

SESSION OF 2014

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 218**

As Amended by House Committee of the Whole

Brief*

House Sub. for SB 218 would make appropriations for both K-12 and higher education. The bill also would make a number of policy revisions, mostly for K-12 education in response to the Kansas Supreme Court decision in *Gannon v. State of Kansas*. Its provisions are described below.

Higher Education

Appropriations

The bill would delete \$2.6 million, all from the State General Fund (SGF), from the higher education budgets in FY 2014. This would be a reduction of one half the operating expenditures from the Governor's recommendation. The bill would also delete \$3.7 million, all from the State General Fund, from the higher education budgets including longevity funding for those universities that will no longer have classified employees after July 1, 2014; \$5.5 million from the tuition for technical education; and \$2,592 for the Governor's 1.5 percent salary pay increase for classified employees for FY 2015. Approximately \$2.1 million would be restored to the funding formula for community and technical colleges. Bonding authority would be added for Fort Hays State University for the construction of Weist Hall, Kansas State University chiller plant expansion, and University of Kansas earth, energy, and environment center.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Sale or Exchange of Property: Emporia State University

The bill would authorize the Kansas Board of Regents to sell, or exchange with the Emporia State University Foundation for property of equal or greater value, a tract of land with all improvements.

K-12 Education

Appropriations

The bill would appropriate an additional \$112,265,000 for Supplemental General State Aid (local option budget equalization aid) and would make a revenue transfer of \$25,200,786 to the Capital Outlay Fund from the SGF. Changes in the school finance formula, described below, result in a decrease in various weightings with associated decreases in education funding. In addition to these decreases, the bill would make additional adjustments totaling \$129.2 million from the SGF.

Policy Statement

The bill would state the purpose and intention of the Legislature is to provide a K-12 funding system that provides students with the seven “Rose” capacities. [*Staff Note: These capacities, originally set out in Rose v. Council for Better Education, Inc., 790 S.W.2d 186 (Ky. 1989), were held by the Kansas Supreme Court in Gannon v. State of Kansas to be the standards against which to evaluate the adequacy of the K-12 funding system.*] The funding system would have to be sufficiently flexible for the Legislature to consider and use financing methods from all available resources, such as the following:

- Federal funding to school districts or schools;

- State moneys appropriated for the improvement of public education. The bill includes a list of examples of such state funding sources;
- Any provision authorizing local tax levies for school funding purposes; or
- Any transfer of funds or appropriations from one object or fund to another approved for the purpose of funding public schools.

K-12 Student Performance and Efficiency Commission

The bill would establish the K-12 Student Performance and Efficiency Commission, charged with studying and making recommendations to the Legislature regarding opportunities to make more efficient use of taxpayer money and, in particular, study the following areas:

- Opportunities for school districts to be operated in a cost-effective manner;
- Variances in per-pupil and administrative expenditures among districts with comparable enrollment, demographics, and statewide assessment outcomes;
- Opportunities for implementing recommendations made by any efficiency task forces established by the Governor prior to July 1, 2014;
- Administrative functions that may be shared between school districts; and
- Expenditures not directly or sufficiently related to the goal of providing every child with the *Rose* capacities.

The bill would set forth the composition of the Commission, which would have nine voting and five

nonvoting, *ex officio* members. Procedural, staffing, reimbursement, and vacancy provisions are included in the bill. The Commission's authority would expire on January 12, 2015.

The Commission would be required to submit a report to the Legislature before January 9, 2015, with any findings and recommendations including those for any legislation. The bill further would require that identical bills be introduced in the two chambers during the 2015 Legislative Session.

Alternative Teacher Licensure

The bill would require a specific group of prospective teachers be exempted from the requirement to complete a teacher preparation program prior to licensure if the licensure applicant satisfies one of the following conditions:

- The applicant holds a valid teaching license from another jurisdiction and has obtained the required scores on the test series required by the State Board of Education (Board) for licensure.
- The applicant has obtained an industry-recognized technical profession certificate, has at least five years of work experience in that profession, and has secured a commitment to be hired to teach a related course from a local school district board.
- The applicant has obtained at least a bachelor's degree in science, technology, engineering, mathematics, finance or accounting; has at least five years of work experience in the subject matter area; and has secured a commitment to be hired to teach a related course from a local school district board.

Such licensure applicant would be authorized to teach only in the subject(s) specified on the face of the license.

Notice Regarding Protections under the Kansas Tort Claims Act

The bill would require each school district to provide a written notice to each employed teacher of protections afforded under the Kansas Tort Claims Act. The bill would specify the information that must be included in the notice.

Codification of Rose Capacities

The bill would revise KSA 72-1127 to eliminate a set of goals similar, but not identical, to the *Rose* capacities, and replace these goals with the exact language of the *Rose* capacities. The revised language would state the Board must design subjects and areas of instruction to achieve the goal established by the Legislature of providing every child with at least the following capacities:

- Sufficient oral and written communication skills to enable students to function in a complex and rapidly changing civilization;
- Sufficient knowledge of economic, social, and political systems to enable the student to make informed choices;
- Sufficient understanding of governmental processes to enable the student to understand the issues that affect his or her community, state, and nation;
- Sufficient self-knowledge and knowledge of his or her mental and physical wellness;
- Sufficient grounding in the arts to enable each student to appreciate his or her cultural and historical heritage;
- Sufficient training or preparation for advanced training in either academic or vocational fields so

as to enable each child to choose and pursue life work intelligently; and

- Sufficient levels of academic or vocational skills to enable public school students to compete favorably with their counterparts in surrounding states, in academics or in the job market.

Public Innovative District Ceiling Increase

The bill would increase the maximum percentage of Kansas school districts that may operate as Public Innovative Districts from 10 percent to 20 percent. The additional 10 percent of school districts would be authorized to operate as Public Innovative Districts if the school district operates a school within its district that is deemed to be either a Title I Focus School or a Title I Priority School, deemed so *via* the Elementary and Secondary Education Act Flexibility Waiver for Kansas. Any such request for approval must be reviewed by the Coalition Board.

Change in Statutory Base State Aid Per Pupil (BSAPP) and Formula Definitions

The bill would revise the calculation of funding for at-risk education, contained in the School District Finance Quality and Performance Act, by changing the definition used to count at-risk pupils for weighting purposes. The definition would not include any pupil enrolled less than full time in any of grades 1 through 12, nor would it include any pupil over 19 years of age, unless such pupil has an individualized education program.

The bill would change the statutory BSAPP from \$4,492 to an amount appropriated by the Legislature in a fiscal year for a designated school year. The amount must be at least \$3,838.

The bill would rename “local effort” as “school financing sources,” and it would name the tax levied pursuant to KSA 72-6431 (the 20-mill levy) the “state public school financing levy.”

Phase-Out of the School Facilities Weighting

The bill would limit use of the school facilities weighting to only those districts that have adopted a local option budget (LOB) of at least 25 percent of the amount of state financial aid and the contractual bond obligations incurred by the district was approved by voters on or before July 1, 2014.

Elimination of the Nonproficient Pupil Weighting

The bill would eliminate the weighting for pupils not eligible for the federal free lunch program but who scored below proficiency or failed to meet the standards established by the state board on either the mathematics or reading state assessments in the preceding school year.

LOB Authority Expansion; Election Requirement

The bill would do the following:

- Increase the maximum LOB authorization from 31 percent to 33 percent of state financial aid;
- With the exception noted below, require a vote for any LOB authorization in excess of 10 percent;
- Revise the election requirement for LOB authority in excess of 30 percent of state financial aid to require a mail ballot election; and
- For school year 2014-15, allow a school district that has adopted an LOB in excess of 30 percent of state financial aid on or before June 30, 2014, to adopt a resolution to increase the LOB by another

2 percent up to 33 percent of state financial aid.
This resolution would expire on June 30, 2015.

Requirement to Study Virtual Schools and Programs

The bill would require the Legislative Division of Post Audit to conduct a performance audit of virtual schools and programs as well as their funding.

Renewal of Capital Outlay Authority

The bill would provide a school district with the authority to renew its capital outlay tax levy prior to the expiration of its existing capital outlay levy.

Kansas Uniform Financial Accounting and Reporting Act Changes

The bill would amend the definition of “budget summary” to be a one-page summary. Additionally, the bill would require publications of the financial accounting information collected under current law to be made available to the public at every board of education meeting at which the district’s budget or other school finance matters are discussed.

The bill would include a severability clause.

Except as otherwise noted, the bill would be in effect upon publication in the *Kansas Register*.

Background

SB 218 originally dealt with reauthorizing the Judicial Branch surcharge. The House Appropriations Committee deleted those contents and replaced them with the current education-related provisions and appropriations.

The bill had a hearing with several opponents of the revisions to the virtual student weighting appearing in person or providing written testimony. Those opponents included representatives of Basehor/Linwood, Elkhart, Maize, Goddard, Louisburg, Independence, and Springhill School Districts; Clayton Christensen Institute; Insight School of Kansas; Kansas Connection Academy; Kansas Virtual Schools; K-12 On-line Learning; Goddard; and United School Administrators. Several parents of students in virtual schools presented opponent testimony. A representative of the Kansas National Education Association also appeared as an opponent. Those presenting neutral testimony were representatives of Kansans for Liberty, Kansas Association of School Boards, Kansas Coalition for School Readiness, Kansas Policy Institute, and the Wichita School District and a private citizen.

The House Committee of the Whole made a technical amendment that increased the appropriation for supplemental general state aid by \$3,200,000. This is a technical change to reflect the Committee's intent.

No fiscal note was provided by the Division of the Budget.