group, an educational services contractor or any other person or entity. Such petition shall be submitted not later than December 1 of the school year preceding the school year in which the charter technical career center is proposed to be established.

- (d) The state board shall receive and review each petition submitted pursuant to subsection (c) for the establishment or continuation of a charter technical career center and may grant or renew a charter for operation of the center. In conducting its review, the state board shall determine whether the center can reasonably be expected to accomplish the program goals such center established in the petition. If the state board finds the charter technical career center is not likely to achieve its program goals, the state board shall deny the petition.
- (e) A charter technical career center shall comply with the following requirements in order to qualify for establishment or continuation:
- (1) The center shall be focused on outcomes or results and shall participate in the quality performance accreditation process unless a specific request documenting the reasons for deviation from the process is submitted to and approved by the state board;
- (2) pupils in attendance at the center shall be reasonably reflective of the racial and socio-economic composition of the school district in which the center is located as a whole;
  - (3) pupils may not be charged tuition; and
- (4) compliance with applicable health, safety and access laws shall be assured.
- (f) If, upon receipt of a petition for establishment or continuation of a charter technical career center, the state board finds the petition to be incomplete, the state board may request the necessary information from the petitioner. After receiving a satisfactory petition, the state board shall give notice of the time, date and place for the holding of a public hearing on the petition and shall rule on the petition within 30 days after the public hearing is held.
- (g) (1) If the state board does not approve the petition, the state board shall send a notification of denial to the petitioner and shall specify in writing the reasons therefor. Within 30 days from the date of the notification of denial, the petitioner may submit a request to the state board for reconsideration of the petition and may submit an amended petition therewith. The state board shall act on such request within 30 days of receipt of the request.
- (2) If the state board approves the petition, the state board shall notify the petitioner within 30 days after the approval or by February 1 of the school year preceding the school year in which the center is proposed to be established, whichever is earlier.
  - (h) If a charter technical career center that has been approved for

 establishment has sought waiver from any school district policy or state board of education rules and regulations, the state board may consider the reasons for which the waivers have been requested. If the state board determines that the reasons for seeking such waivers are meritorious and legitimately related to successful operation of the center, the state board may grant waiver of school district policy and state board rules and regulations. Upon approval or amendment and approval of the application, the center may operate under the terms and conditions of the waiver. The manner and method of exercising the rights and performing the responsibilities, duties and functions provided for under any school district policy or state board rules and regulations that are waived under authority of this subsection shall be prescribed in the charter and governed thereby.

- (i) Whenever a charter technical career center has been approved for establishment or continuation by the the state board of education, no other approval shall be required for a period of five school years. The state board may consider renewal of the operational status of the center at the conclusion of such five-year period. The state board may either renew the charter and continue operation of the center or deny the renewal of the charter and discontinue operation of the center.
- (j) Renewal of the operational status of the charter technical career center shall be approved only if the center has demonstrated progress in achieving the program goals it established in its petition. The state board shall first determine whether the center is demonstrating such progress.
  - (k) The state board shall revoke the charter of a center if a center:
  - (1) Materially violates provisions contained in the charter;
- (2) fails to make progress in achieving the program goals contained in the charter;
- (3) fails to comply with fiscal accountability procedures as specified in the charter: or
- (4) violates rules and regulations of the state board that have not been waived by the state board.
- (l) Prior to denying the renewal of or revoking a charter, the state board shall hold a hearing on the issues in controversy. Spokespersons for the center shall be provided the opportunity to present information refuting the basis upon which the denial of renewal or revocation is premised. At least 30 days notice must be provided to representatives of the cetner prior to the hearing. Within 60 days after the hearing, the state board shall announce its decision on the denial of renewal or revocation issue. The state board may abandon the proposed denial of renewal or revocation, deny renewal of or revoke the charter, or continue recognition of the charter contingent upon compliance with specified conditions. The decision of the state board to deny renewal of or revoke a charter shall be

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 in writing to the charter technical career center and shall specify the reasons for such denial of renewal or revocation. The decision is not subject to appeal. The governing body of the center may renew procedures for authority to operate a charter technical career center, or within 30 days of the decision, the may submit a request to the state board for reconsideration of its decision and may submit an amended petition therewith. The state board shall act on such request within 30 days of the request.

- (m) The state board shall provide, upon request, any school building or school district employees group, any educational services contractor, and any other person or entity with technical advice and assistance regarding the establishment and operation of a charter technical career center or the preparation of a petition requesting authorization of the state board for the establishment and operation of such a center.
- (n) As used in this section and in K.S.A. 72-1903 through 72-1911, and amendments thereto:
- (1) "Charter technical career center" or "center" means a public school or a public technical center operated under a charter granted by the state board or the board of education of a school district that is nonsectarian in its programs, admission policies, employment practices and operations, and is managed by a board of directors.
  - (2) "State board" means the state board of education.
- Sec. 27. K.S.A. 72-1903 is hereby amended to read as follows: 72-1903. (a) It is the intention of article 19 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, to provide an alternative means within the public school system for ensuring accomplishment of the necessary outcomes of education by offering opportunities for school building or school district employees groups, educational services contractors, and other persons or entities to establish and maintain charter schools that operate within a school district structure, but independently from other schools of the district.
- (b) As used in article 19 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, "charter school" means a separate and distinct school, attendance at which is voluntary, which is established to accomplish one or more of the purposes set forth in article 19 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, and shall include charter technical career centers, as defined by section 26, and amendments thereto. Each charter school shall be subject to accreditation requirements of the state board of education and must be accredited to maintain its charter. A charter school may be maintained in a separate facility or in an existing school facility if the charter school is operated separately from the other school in the shared facility. Each charter school shall offer a general curriculum appropriate to the grades

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offered at the charter school, but may include one or more special programs as part of its curriculum. A charter school also may be organized around a special emphasis, theme or concept or utilize innovative educational methods or practices, or a combination of these.

Sec. 28. K.S.A. 72-1903 is hereby repealed.
Sec. 29. This act shall take effect and be in force from and after its publication in the statute book.

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