

HOUSE BILL No. 2741

By Committee on Appropriations

3-23

1 AN ACT concerning education; relating to the financing and instruction
2 thereof; creating the school district finance and student success act;
3 amending K.S.A. 46-1701, 72-8208a and 75-6510 and K.S.A. 2015
4 Supp. 10-1116a, 12-1770a, 12-1775a, 60-2102, 72-978, 72-1046b, 72-
5 1398, 72-1414, 72-1923, 72-5333b, 72-5413, 72-64b01, 72-64b03, 72-
6 64c03, 72-64c05, 72-6624, 72-6625, 72-6757, 72-6760, 72-67,115, 72-
7 8187, 72-8230, 72-8233, 72-8236, 72-8251, 72-8254, 72-8316, 72-
8 8415b, 72-8804, 72-8908, 72-99a02, 74-4939a, 74-8925, 74-99b43, 75-
9 2319, 75-6506, 75-6508, 75-6509, 79-201x, 79-213, 79-2001 and 79-
10 2925b and repealing the existing sections; also repealing K.S.A. 2015
11 Supp. 72-3715.

12

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

14 New Section 1. (a) The provisions of sections 1 through 23, and
15 amendments thereto, shall be known and may be cited as the school
16 district finance and student success act.

17 (b) The provisions of this section shall take effect and be in force
18 from and after July 1, 2017.

19 New Sec. 2. (a) The legislature hereby declares that it is the purpose
20 and intent of this act to provide for the financing of instruction through the
21 public education system for grades kindergarten through 12 in this state.
22 Such provisions are reasonably calculated to provide for all students
23 enrolled in a school district to meet or exceed the educational goal
24 established by the legislature in K.S.A. 2015 Supp. 72-1127(c), and
25 amendments thereto.

26 (b) For purposes of this act, the term "instruction" means those school
27 district functions that directly impact the provision of education services.
28 The term "instruction" does not include the following school district
29 functions: Central office administration; capital improvement
30 construction, reconstruction or remodeling; facility maintenance and
31 repair; food service procurement and preparation; or the provision of
32 extracurricular activities, as defined in section 19, and amendments
33 thereto.

34 (c) The provisions of this section shall take effect and be in force
35 from and after July 1, 2017.

36 New Sec. 3. (a) As used in sections 1 through 23, and amendments

1 thereto:

2 (1) "Act" means the school district finance and student success act,
3 section 1 et seq., and amendments thereto.

4 (2) (A) "At-risk students" means students who are eligible for free
5 meals under the national school lunch act and who are enrolled in a district
6 which maintains an approved at-risk student assistance plan.

7 (B) The term "at-risk students" shall not include any student: (i)
8 Enrolled in any of the grades one through 12 who is in attendance less than
9 full time; or (ii) who is over 19 years of age. The provisions of this
10 subparagraph shall not apply to any student who has an individualized
11 education program.

12 (3) "Board" means the board of education of a school district.

13 (4) "Current school year" means the school year during which general
14 state aid is determined by the state board under section 4, and amendments
15 thereto.

16 (5) "Enrollment" means: (A) The average daily regular full-time
17 equivalent enrollment of students in the school district from September 20
18 to March 20 during the preceding school year; or

19 (B) if enrollment in a school district in any school year has decreased
20 from enrollment in the immediately preceding school year, enrollment of
21 the school district in the current school year means whichever is the
22 greater of:

23 (i) Enrollment in the second preceding school year minus enrollment
24 in such school year of preschool-aged at-risk students, if any such students
25 were enrolled, plus enrollment in the immediately preceding school year of
26 preschool-aged at-risk students, if any such students are enrolled; or

27 (ii) the sum of enrollment in the immediately preceding school year
28 of preschool-aged at-risk students, if any such students are enrolled and
29 the average of the sum of:

30 (a) Enrollment of the school district in the immediately preceding
31 school year minus enrollment in such school year of preschool-aged at-risk
32 students, if any such students are enrolled;

33 (b) enrollment in the second preceding school year minus enrollment
34 in such school year of preschool-aged at-risk students, if any such students
35 were enrolled; and

36 (c) enrollment in the third preceding school year minus enrollment in
37 such school year of preschool-aged at-risk students, if any such students
38 were enrolled.

39 (6) "March 20" has its usual meaning, except that in any year in
40 which March 20 is not a day on which school is maintained, it shall mean
41 the first day after March 20 on which school is maintained.

42 (7) "Preceding school year" means the school year immediately
43 before the current school year.

1 (8) "Preschool-aged at-risk student" means an at-risk student who has
2 attained the age of four years, is under the age of eligibility for attendance
3 at kindergarten, and has been selected by the state board in accordance
4 with guidelines consonant with guidelines governing the selection of
5 students for participation in head start programs.

6 (9) "Preschool-aged exceptional children" means exceptional
7 children, except gifted children, who have attained the age of three years
8 but are under the age of eligibility for attendance at kindergarten.

9 (10) "Student" means any person who is regularly enrolled in a
10 school district and attending kindergarten or any of the grades one through
11 12 maintained by the school district, or who is regularly enrolled in a
12 school district and attending kindergarten or any of the grades one through
13 12 in another school district in accordance with an agreement entered into
14 under authority of K.S.A. 72-8233, and amendments thereto, or who is
15 regularly enrolled in a school district and attending special education
16 services provided for preschool-aged exceptional children by the school
17 district.

18 (11) "School district" means a unified school district organized and
19 operated under the laws of this state.

20 (12) "School year" means the 12-month period ending June 30.

21 (13) "September 20" has its usual meaning, except that in any year in
22 which September 20 is not a day on which school is maintained, it shall
23 mean the first day after September 20 on which school is maintained.

24 (14) "State board" means the state board of education.

25 (b) The provisions of this section shall take effect and be in force
26 from and after July 1, 2017.

27 New Sec. 4. (a) For school year 2017-2018, and each school year
28 thereafter, the state board shall determine the general state aid each school
29 district is to receive in such school year in an amount equal to:

30 (1) The amount of enrollment state aid such school district is to
31 receive pursuant to section 5, and amendments thereto, plus;

32 (2) the amount of transportation state aid such school district is to
33 receive pursuant to section 6, and amendments thereto, plus;

34 (3) the amount of low income state aid such school district is to
35 receive pursuant to section 7, and amendments thereto, plus;

36 (4) the amount of bilingual state aid such school district is to receive
37 pursuant to section 8, and amendments thereto, plus;

38 (5) the amount certified by the board of trustees of the Kansas public
39 employees retirement system which is equal to the participating employer's
40 obligation of such school district to the system, plus;

41 (6) an amount determined under section 9, and amendments thereto,
42 if any.

43 (b) The provisions of this section shall be subject to the provisions of

1 section 38, and amendments thereto.

2 (c) The provisions of this section shall take effect and be in force
3 from and after July 1, 2017.

4 New Sec. 5. (a) For school year 2017-2018, and each school year
5 thereafter, the state board shall determine the enrollment state aid each
6 school district is to receive in such school year in accordance with the
7 provisions of this section.

8 (b) Subject to the provisions of subsection (d), the enrollment state
9 aid shall be determined by multiplying the enrollment of the school district
10 by the enrollment state aid per student amount that corresponds to the
11 enrollment of the school district as follows:

12 (1) For school districts with fewer than 400 students, the enrollment
13 state aid per student is \$8,490;

14 (2) for school districts with at least 400 students but fewer than 1,000
15 students, the enrollment state aid per student is \$7,269;

16 (3) for school districts with at least 1,000 students but fewer than
17 2,000 students, the enrollment state aid per student is \$6,137; and

18 (4) for school districts with 2,000 students or more, the enrollment
19 state aid per student is \$5,763.

20 (c) The amounts of enrollment state aid per student are based on the
21 following components as determined for a typical school district where
22 more than 70% of the students enrolled in such school district who are not
23 low income students have met achievement levels 2, 3 or 4 for college and
24 career readiness on the statewide assessments in math and reading for
25 school year 2014-2015:

26 (1) Expenditures per student for instruction, including certain
27 expenses categorized under function 1000, instruction;

28 (2) expenditures per student for student support, including certain
29 expenses categorized under function 2100, student support;

30 (3) expenditures per student for instructional staff support, including
31 certain expenses categorized under function 2200, instructional staff
32 support;

33 (4) expenditures per student for administrative expenses, including
34 certain expenses categorized under functions 2300 through 2500,
35 administration; and

36 (5) median expenditures per district for expenses related to operation
37 and maintenance of facilities, including certain expenses categorized under
38 function 2600, operation and maintenance.

39 (d) Commencing in school year 2018-2019, and each school year
40 thereafter, each amount of enrollment state aid per student established
41 under subsection (b) shall increase by an amount equal to the percentage
42 increase in the consumer price index for all urban consumers in the
43 midwest region as published by the bureau of labor statistics of the United

1 States department of labor during the immediately preceding school year.

2 (e) All function categories described in this section shall refer to
3 those same categories as established and required for financial accounting
4 purposes by the state board as published in the Kansas state department of
5 education's Kansas accounting handbook for unified school districts, as
6 published in September 2015.

7 (f) The provisions of this section shall take effect and be in force
8 from and after July 1, 2017.

9 New Sec. 6. (a) For school year 2017-2018, and each school year
10 thereafter, the state board shall determine the transportation state aid each
11 school district is to receive in such school year in accordance with the
12 provisions of this section.

13 (b) The transportation state aid shall be determined as follows:

14 (1) Determine the total expenditures of the school district during the
15 immediately preceding school year from all funds for transporting students
16 of public and nonpublic schools on regular school routes;

17 (2) determine the sum of: (A) The number of students who were
18 included in the enrollment of the school district in the immediately
19 preceding school year who resided less than 2.5 miles by the usually
20 traveled road from the school building such students attended and for
21 whom transportation was made available by the school district; and (B) the
22 number of nonresident students who were included in the enrollment of the
23 school district for the immediately preceding school year and for whom
24 transportation was made available by the school district;

25 (3) determine the number of students who were included in the
26 enrollment of the school district in the immediately preceding school year
27 who resided 2.5 miles or more by the usually traveled road from the school
28 building such students attended and for whom transportation was made
29 available by the school district;

30 (4) multiply the number of students determined under subsection (b)
31 (3) by two;

32 (5) divide the amount determined under subsection (b)(2) by the
33 product obtained under subsection (b)(4);

34 (6) add one to the quotient obtained under subsection (b)(5);

35 (7) multiply the sum obtained under subsection (b)(6) by the amount
36 determined under subsection (b)(3);

37 (8) divide the amount determined under subsection (b)(1) by the
38 product obtained under subsection (b)(7). The resulting quotient is the per
39 student cost of transportation;

40 (9) on a density-cost graph plot the per student cost of transportation
41 for each school district;

42 (10) construct a curve of best fit for the points so plotted;

43 (11) locate the index of density for the school district on the base line

1 of the density-cost graph and from the point on the curve of best fit
2 directly above this point of index of density follow a line parallel to the
3 base line to the point of intersection with the vertical line, which point is
4 the formula per student cost of transportation of the school district;

5 (12) divide the formula per student cost of transportation of the
6 school district by \$3,852;

7 (13) multiply the quotient obtained under subsection (b)(12) by the
8 number of students who are included in the enrollment of the school
9 district, residing 2.5 miles or more by the usually traveled road to the
10 school building attended by such students, and for whom transportation is
11 being made available by, and at the expense of, the school district. The
12 product is the transportation state aid factor of the school district;

13 (14) multiply the transportation state aid factor of the school district
14 by the enrollment of the school district; and

15 (15) multiply the product obtained by subsection (b)(14) by \$3,852.
16 The resulting product is the transportation state aid for the school district.

17 (b) For the purpose of providing accurate and reliable data on student
18 transportation, the state board is authorized to adopt rules and regulations
19 prescribing procedures for reporting pertinent information relative thereto,
20 including uniform reporting of expenditures for transportation.

21 (c) As used in this section:

22 (1) "Curve of best fit" means the curve on a density-cost graph drawn
23 so the sum of the distances squared from such line to each of the points
24 plotted on the graph is the least possible.

25 (2) "Density-cost graph" means a drawing having: (1) A horizontal or
26 base line divided into equal intervals of density, beginning with zero on the
27 left; and (2) a scale for per student cost of transportation to be shown on a
28 line perpendicular to the base line at the left end thereof, such scale to
29 begin with zero dollars at the base line ascending by equal per-student cost
30 intervals.

31 (3) "Index of density" means the number of students who are
32 included in the enrollment of a school district in the current school year,
33 are residing 2.5 miles or more by the usually traveled road from the school
34 building attended by such students, and for whom transportation is being
35 made available on regular school routes by the school district, divided by
36 the number of square miles of territory in the school district.

37 (d) The provisions of this section shall take effect and be in force
38 from and after July 1, 2017.

39 New Sec. 7. (a) For school year 2017-2018, and each school year
40 thereafter, the state board shall determine the low income state aid each
41 school district is to receive in such school year in accordance with the
42 provisions of this section.

43 (b) The low income state aid shall be determined as follows:

1 (1) Determine the poverty rate of individuals age 5 through 17 for the
2 school district for the immediately preceding calendar year as published by
3 the United States census bureau;

4 (2) multiply the amount determined under subsection (b)(1) by the
5 enrollment of the school district; and

6 (3) multiply the product obtained under subsection (b)(2) by \$3,099.
7 The resulting product is the low income state aid for the school district.

8 (c) The provisions of this section shall take effect and be in force
9 from and after July 1, 2017.

10 New Sec. 8. (a) For school year 2017-2018, and each school year
11 thereafter, the state board shall determine the bilingual state aid each
12 school district is to receive in such school year in accordance with the
13 provisions of this section.

14 (b) The bilingual state aid shall be determined as follows:

15 (1) Determine the number of students enrolled in the school district
16 who are receiving services under a program of bilingual education; and

17 (2) multiply the number determined under subsection (b)(1) by \$425.
18 The resulting product is the bilingual state aid for the school district.

19 (c) The provisions of this section shall take effect and be in force
20 from and after July 1, 2017.

21 New Sec. 9. (a) For school years 2017-2018 and 2018-2019, the state
22 board shall determine whether each school district is to receive additional
23 state aid in such school year in accordance with the provisions of this
24 section.

25 (b) The state board shall determine each school district's eligibility
26 for additional state aid as follows:

27 (1) Determine the aggregate state aid such school district received for
28 school year 2014-2015, which amount shall be calculated by adding
29 together all moneys received by the school district from the state treasury,
30 excluding any moneys which were provided pursuant to federal law and
31 for which the state acted solely as a pass-through entity;

32 (2) add to the amount determined under subsection (b)(1) the
33 proceeds of any tax levied by such school district in school year 2014-
34 2015 which were deposited directly into a fund of the school district and
35 which were not levied for the purpose of satisfying any general bond
36 obligations of such school district;

37 (3) deduct from the sum determined under subsection (b)(2) the
38 aggregate state aid such school district is to receive for the current school
39 year, which amount shall be calculated by adding together all moneys
40 received by the school district from the state treasury, excluding any
41 moneys which were provided pursuant to federal law and for which the
42 state acted solely as a pass-through entity and also excluding any
43 additional state aid determined pursuant to this section;

1 (4) deduct from the sum determined under subsection (b)(2) the
2 amount of savings obtained by such school district that is directly
3 attributable to the implementation of a statewide school district employee
4 health plan under section 27, and amendments thereto, as determined by
5 the division of the budget, which amount shall be certified by the director
6 of the budget to the state board;

7 (5) deduct from the sum determined under subsection (b)(2) the
8 amount of savings obtained by such school district that is directly
9 attributable to the implementation of efficiencies in food service
10 operations and extracurricular activities as determined by the division of
11 the budget, which amount shall be certified by the director of the budget to
12 the state board; and

13 (6) deduct from the sum determined under subsection (b)(2) an
14 amount equal to $\frac{1}{3}$ of the unencumbered cash balance reconciliation
15 amount. If the resulting amount is a positive number, then the school
16 district shall be eligible to receive additional state aid in an amount equal
17 to such resulting amount.

18 (c) For each school district, the state board shall determine that
19 portion of the aggregate amount of unencumbered cash balances held by
20 such school district on July 1, 2014, that is in excess of 15% of the general
21 operating expenditures for such school district for school year 2014-2015,
22 and such amount shall be the unencumbered cash balance reconciliation
23 amount for such school district.

24 (d) For purposes of this section:

25 (1) "General operating expenditures" means all expenditures by the
26 school district categorized under function 1000, 2100, 2200, 2300, 2400,
27 2500, 2600, 2700, 2900, 3100 or 3300 as those functions are established
28 and required for financial accounting purposes by the state board as
29 published in the Kansas state department of education's Kansas accounting
30 handbook for unified school districts, as published in September 2015.

31 (2) "Unencumbered cash balance" means the aggregate of all cash
32 balances held in any fund of the school district, except cash balances held
33 in any bond and interest fund, gift or grant fund, capital outlay fund and
34 any cash balances which are directly attributable to receipt of federal
35 moneys.

36 (e) The provisions of this section shall take effect and be in force
37 from and after July 1, 2017.

38 New Sec. 10. (a) The state school district finance fund, established by
39 K.S.A. 1991 Supp. 72-7081, prior to its repeal, is hereby continued in
40 existence and shall consist of: (1) All moneys credited to such fund under
41 K.S.A. 2015 Supp. 72-6463 through 72-6481, prior to their expiration; and
42 (2) all amounts transferred to such fund under this act.

43 (b) The state school district finance fund shall be used for the purpose

1 of school district finance and for no other governmental purpose. It is the
2 intent of the legislature that the fund shall remain intact and inviolate for
3 such purpose, and moneys in the fund shall not be subject to the provisions
4 of K.S.A. 75-3722, 75-3725a and 75-3726a, and amendments thereto.

5 (c) Amounts in the state school district finance fund shall be allocated
6 and distributed to school districts as a portion of general state aid provided
7 for under this act.

8 (d) The provisions of this section shall take effect and be in force
9 from and after July 1, 2017.

10 New Sec. 11. (a) The distribution of general state aid determined
11 pursuant to section 4, and amendments thereto, shall be made in
12 accordance with appropriation acts each year as provided in this section.

13 (b) (1) In the months of July through May of each school year, the
14 state board shall determine the amount of general state aid which will be
15 required by each school district to maintain operations in each such month.
16 In making such determination, the state board shall take into consideration
17 the school district's access to other school financing sources and the
18 obligations of the general fund which must be satisfied during the month.
19 The amount determined by the state board under this provision is the
20 amount of general state aid which will be distributed to the school district
21 in the months of July through May;

22 (2) in the month of June of each school year, subject to the provisions
23 of subsection (d), payment shall be made of the full amount of the general
24 state aid determined for the school year, less the sum of the monthly
25 payments made in the months of July through May.

26 (c) The state board shall prescribe the dates upon which the
27 distribution of payments of general state aid to school districts shall be
28 due. Payments of general state aid shall be distributed to school districts
29 once each month on the dates prescribed by the state board. The state
30 board shall certify to the director of accounts and reports the amount due
31 as general state aid to each school district in each of the months of July
32 through June. Such certification, and the amount of general state aid
33 payable from the state general fund, shall be approved by the director of
34 the budget. The director of accounts and reports shall draw warrants on the
35 state treasurer payable to the school district treasurer of each school
36 district entitled to payment of general state aid, pursuant to vouchers
37 approved by the state board. Upon receipt of such warrant, each school
38 district treasurer shall deposit the amount of general state aid in the general
39 fund.

40 (d) If any amount of general state aid that is due to be paid during the
41 month of June of a school year pursuant to the other provisions of this
42 section is not paid on or before June 30 of such school year, then such
43 payment shall be paid on or after the ensuing July 1, as soon as moneys are

1 available therefor. Any payment of general state aid that is due to be paid
2 during the month of June of a school year and that is paid to school
3 districts on or after the ensuing July 1 shall be recorded and accounted for
4 by school districts as a receipt for the school year ending on the preceding
5 June 30.

6 (e) The provisions of this section shall take effect and be in force
7 from and after July 1, 2017.

8 New Sec. 12. (a) In the event any school district is paid more than it
9 is entitled to receive under any distribution made under the provisions of
10 this act, the state board shall notify the school district of the amount of
11 such overpayment, and such school district shall remit the same to the state
12 board. The state board shall remit any moneys so received to the state
13 treasurer in accordance with the provisions of K.S.A. 75-4215, and
14 amendments thereto. Upon receipt of each such remittance, the state
15 treasurer shall deposit the entire amount in the state treasury to the credit
16 of the state school district finance fund. If any school district fails so to
17 remit, the state board shall deduct the excess amounts so paid from future
18 payments becoming due to the school district. In the event any school
19 district is paid less than the amount to which it is entitled under any
20 distribution made under the provisions of this act, the state board shall pay
21 the additional amount due at any time within the school year in which the
22 underpayment was made or within 60 days after the end of such school
23 year.

24 (b) The provisions of this section shall take effect and be in force
25 from and after July 1, 2017.

26 New Sec. 13. (a) On or before August 25 of each school year, the
27 clerk or superintendent of each school district shall certify to the state
28 board a copy of the budget adopted by the school district for the current
29 school year.

30 (b) On September 20 and March 20 of each school year, the clerk or
31 superintendent of each school district shall certify under oath to the state
32 board a report showing the total enrollment of the school district by grades
33 maintained in the schools of the school district and such other reports as
34 the state board may require. Upon receipt of such report, the state board
35 shall examine the report, and if the state board finds any errors in any such
36 report, the state board shall consult with the school district officer
37 furnishing the report and make such corrections in the report as are
38 necessary.

39 (c) The provisions of this section shall take effect and be in force
40 from and after July 1, 2017.

41 New Sec. 14. (a) For school year 2018-2019, and each school year
42 thereafter, subject to appropriations acts relating thereto, the state board
43 shall disburse school district success grants to each school district that is

1 eligible for such grant moneys in an amount determined pursuant to this
2 section.

3 (b) The state board shall determine whether a school district is
4 eligible for success grants by utilizing a success metric system based on
5 the following factors:

6 (1) The number of students who graduated from the school district in
7 the immediately preceding school year, including those students who
8 graduated either prior to or subsequent to their intended original
9 graduation date, divided by the number of students in the 9th grade cohort
10 of such students;

11 (2) the number students who received a nationally recognized
12 certificate in the immediately preceding school year divided by the number
13 of students who graduated from such school district in the second
14 preceding school year;

15 (3) the number of students who graduated from the school district in
16 the second preceding school year and who enrolled in a third consecutive
17 semester at a postsecondary educational institution or private or out-of-
18 state postsecondary educational institution divided by the number of
19 students who graduated from such school district in the second preceding
20 school year; and

21 (4) the number of students who graduated from the school district in
22 the second preceding school year and who were required to enroll in a
23 remedial course after graduation divided by the number of students who
24 graduated from such school district in the second preceding school year.

25 (c) Upon determination that a school district is eligible for success
26 grant moneys, the state board shall award success grant moneys to such
27 school district. Success grant amounts shall be awarded based on an
28 eligible school district's maintenance of or improvement in the factors
29 described in subsection (b) as measured by the success metric system
30 developed by the state board. Upon receipt of any success grant moneys,
31 the board of education of the recipient school district shall disburse such
32 grant moneys to employees in the following classifications equally on a
33 per employee basis: Principal; assistant principal; vocational education
34 teacher; pre-kindergarten teacher; kindergarten teacher; reading teacher;
35 other teacher; library specialist; school counselor; and school psychologist.
36 The school district classifications identified in this subsection refer to
37 those classifications established by the state board for the superintendent's
38 organization report required for school year 2014-2015.

39 (d) There is hereby established in the state treasury the school district
40 success grant fund which shall be administered by the department of
41 education. All expenditures from the school district success grant fund
42 shall be used for the disbursement of success grant moneys to eligible
43 school districts as determined by the state board of education pursuant to

1 this section. All expenditures from the school district success grant fund
2 shall be made in accordance with appropriation acts upon warrants of the
3 director of accounts and reports issued pursuant to vouchers approved by
4 the state board of education, or the designee of the state board of
5 education.

6 (e) For purposes of this section:

7 (1) "Postsecondary educational institution" shall have the same
8 meaning as that term is defined in K.S.A. 74-3201b, and amendments
9 thereto.

10 (2) The terms "private postsecondary educational institution" and
11 "out-of-state postsecondary educational institution" shall have the same
12 meanings as those terms are defined in K.S.A. 74-32,163, and amendments
13 thereto.

14 (3) "Remedial course" means any credit hour course offered by a
15 postsecondary educational institution or private or out-of-state
16 postsecondary educational institution in the area of mathematics or
17 language arts, which is determined by such institution to be remedial.

18 (f) The provisions of this section shall take effect and be in force
19 from and after July 1, 2017.

20 New Sec. 15. (a) The board of education of each school district shall
21 levy an ad valorem tax upon the taxable tangible property of the school
22 district at a rate of 35 mills in school year 2017-2018 and school year
23 2018-2019 for the purpose of:

24 (1) Paying a portion of the costs of operating and maintaining public
25 schools in partial fulfillment of the constitutional obligation of the
26 legislature to finance the educational interests of the state; and

27 (2) with respect to any redevelopment district established prior to July
28 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a
29 portion of the principal and interest on bonds issued by cities under
30 authority of K.S.A. 12-1774, and amendments thereto, for the financing of
31 redevelopment projects upon property located within the district.

32 (b) Except for that portion of the proceeds used for the purpose
33 specified in subsection (a)(2), the proceeds from the tax levied by a school
34 district under authority of this section shall be remitted to the state
35 treasurer in accordance with the provisions of K.S.A. 75-4215, and
36 amendments thereto. Upon receipt of each such remittance, the state
37 treasurer shall deposit the entire amount in the state treasury and shall
38 credit the same to the state school district finance fund.

39 (c) All moneys remitted to the state treasurer pursuant to subsection
40 (b) shall be used for paying a portion of the costs of operating and
41 maintaining public schools in partial fulfillment of the constitutional
42 obligation of the legislature to finance the educational interests of the state.

43 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a

1 or 79-1964b, and amendments thereto.

2 (e) The provisions of this section shall take effect and be in force
3 from and after July 1, 2017.

4 New Sec. 16. (a) The board of education of any school district may
5 levy an ad valorem tax upon the taxable tangible property of the school
6 district for a period of not more than five years for the purposes specified
7 in this section and with respect to any redevelopment district established
8 prior to July 1, 2016, pursuant to K.S.A. 12-1771, and amendments
9 thereto, for the purpose of paying a portion of the principal and interest on
10 bonds issued by cities under the authority of K.S.A. 12-1774, and
11 amendments thereto, for the financing of redevelopment projects upon
12 property located within the school district.

13 (b) No levy shall be made under this section until a resolution is
14 adopted by the board of education in the following form and such
15 resolution is approved by a majority of the electors of the school district in
16 accordance with this section:

17 Unified School District No. _____,
18 _____ County, Kansas.

19 RESOLUTION

20 Be It Resolved that:

21 The above-named school board shall be authorized to make an annual
22 tax levy for a period not to exceed _____ years in an amount not to exceed
23 _____ mills upon the taxable tangible property in the school district for
24 the purpose of _____, and with respect to
25 any redevelopment district established prior to July 1, 2016, pursuant to
26 K.S.A. 12-1771, and amendments thereto, for the purpose of paying a
27 portion of the principal and interest on bonds issued by cities under the
28 authority of K.S.A. 12-1774, and amendments thereto, for the financing of
29 redevelopment projects upon property located within the school district.
30 The tax levy authorized by this resolution shall be made only upon the
31 approval by a majority of the electors in the school district at an election
32 where the question of whether the tax levy shall be authorized is submitted
33 to the electors in the school district. Such election may be called for that
34 purpose or held at the next general election, as is specified by the board of
35 education of the above school district.

36 CERTIFICATE

37 This is to certify that the above resolution was duly adopted by the
38 board of education of Unified School District No. _____,
39 _____ County, Kansas, on the ____ day of _____, ____

40 _____
41 Clerk of the board of education.

42 All of the blanks in the above resolution shall be appropriately filled.
43 The blank preceding the word "years" shall be filled with a specific

1 number, and the blank preceding the word "mills" shall be filled with a
2 specific number, and no word shall be inserted in either of the blanks. The
3 board of education shall notify the county election officer of the date of an
4 election to be held to submit the question of whether the tax levy shall be
5 authorized. If the board of education fails to notify the county election
6 officer within 60 calendar days after the resolution is adopted, the
7 resolution shall be deemed abandoned and no like resolution shall be
8 adopted by the board of education within the nine months following
9 adoption of the resolution.

10 (c) No resolution may be adopted, and no tax may be levied pursuant
11 to this section, unless the board of education specifies how the proceeds of
12 the tax to be levied will be expended by the school district. In specifying
13 the expenditure of the proceeds of any tax levied under the authority of
14 this section, the board of education shall describe the project to be
15 completed, items to be purchased, services to be obtained and any other
16 purposes for which such proceeds are to be expended with similar
17 specificity. Except as provided in subsection (d), no proceeds of any tax
18 levied under the authority of this section shall be expended to pay the
19 costs, either directly or indirectly, for providing instruction, as defined in
20 section 3, and amendments thereto.

21 (d) The tax levied under the authority of this section may be levied
22 for the purpose of financing that portion of the school district's general
23 fund budget which is to be expended for curriculum. If the board of
24 education of any school district levies a tax for such purposes, such school
25 district shall offer the course or courses of study for which the tax is being
26 levied to every other school district in the state through an electronic
27 network or site accessible via the internet, mobile application, computer,
28 mobile device, tablet or other electronic device. The school district
29 offering such course or courses of study shall be responsible for the cost of
30 providing such course or courses to any school district that accepts the
31 offer to receive such course or courses.

32 (e) The proceeds from the tax levied by a school district under
33 authority of this section shall be deposited in the general fund of the school
34 district.

35 (f) No school district shall proceed under K.S.A. 79-1964, 79-1964a
36 or 79-1964b, and amendments thereto.

37 (g) The provisions of this section shall take effect and be in force
38 from and after July 1, 2017.

39 New Sec. 17. (a) Any fund established in a school district pursuant to
40 K.S.A. 72-6409, 72-6420 through 72-6424 or K.S.A. 2014 Supp. 72-6414a
41 or 72-6414b, and amendments thereto, prior to their repeal, shall continue
42 in existence in such school district, subject to the provisions of this act.

43 (b) The provisions of this section shall take effect and be in force

1 from and after July 1, 2017.

2 New Sec. 18. (a) Except for the bond and interest fund, the board of
3 education of any school district may transfer moneys from the general
4 fund to any other fund of the school district in any school year. Except for
5 the bond and interest fund, special education fund and special retirement
6 contributions fund, the board of education of any school district may
7 transfer moneys from any fund of the school district to the general fund of
8 the school district.

9 (b) The board of education of any school district may transfer moneys
10 from any other fund to the special education fund or special retirement
11 contributions fund of the school district, but no transfers shall be
12 authorized from the bond and interest fund, special education fund or
13 special retirement contributions fund. Moneys in the bond and interest
14 fund, special education fund and special retirement contributions fund
15 shall only be expended for such purposes as permitted by law.

16 (c) The aggregate amount of money transferred pursuant to this
17 section from the capital outlay fund of a school district to the general fund
18 of the school district, or to any other fund of the school district for any
19 school year shall not exceed the aggregate amount of money held in the
20 capital outlay fund that is not directly attributable to any tax levied under
21 the authority of K.S.A. 72-8801, and amendments thereto.

22 (d) The provisions of this section shall take effect and be in force
23 from and after July 1, 2017.

24 New Sec. 19. (a) No school district shall expend, use or transfer any
25 moneys received by such school district as part of the general state aid
26 disbursement to such school district for any expenditures for
27 extracurricular activities or any expenditures related to such activities.

28 (b) Nothing in this section shall be construed to prohibit the use of
29 any moneys received by a school district pursuant to a tax levied under the
30 authority of section 16, and amendments thereto, or moneys received from
31 any other source other than as part of general state aid, for expenditures for
32 extracurricular activities or any expenditures related to such activities, or
33 to prohibit the use of any moneys received by such school district as part
34 of the general state aid disbursement to such school district for
35 expenditures for co-curricular activities or any expenditures related to such
36 activities.

37 (c) As used in this section:

38 (1) "Extracurricular activities" means those activities provided or
39 supported by a school district, but which are not required by or a
40 substantial part of any curriculum of such school district.

41 (2) "Co-curricular activities" means those activities provided or
42 supported by a school district that are not extracurricular activities.

43 (d) The provisions of this section shall take effect and be in force

1 from and after July 1, 2017.

2 New Sec. 20. (a) No school district shall expend, use or transfer any
3 moneys received by such school district as part of the general state aid
4 disbursement to such school district for any expenditures for food service
5 or any expenditures related to such activities.

6 (b) Nothing in this section shall be construed to prohibit the use of
7 any moneys received by a school district pursuant to a tax levied under the
8 authority of section 16, and amendments thereto, or moneys received from
9 any other source other than as part of general state aid, for expenditures for
10 food service or any expenditures related to such activities.

11 (c) The provisions of this section shall take effect and be in force
12 from and after July 1, 2017.

13 New Sec. 21. (a) In order to accomplish the mission for Kansas
14 education, the state board of education shall design and adopt a school
15 performance accreditation system based upon improvement in
16 performance that reflects high academic standards and is measurable. No
17 school district shall be accredited by the state board of education unless
18 such school district has demonstrated that it has met the educational goal
19 established by K.S.A. 72-1127(c), and amendments thereto.

20 (b) The state board shall establish curriculum standards which reflect
21 high academic standards for the core academic areas of mathematics,
22 science, reading, writing and social studies. The curriculum standards shall
23 be reviewed at least every seven years. Nothing in this subsection shall be
24 construed in any manner so as to impinge upon any school district's
25 authority to determine its own curriculum.

26 (c) The state board shall provide for statewide assessments in the core
27 academic areas of mathematics, science, reading, writing and social
28 studies. The state board shall ensure compatibility between the statewide
29 assessments and the curriculum standards established pursuant to
30 subsection (b). Such assessments shall be administered at three grade
31 levels, as determined by the state board. The state board shall determine
32 performance levels on the statewide assessments, the achievement of
33 which represents high academic standards in the academic area at the
34 grade level to which the assessment applies. The state board should specify
35 high academic standards both for individual performance and school
36 performance on the assessments.

37 (d) Each school in every school district shall establish a school site
38 council composed of the principal and representatives of teachers and
39 other school personnel, parents of students attending the school, the
40 business community and other community groups. School site councils
41 shall be responsible for providing advice and counsel in evaluating state,
42 school district and school site performance goals and objectives, and in
43 determining the methods that should be employed at the school site to

1 meet these goals and objectives. School site councils may make
2 recommendations and proposals to the board regarding budgetary items
3 and school district matters, including, but not limited to, identifying and
4 implementing the best practices for developing efficient and effective
5 administrative and management functions. School site councils also may
6 help boards analyze the unique environment of schools, enhance the
7 efficiency and maximize limited resources, including outsourcing
8 arrangements and cooperative opportunities as a means to address limited
9 budgets.

10 (e) Whenever the state board of education determines that a school
11 has failed either to meet the accreditation requirements established by
12 rules and regulations or standards adopted by the state board or provide the
13 curriculum required by state law, the state board shall so notify the school
14 district in which the school is located. Such notice shall specify the
15 accreditation requirements that the school has failed to meet and the
16 curriculum that the school has failed to provide. Upon receipt of such
17 notice, the board of education of such school district is encouraged to
18 reallocate the resources of the school district to remedy all deficiencies
19 identified by the state board. When making such reallocation, the board of
20 education shall take into consideration the resource strategies of highly
21 resource-efficient districts as identified in phase III of the Kansas
22 education resource management study conducted by Standard and Poor's
23 (March 2006).

24 (f) The provisions of this section shall take effect and be in force
25 from and after July 1, 2017.

26 New Sec. 22. (a) The state board may adopt rules and regulations for
27 the administration of the provisions of this act.

28 (b) The provisions of this section shall take effect and be in force
29 from and after July 1, 2017.

30 New Sec. 23. (a) The provisions of sections 1 through 22, and
31 amendments thereto, shall not be severable. If any provision of sections 1
32 through 22, and amendments thereto, is held to be invalid or
33 unconstitutional by court order, all provisions of sections 1 through 22, and
34 amendments thereto, shall be null and void.

35 (b) The provisions of this section shall take effect and be in force
36 from and after July 1, 2017.

37 New Sec. 24. (a) There is hereby established in the state treasury the
38 school district capital outlay state aid fund. Such fund shall consist of all
39 amounts transferred thereto under the provisions of subsection (c).

40 (b) For school year 2017-2018 and each school year thereafter, each
41 school district that levies a tax pursuant to K.S.A. 72-8801 et seq., and
42 amendments thereto, shall be entitled to receive payment from the school
43 district capital outlay state aid fund in an amount determined by the state

1 board of education as provided in this subsection. The state board of
2 education shall:

3 (1) Determine the amount of the assessed valuation per pupil in the
4 preceding school year for each school district;

5 (2) determine the mean federal adjusted gross income per filed
6 individual income tax return for the preceding tax year for each school
7 district;

8 (3) determine the average appraised value of single family residences
9 for the preceding calendar year for each school district;

10 (4) multiply the amounts determined under subsections (b)(1), (b)(2)
11 and (b)(3) for each school district;

12 (5) calculate the cube root of the product calculated under subsection
13 (b)(4) for each school district;

14 (6) round the amount determined under subsection (b)(5) to the
15 nearest \$1,000. The rounded amount is the capital outlay equalization base
16 for such school district;

17 (7) determine the median capital outlay equalization base of all
18 school districts;

19 (8) prepare a schedule of dollar amounts using the amount of the
20 median capital outlay equalization base of all school districts as the point
21 of beginning. The schedule of dollar amounts shall range upward in equal
22 \$1,000 intervals from the point of beginning to and including an amount
23 that is equal to the amount of the capital outlay equalization base of the
24 school district with the highest capital outlay equalization base of all
25 school districts and shall range downward in equal \$1,000 intervals from
26 the point of beginning to and including an amount that is equal to the
27 amount of the capital outlay equalization base of the school district with
28 the lowest capital outlay equalization base of all school districts;

29 (9) determine a state aid percentage factor for each school district by
30 assigning a state aid computation percentage to the amount of the median
31 capital outlay equalization base shown on the schedule, decreasing the
32 state aid computation percentage assigned to the amount of the median
33 capital outlay equalization base by one percentage point for each \$1,000
34 interval above the amount of the median capital outlay equalization base,
35 and increasing the state aid computation percentage assigned to the
36 amount of the median capital outlay equalization base by one percentage
37 point for each \$1,000 interval below the amount of the median capital
38 outlay equalization base. The state aid percentage factor of a school district
39 is the percentage assigned to the schedule amount that is equal to the
40 amount of the capital outlay equalization base of the school district, except
41 that the state aid percentage factor of a school district shall not exceed
42 100%. The state aid computation percentage is 25%;

43 (10) determine the amount levied by each school district pursuant to

1 K.S.A. 2015 Supp. 72-8801 et seq., and amendments thereto;

2 (11) multiply the amount computed under subsection (b)(10), but not
3 to exceed 8 mills, by the applicable state aid percentage factor. The
4 resulting product is the amount of payment the school district is to receive
5 from the school district capital outlay state aid fund in the school year.

6 (c) The state board shall certify to the director of accounts and reports
7 the aggregate amount of school district capital outlay state aid school
8 districts are to receive under the provisions of subsection (b), and an
9 amount equal thereto shall be transferred by the director from the state
10 general fund to the school district capital outlay state aid fund.

11 (d) Payments from the school district capital outlay state aid fund
12 shall be distributed to school districts at times determined by the state
13 board of education. The state board of education shall certify to the
14 director of accounts and reports the amount due each school district
15 entitled to payment from the fund, and the director of accounts and reports
16 shall draw a warrant on the state treasurer payable to the treasurer of the
17 school district. Upon receipt of the warrant, the treasurer of the school
18 district shall credit the amount thereof to the capital outlay fund of the
19 school district to be used for the purposes of such fund.

20 (e) The provisions of this section shall take effect and be in force
21 from and after July 1, 2017.

22 New Sec. 25. (a) For general obligation bonds that have not been
23 approved for issuance by an election prior to January 1, 2016, no capital
24 improvement state aid shall be paid pursuant to K.S.A. 75-2319, and
25 amendments thereto, unless such payment is approved by the joint
26 committee on state building construction, established by K.S.A. 46-1701,
27 and amendments thereto, in accordance with this section. A school district
28 shall submit an application prior to an election to approve the issuance of
29 general obligation bonds to the joint committee on state building
30 construction for approval of capital improvement state aid. The application
31 shall be submitted in such form and manner as prescribed by the
32 committee, and shall include a description of the project that is the basis
33 for the application.

34 (b) The joint committee on state building construction shall meet at
35 least once each quarter to review all submitted applications and approve or
36 deny the disbursement of capital improvement state aid under K.S.A. 75-
37 2319, and amendments thereto, based on whether the project for which
38 such bonds are to be issued is for instruction. As part of its review of an
39 application, the committee may conduct a hearing and provide the
40 applicant school district an opportunity to present testimony regarding the
41 project. In determining whether a project is for instruction, the committee
42 shall consider the extent to which the facility being constructed or
43 improved is to be utilized by the school district for direct instruction of

1 students of the school district.

2 (c) If the joint committee on state building construction approves an
3 application, the committee shall determine the extent to which the facility
4 being constructed or improved is to be utilized by the school district for
5 direct instruction of students of the school district. In making such
6 determination, the committee shall only consider basic building planning
7 and design to be a part of the facility that is utilized for direct instruction
8 of students. Any architectural enhancements to a facility beyond basic
9 building planning and design shall not be deemed part of the facility that is
10 utilized for direct instruction of students. The committee may authorize:

11 (1) Up to 100% as the percentage of utilization for direct instruction
12 for any school building that is a classroom attendance center;

13 (2) up to 50% as the percentage of utilization for direct instruction for
14 any building that is used for student transportation services, or for any
15 portion of a building that is not a classroom, but is used on a daily basis by
16 students for classes and extracurricular activities, including, but not limited
17 to, auditoriums and gymnasiums; and

18 (3) no percentage of utilization for direct instruction for any athletic
19 facility or for any school administration and support building.

20 The committee shall certify to the state board of education that such
21 application was approved and the percentage of utilization for direct
22 instruction.

23 (d) If the joint committee on state building construction denies an
24 application, then within 15 days of such denial, the committee shall send
25 written notice of such denial to the superintendent of such school district.
26 The decision of the committee shall be final.

27 (e) (1) A school district may conduct an election to approve the
28 issuance of general obligation bonds without submitting an application to
29 the joint committee on state building construction if the purpose for the
30 issuance of the bonds is necessary to repair, replace, acquire, construct,
31 equip, furnish or remodel solely due to:

32 (A) Damage caused by an act of God; or

33 (B) a mechanical or structural failure that jeopardizes the health and
34 safety of students and staff.

35 (2) Prior to conducting an election for the issuance of bonds pursuant
36 to this subsection, a school district shall submit an exemption certificate to
37 the committee in such form and manner as prescribed by the committee
38 and shall include a description of the project, a description of the damage
39 or mechanical or structural failure, the total estimated cost and any other
40 information requested by the committee.

41 (3) The committee shall have 30 days from the date such application
42 was submitted to approve or deny the exemption certificate. If the
43 committee fails to approve or deny an exemption certificate within 30

1 days, such exemption certificate shall be deemed approved. If the
 2 committee denies such exemption certificate, the school district shall
 3 submit an application pursuant to subsection (a) prior to holding an
 4 election to approve the issuance of general obligation bonds.

5 (f) The provisions of this section shall not apply to any school district
 6 that is not entitled to capital improvement state aid under K.S.A. 75-2319,
 7 and amendments thereto.

8 New Sec. 26. (a) There is hereby established a special joint
 9 committee on school district capital outlay and improvements. The special
 10 joint committee shall consist of five members of the senate and six
 11 members of the house of representatives. The five members of the senate
 12 shall be the chairperson of the committee on ways and means, two
 13 members appointed by the president, one member appointed by the
 14 majority leader and one member appointed by the minority leader. The six
 15 members of the house of representatives shall be the chairperson of the
 16 committee on appropriations, the speaker pro tem, two members appointed
 17 by the speaker, one member appointed by the majority leader and one
 18 member appointed by the minority leader.

19 (b) The president shall appoint the chairperson of the special joint
 20 committee on school district capital outlay and improvements, and the
 21 speaker shall appoint the vice-chairperson of the special joint committee.
 22 The committee may meet at any time and at any place within the state on
 23 call of the chairperson. Members of the committee shall receive
 24 compensation and travel expenses and subsistence expenses or allowances
 25 as provided in K.S.A. 75-3212, and amendments thereto, when attending
 26 meetings of the committee authorized by the legislative coordinating
 27 council.

28 (c) The special joint committee on school district capital outlay and
 29 improvements may introduce such legislation as deemed necessary in
 30 performing such committee's functions.

31 (d) The special joint committee on school district capital outlay and
 32 improvements shall:

33 (1) Review and make recommendations on proposals to implement a
 34 state revolving loan fund as a source of financing for school district capital
 35 improvement projects, which would utilize the bonding authority of the
 36 Kansas development finance authority;

37 (2) review and make recommendations on proposals to implement a
 38 master lease program as a source of financing for school district capital
 39 outlay acquisitions, which would utilize the bonding authority of the
 40 Kansas development finance authority; and

41 (3) submit a report on or before January 15, 2017, to the governor and
 42 the legislature on the special joint committee's findings, conclusions and
 43 recommendations.

1 (e) The provisions of this section shall expire on June 30, 2017.

2 New Sec. 27. (a) Within the limits of appropriations made or available
3 therefor and subject to the provisions of appropriation acts relating thereto,
4 the Kansas state employees health care commission shall develop and
5 provide for the implementation and administration of a unified school
6 district employee health care benefits program.

7 (b) (1) Subject to the provisions of paragraph (2), the unified school
8 district employee health care benefits program may provide benefits for
9 persons qualified to participate in the program for hospitalization, medical
10 services, surgical services, nonmedical remedial care and treatment
11 rendered in accordance with a religious method of healing and other health
12 services. The program may include such provisions as are established by
13 the Kansas state employees health care commission, including, but not
14 limited to, qualifications for benefits, services covered, schedules and
15 graduation of benefits, conversion privileges, deductible amounts,
16 limitations on eligibility for benefits by reason of termination of
17 employment or other change of status, leaves of absence, military service
18 or other interruptions in service and other reasonable provisions as may be
19 established by the commission.

20 (2) The unified school district employee health care benefits program
21 shall provide the benefits and services required by K.S.A. 2015 Supp. 75-
22 6524, and amendments thereto.

23 (c) The Kansas state employees health care commission shall
24 designate by rules and regulations those persons who are qualified to
25 participate in the unified school district employee health care benefits
26 program, including active and retired school district employees and their
27 dependents as defined by rules and regulations of the commission. In
28 designating persons qualified to participate in the unified school district
29 employee health care benefits program, the commission may establish
30 such conditions, restrictions, limitations and exclusions as the commission
31 deems reasonable.

32 (d) (1) For the health plan coverage year commencing January 1,
33 2018, and each year thereafter, all employees of each school district and
34 dependents of such employees shall be qualified to participate in the
35 unified school district employee health care benefits program. Such
36 employees and dependents shall be eligible to only elect a high-deductible
37 health plan and health savings account under the state health care benefits
38 program.

39 (2) If the employee had not previously participated in the unified
40 school district employee health care benefits program, the employer shall
41 calculate the average savings to the employer of the high deductible plan
42 compared to the previous health benefit plans and contribute that amount
43 monthly to the employee's health savings account up to the maximum

1 annual amount allowed pursuant to 26 U.S.C. § 223(d), as amended.

2 (3) The employer shall allow additional voluntary contributions by
3 the employee to their health savings account by payroll deduction up to the
4 maximum annual amount allowed pursuant to 26 U.S.C. § 223(d), as
5 amended.

6 (e) For the health plan coverage year commencing January 1, 2018,
7 and each year thereafter, no school district shall offer or enter into any
8 contract for the provision of any health plan in lieu of a high-deductible
9 health plan and health savings account under the unified school district
10 employee health care benefits program. A school district may offer or enter
11 into a contract for the provision of supplemental health coverage in
12 addition to a plan offered under the unified school district employee health
13 care benefits program. An employee shall be eligible to elect such
14 supplemental health coverage only if the employee also elects a high-
15 deductible health plan and health savings account under the unified school
16 district employee health care benefits program.

17 (f) As used in this section, the term "school district" means a unified
18 school district organized and operated under the laws of this state.

19 New Sec. 28. (a) The same powers, duties and functions granted to
20 the Kansas state employees health care commission for the development
21 and implementation of the state health care benefits program under K.S.A.
22 75-6504 and 75-6510, and amendments thereto, are hereby granted to the
23 commission for the development and implementation of the unified school
24 district employee health care benefits program.

25 (b) The same powers, duties and functions of the technical
26 administrator for the state health care benefits program as provided by
27 K.S.A. 75-6503, and amendments thereto, are hereby granted to the
28 technical administrator for the unified school district employee health care
29 benefits program.

30 New Sec. 29. The Kansas state employees health care commission, in
31 accordance with the provisions of K.S.A. 75-6504, and amendments
32 thereto, may contract to provide health care services of a health
33 maintenance organization for persons qualified to participate in the unified
34 school district employee health care benefits program. The contract shall
35 provide that coverage under the contract is applicable to those persons
36 qualified to participate in the unified school district employee health care
37 benefits program as the commission determines feasible. This coverage
38 may be available to such qualified persons as an alternative to other
39 benefits under the unified school district employee health care benefits
40 program or may be part of the benefits provided to such persons under the
41 program. The contract may include services for spouses and dependents of
42 members at rates established in accordance with such contract. A contract
43 to provide health care services of a health maintenance organization under

1 this section shall be construed to be part of the unified school district
2 employee health care benefits program.

3 New Sec. 30. (a) The participation of a person qualified to participate
4 in the unified school district employee health care benefits program shall
5 be voluntary, and the cost of the unified school district employee health
6 care benefits program for such person shall be established by the Kansas
7 state employees health care commission.

8 (b) Periodic deductions from school district payrolls may be made in
9 accordance with procedures prescribed by the state board of education to
10 cover the costs of the unified school district employee health care benefits
11 program payable by persons who are on the school district payroll when
12 authorized by such persons. All such moneys deducted from payrolls shall
13 be remitted to the Kansas state employees health care commission in
14 accordance with rules and regulations adopted by the commission.

15 New Sec. 31. (a) Each school district which has on its payroll persons
16 participating in the unified school district employee health care benefits
17 program shall pay from any moneys available to the school district for
18 such purpose an amount specified by the Kansas state employees health
19 care commission. All such payments shall continue on the behalf of
20 employees otherwise eligible for participation in the unified school district
21 employee health care benefits program in accordance with the continuation
22 provisions of the federal family and medical leave act of 1993, P.L. 103-
23 03, 107 Stat. 6. The commission may charge each school district a uniform
24 amount per person as the cost to the school district for the school district's
25 contribution for persons participating in the unified school district
26 employee health care benefits program. Such amounts may include the pro
27 rata costs of administering the program.

28 (b) Payments from public funds for coverage under the unified school
29 district employee health care benefits program for persons participating in
30 that program shall not be deemed a payment or supplement of wages of
31 such person, notwithstanding any other provision of law or rules and
32 regulations relating to wages of any such person.

33 New Sec. 32. (a) Except as provided in subsection (b), the director of
34 accounts and reports shall make periodic deductions from state retirement
35 or other benefit payments to retired school district employees and other
36 persons who are qualified to participate in the unified school district
37 employee health care benefits program for the costs of the unified school
38 district employee health care benefits program which are payable by such
39 retired school district employees and other persons.

40 (b) No deductions shall be made under this section in cases: (1)
41 Where the retired school district employee or other person submits a
42 written request in accordance with procedures prescribed by the
43 commission that the deductions not be made; or (2) where the commission

1 has directed that the deductions not be made.

2 (c) No deductions made under this section shall be construed to be an
3 assignment of any annuity, benefits, funds, property or rights of any person
4 under K.S.A. 20-2618, 74-4923 or 74-49,105, and amendments thereto.

5 New Sec. 33. (a) The provisions of sections 33 through 44, and
6 amendments thereto, shall be known and may be cited as the Kansas
7 education freedom act.

8 (b) The provisions of this section shall take effect and be in force
9 from and after July 1, 2017.

10 New Sec. 34. (a) As used in sections 33 through 44, and amendments
11 thereto:

12 (1) "Account" means a Kansas education freedom account.

13 (2) "Accredited private online learning program" means a program
14 that offers educational courses delivered primarily over the internet to a
15 student by a non-governmental entity that has been accredited by a
16 regional, national or governmental body through a peer review process for
17 validating the quality of such program.

18 (3) "Certified tutor" means a person licensed or certified to teach or
19 instruct another person in a course of study.

20 (4) "Parent" includes a guardian, custodian or other person with
21 authority to act on behalf of the student.

22 (5) "Participating entity" means any nonpublic school that provides
23 education to elementary and secondary students located in this state and is
24 registered with the state board under K.S.A. 72-53,101, and amendments
25 thereto.

26 (6) "Program" means the Kansas education freedom program.

27 (7) "Public school" means a school operated by a unified school
28 district organized under the laws of this state.

29 (8) "Resident school district" means the school district in which a
30 student would be enrolled based on such student's residence.

31 (9) "State board" means the state board of education.

32 (10) "Student" means a resident of Kansas who:

33 (A) Is or has been enrolled in kindergarten or any of the grades one
34 through 12 in a school district organized under the laws of this state;

35 (B) is eligible to be enrolled in any school district in the school year
36 in which an account is first sought for such child and the child is under the
37 age of six; or

38 (C) has established an account under this program and has not
39 graduated from high school.

40 (12) "Treasurer" means the state treasurer or the state treasurer's
41 designee.

42 (b) The provisions of this section shall take effect and be in force
43 from and after July 1, 2017.

- 1 New Sec. 35. (a) There is hereby established the Kansas education
 2 freedom program, which shall be administered by the treasurer.
- 3 (b) The treasurer shall establish a Kansas education freedom account
 4 for each student whose parent satisfies the requirements of this act.
- 5 (c) The treasurer shall maintain an explanation of the following
 6 information on the treasurer's website and provide a hard copy of such
 7 information to any person who requests it:
- 8 (1) The allowable uses of the funds in a Kansas education freedom
 9 account;
- 10 (2) the responsibilities of a parent of a student participating in the
 11 program;
- 12 (3) the duties of the treasurer; and
- 13 (4) a list of participating entities.
- 14 (d) The provisions of this section shall take effect and be in force
 15 from and after July 1, 2017.
- 16 New Sec. 36. (a) To establish an account, the parent of a student shall
 17 enter into a written agreement with the treasurer, in a manner and on a
 18 form prescribed by the treasurer. Such agreement shall provide:
- 19 (1) The student shall receive instruction in at least those subjects
 20 required by K.S.A. 72-1101, 72-1103 and 72-1117, and amendments
 21 thereto, from a participating entity in this state for the school year for
 22 which the agreement applies;
- 23 (2) the student shall not enroll full-time in any public school,
 24 including any public charter school during the school year for which the
 25 agreement applies;
- 26 (3) the student shall receive a grant, in the form of money deposited
 27 pursuant to section 37, and amendments thereto, in the account established
 28 for such student;
- 29 (4) the parent shall comply with all requirements and rules and
 30 regulations of the program; and
- 31 (5) the money in the student's account shall only be expended as
 32 authorized by this act.
- 33 (b) (1) Only one account may be established for each student. A
 34 parent acting on behalf of more than one student shall have a separate
 35 written agreement for each such student.
- 36 (2) The treasurer shall ensure no duplicate payments are made on
 37 behalf of a student.
- 38 (c) (1) For a student enrolling in a participating entity for the fall
 39 semester, the written agreement between the parent and the treasurer shall
 40 be executed on or before September 1 of the applicable school year.
- 41 (2) For a student enrolling in a participating entity for the spring
 42 semester, the written agreement between the parent and the treasurer shall
 43 be executed on or before January 1 of the applicable school year.

1 (d) A written agreement entered into pursuant to this section shall
2 have a term of one year, but may be terminated early pursuant to
3 subsection (e). A written agreement may be renewed annually upon the
4 written consent of the parent and the treasurer in a manner determined by
5 the treasurer. Failure to renew a written agreement does not preclude
6 renewal of such written agreement in a subsequent year. A written
7 agreement that has been terminated pursuant to subsection (e) shall not be
8 renewed.

9 (e) (1) (A) A written agreement may be terminated by the treasurer
10 upon a determination that:

11 (i) Money in an account has been used for purposes other than those
12 allowed by section 39, and amendments thereto;

13 (ii) the student no longer satisfies the definition of a student as
14 defined in section 36, and amendments thereto; or

15 (iii) the student enrolls in public school full-time.

16 (B) A written agreement may be terminated by a parent at any time.
17 Any parent terminating a written agreement shall notify the treasurer in
18 writing of the termination.

19 (2) When a written agreement is terminated, the account associated
20 with such agreement shall be closed and any money remaining in such
21 account shall be transferred to the state general fund.

22 (f) The provisions of this section shall take effect and be in force
23 from and after July 1, 2017.

24 New Sec. 37. (a) Upon execution of an agreement in accordance with
25 section 36, and amendments thereto, the treasurer shall establish an
26 account in the education freedom fund in the state treasury in the name of
27 the student. Upon establishment of such account, the treasurer shall notify
28 the resident school district of the establishment of such an account for the
29 student.

30 (b) (1) The treasurer shall transfer from the state general fund to the
31 student's account in the education freedom fund an aggregate annual
32 amount equal to 70% of the general state aid of such student's resident
33 school district as determined under section 4, and amendments thereto,
34 excluding any amounts certified by the board of trustees of the Kansas
35 public employees retirement system for the participating employer's
36 obligation of such school district to the system for the immediately
37 preceding school year divided by the enrollment of such school district for
38 the immediately preceding school year. The treasurer shall make such
39 transfers in quarterly installments pursuant to a schedule determined by the
40 treasurer.

41 (2) If a student enrolls in public school on a part-time basis, such
42 student shall notify the treasurer and the treasurer shall prorate the amount
43 to be transferred under subsection (b)(1).

1 (3) The treasurer may deduct up to 2% of the amount to be
2 transferred into an account as reimbursement for the administrative costs
3 of implementing the provisions of this act.

4 (c) (1) Each account shall remain active until:

5 (A) A written agreement is terminated pursuant to section 36, and
6 amendments thereto;

7 (B) the student graduates from high school, or the student reaches the
8 age of 21, whichever occurs first; or

9 (C) there are two consecutive years of nonrenewal of an agreement.

10 (2) When the treasurer determines an account is no longer active, the
11 treasurer shall close the account and certify the amount of funds remaining
12 in the account to the director of accounts and reports. Upon receipt of such
13 certification, the director shall transfer such certified amount from the
14 closed account to the state general fund.

15 (e) The treasurer shall develop a system for payment of services by
16 participating parents by electronic funds transfer. However, such system
17 shall not require parents to be reimbursed for out-of-pocket expenses. All
18 transfers shall be only for expenditures approved by the treasurer.

19 (f) There is hereby established in the state treasury the education
20 freedom expense fund to be administered by the state treasurer.
21 Expenditures from the education freedom expense fund shall be made in
22 accordance with appropriations acts upon warrants of the director of
23 accounts and reports issued pursuant to vouchers approved by the treasurer
24 or the treasurer's designee. All moneys deducted pursuant to subsection (b)
25 (3) or earned pursuant to section 38(e), and amendments thereto, shall be
26 deposited in the state treasury in accordance with K.S.A. 75-4215, and
27 amendments thereto, and shall be credited to the education freedom
28 expense fund.

29 (g) The provisions of this section shall take effect and be in force
30 from and after July 1, 2017.

31 New Sec. 38. (a) The treasurer shall notify the state board of
32 education as to the names of the students participating in the program and
33 the resident school district of each such student.

34 (b) For school year 2017-2018, and each school year thereafter, a
35 student shall be counted in the enrollment of such student's resident school
36 district for the purposes of calculating the amount of general state aid per
37 student for the school district. Excluding any amounts certified by the
38 board of trustees of the Kansas public employees retirement system for the
39 participating employer's obligation of such school district to the system for
40 the immediately preceding school year for each resident school district, an
41 amount equal to 70% of the general state aid per student shall be
42 multiplied by the total number of students residing in such school district
43 who are participating in the program. The state board of education shall

1 certify the resulting product to the director of accounts and reports. Upon
2 receipt of such certification, the director shall transfer such certified
3 amount from the state general fund to the education freedom fund
4 established by this section.

5 (c) For school year 2017-2018, and each school year thereafter, the
6 state board shall deduct from the amount of general state aid determined
7 under section 4, and amendments thereto, an amount equal to the amount
8 certified under subsection (b) for each school district.

9 (d) There is hereby established in the state treasury the education
10 freedom fund to be administered by the state treasurer. Money in the
11 education freedom fund shall be expended only for the purposes
12 established in this act. All moneys received pursuant to subsection (b) shall
13 be deposited in the state treasury in accordance with the provisions of
14 K.S.A. 75-4215, and amendments thereto, and shall be credited to the
15 education freedom fund.

16 (e) On or before the 10th of each month, the director of accounts and
17 reports shall transfer from the state general fund to the education freedom
18 fund interest earnings based on:

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

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

23 (f) The provisions of this section shall take effect and be in force
24 from and after July 1, 2017.

25 New Sec. 39. (a) Moneys in the student's account may be accessed by
26 such student's parent, but shall only be expended by the parent for the
27 following purposes:

28 (1) Tuition and fees charged by the participating entity;

29 (2) textbooks and other supplies required by the participating entity;

30 (3) educational therapies or services provided by a licensed or
31 accredited education provider;

32 (4) tutoring services provided by a certified tutor;

33 (5) curriculum materials;

34 (6) tuition or fees charged by an accredited private online learning
35 program;

36 (7) fees for any nationally standardized norm-referenced achievement
37 test, advanced placement examination or other examination related to
38 admission to a postsecondary institution;

39 (8) contracted services from a public school district, including
40 individual classes; and

41 (9) fees for transportation provided by a participating entity required
42 for the child to travel to and from a participating entity, not to exceed \$750
43 per school year.

1 (b) Except as provided in section 37(c), and amendments thereto,
2 funds remaining in an account at the end of a school year shall roll over to
3 the next succeeding school year.

4 (c) A participating entity providing education services purchased with
5 funds from an account shall not share, refund or rebate any portion of such
6 funds to the parent or student. Any such refund or rebate shall be made
7 directly into the student's account.

8 (d) No personal deposits may be made into an account.

9 (e) The provisions of this section shall take effect and be in force
10 from and after July 1, 2017.

11 New Sec. 40. (a) The treasurer shall conduct, or contract for the
12 performance of, annual audits of a random sample of the accounts
13 established. Additional audits of an account may be conducted if deemed
14 necessary by the treasurer.

15 (b) If the treasurer determines money in an account has been used for
16 purposes other than those allowed by section 39, and amendments thereto,
17 the treasurer may:

18 (1) Prohibit expenditures from the account until such time as
19 determined by the treasurer;

20 (2) prorate amounts to be deposited in such account under section 37,
21 and amendments thereto, by an amount equal to the total amount used for
22 purposes other than those allowed by section 39, and amendments thereto;
23 or

24 (3) terminate the account.

25 (c) The provisions of this section shall take effect and be in force
26 from and after July 1, 2017.

27 New Sec. 41. (a) To become a participating entity, an applicant shall
28 submit an application to the treasurer on a form and in a manner prescribed
29 by the treasurer. Such application shall include proof of the following:

30 (1) The applicant is:

31 (A) An accredited nonpublic school;

32 (B) a program of distance education that is not operated by a public
33 school or the department of education;

34 (C) a tutor or tutoring facility that is accredited by a state, regional or
35 national accrediting organization; or

36 (D) a non-accredited private school registered with the state board of
37 education pursuant to K.S.A. 72-53,101, and amendments thereto; and

38 (2) the applicant provides instruction in at least those subjects
39 required by K.S.A. 72-1101, 72-1103 and 72-1117, and amendments
40 thereto.

41 (b) The treasurer shall approve an application or request additional
42 information as necessary to prove an applicant meets the criteria to be
43 deemed a participating entity within 45 days of receiving the application.

1 If the applicant is unable to provide such additional information, the
2 treasurer may deny the application.

3 (c) The treasurer shall conduct, or contract for the performance of, an
4 audit of a participating entity selected at random each year to determine
5 whether the participating entity is compliant with the requirements of
6 subsection (a).

7 (d) (1) The treasurer may revoke a participating entity's approval if
8 the treasurer determines the participating entity:

9 (A) Has routinely failed to comply with the provisions of this act or
10 applicable rules and regulations; or

11 (B) has failed to provide any educational services required by law to a
12 student receiving instruction from the entity if the entity is accepting
13 payments made from such student's account.

14 (2) Prior to revoking a participating entity's approval, the treasurer
15 shall notify such participating entity of impending revocation and the
16 reason for such revocation. The participating entity shall have 30 days
17 from the time it was notified to cure the matter identified in the notice. If
18 the participating entity fails to cure within 30 days, such participating
19 entity's approval shall be revoked. A participating entity whose approval
20 has been revoked shall not be allowed to participate in the program until
21 such time the treasurer determines such participating entity is in
22 compliance with the requirements of the act.

23 (3) If the treasurer revokes a participating entity's approval, the
24 treasurer shall immediately notify each parent of a student participating in
25 the program and receiving instruction from such participating entity.

26 (e) The treasurer may notify the attorney general or the district
27 attorney of the county where the participating entity is located if a
28 participating entity's approval was revoked because of misuse of money
29 paid from an account.

30 (f) The provisions of this section shall take effect and be in force
31 from and after July 1, 2017.

32 New Sec. 42. (a) The treasurer shall administer, or arrange to be
33 administered, an annual survey of parents who have a student participating
34 in the program. The survey shall include, but not be limited to, the
35 following:

36 (1) The number of years the student has been a participant in the
37 program;

38 (2) the relative satisfaction of the parent with the program; and

39 (3) any opinions regarding any topics, items or other issues the
40 treasurer determines may aid in the evaluation of the program or increase
41 effectiveness of the program.

42 (b) The results of the survey shall be compiled into a report. On or
43 before January 31, 2018, and each January 31 thereafter, such report shall

1 be submitted to the committees on education and appropriations of the
2 house of representatives and the committees on education and ways and
3 means of the senate. Such report shall also be published annually on the
4 treasurer's website.

5 (c) The provisions of this section shall take effect and be in force
6 from and after July 1, 2017.

7 New Sec. 43. (a) On or before January 1, 2018, the treasurer shall
8 adopt rules and regulations necessary to carry out the provisions of this
9 act.

10 (b) The provisions of this section shall take effect and be in force
11 from and after July 1, 2017.

12 New Sec. 44. (a) Nothing in this act shall be deemed to limit the
13 independence or autonomy of a participating entity or to make the actions
14 of a participating entity the actions of the state government.

15 (b) The provisions of this section shall take effect and be in force
16 from and after July 1, 2017.

17 New Sec. 45. (a) There is hereby established the USD efficiency
18 incentive program which shall be administered by the state board of
19 education. Any employee of a school district may submit a plan for the
20 efficient operation of school districts which will result in cost savings.
21 Such plan shall be submitted in such manner and form as prescribed by the
22 state board of education. More than one employee may be identified as a
23 submitter on any plan.

24 (b) On or before January 15, 2017, and each January 15 thereafter, the
25 state board of education shall submit a report to the governor and the
26 legislature describing each of the plans submitted pursuant to subsection
27 (a). The report shall include a description of the plan, an analysis by the
28 division of the budget as to the cost savings to be realized from
29 implementation of the plan and recommendations for legislation necessary
30 to implement the plan.

31 (c) Upon implementation of any plan for the efficient operation of
32 school districts, or as soon thereafter as the pertinent information becomes
33 readily available, the director of the division of the budget shall certify the
34 amount of cost savings realized by the state from implementation of such
35 plan to the director of accounts and reports and to the state board of
36 education. Upon receipt of such certification, the director of accounts and
37 reports shall transfer an amount equal to 10% of the certified amount from
38 the state general fund to the USD efficiency incentive fund established by
39 this section.

40 (d) Upon receipt of the certification described in subsection (c), the
41 state board of education shall approve payment from the USD efficiency
42 incentive fund to the individual or individuals who submitted the plan
43 upon which such certification of cost savings is based. The aggregate

1 amount of any payment approved by the state board of education shall not
2 exceed 10% of such certified amount. In the event more than one
3 individual is identified by the state board as having submitted the
4 underlying plan, then the payment approved by the state board shall be
5 paid in equal portions to each such individual.

6 (e) There is hereby established in the state treasury the USD
7 efficiency incentive fund to be administered by the state board of
8 education. Money in the USD efficiency incentive fund shall be expended
9 only for the purposes established in this act. Expenditures from the USD
10 efficiency incentive fund shall be made in accordance with appropriations
11 acts upon warrants of the director of accounts and reports issued pursuant
12 to vouchers approved by the state board of education.

13 New Sec. 46. (a) Commencing in school year 2016-2017, the state
14 department of education shall collect and retain the information necessary
15 to establish a success metric system as required under section 14, and
16 amendments thereto.

17 (b) The state board of education shall adopt rules and regulations
18 necessary to implement the provisions of this section.

19 Sec. 47. From and after July 1, 2017, K.S.A. 2015 Supp. 10-1116a is
20 hereby amended to read as follows: 10-1116a. The limitations on
21 expenditures imposed under the cash-basis law shall not apply to:

22 (a) Expenditures in excess of current revenues made for municipally
23 owned and operated utilities out of the fund of such utilities caused by, or
24 resulting from the meeting of, extraordinary emergencies including
25 drought emergencies. In such cases expenditures in excess of current
26 revenues may be made by declaring an extraordinary emergency by
27 resolution adopted by the governing body and such resolution shall be
28 published at least once in a newspaper of general circulation in such city.
29 Thereupon, such governing body may issue interest bearing no-fund
30 warrants on such utility fund in an amount, including outstanding
31 previously issued no-fund warrants, not to exceed 25% of the revenues
32 from sales of service of such utility for the preceding year. Such warrants
33 shall be redeemed within three years from date of issuance and shall bear
34 interest at a rate of not to exceed the maximum rate of interest prescribed
35 by K.S.A. 10-1009, and amendments thereto. Upon the declaration of a
36 drought emergency, the governing body may issue such warrants for water
37 system improvement purposes in an amount not to exceed 50% of the
38 revenue received from the sale of water for the preceding year. Such
39 warrants shall be redeemed within five years from the date of issuance and
40 shall bear interest at a rate not to exceed the maximum rate of interest
41 prescribed by K.S.A. 10-1009, and amendments thereto.

42 (b) Expenditures in any month by school districts which are in excess
43 of current revenues if the deficit or shortage in revenues is caused by, or a

1 result of, the payment of state aid after the date prescribed for the payment
2 of state aid during such month under ~~K.S.A. 2015 Supp. 72-6466~~ *section*
3 *II*, and amendments thereto.

4 Sec. 48. From and after July 1, 2017, K.S.A. 2015 Supp. 12-1770a is
5 hereby amended to read as follows: 12-1770a. As used in this act, and
6 amendments thereto, the following words and phrases shall have the
7 following meanings unless a different meaning clearly appears from the
8 content:

9 (a) "Auto race track facility" means: (1) An auto race track facility
10 and facilities directly related and necessary to the operation of an auto race
11 track facility, including, but not limited to, grandstands, suites and viewing
12 areas, concessions, souvenir facilities, catering facilities, visitor and retail
13 centers, signage and temporary hospitality facilities, but excluding (2)
14 hotels, motels, restaurants and retail facilities, not directly related to or
15 necessary to the operation of such facility.

16 (b) "Base year assessed valuation" means the assessed valuation of all
17 real property within the boundaries of a redevelopment district on the date
18 the redevelopment district was established.

19 (c) "Blighted area" means an area which:

20 (1) Because of the presence of a majority of the following factors,
21 substantially impairs or arrests the development and growth of the
22 municipality or constitutes an economic or social liability or is a menace to
23 the public health, safety, morals or welfare in its present condition and use:

24 (A) A substantial number of deteriorated or deteriorating structures;

25 (B) predominance of defective or inadequate street layout;

26 (C) unsanitary or unsafe conditions;

27 (D) deterioration of site improvements;

28 (E) tax or special assessment delinquency exceeding the fair market
29 value of the real property;

30 (F) defective or unusual conditions of title including, but not limited
31 to, cloudy or defective titles, multiple or unknown ownership interests to
32 the property;

33 (G) improper subdivision or obsolete platting or land uses;

34 (H) the existence of conditions which endanger life or property by
35 fire or other causes; or

36 (I) conditions which create economic obsolescence; or

37 (2) has been identified by any state or federal environmental agency
38 as being environmentally contaminated to an extent that requires a
39 remedial investigation; feasibility study and remediation or other similar
40 state or federal action; or

41 (3) a majority of the property is a 100-year floodplain area; or

42 (4) previously was found by resolution of the governing body to be a
43 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments

1 thereto.

2 (d) "Conservation area" means any improved area comprising 15% or
3 less of the land area within the corporate limits of a city in which 50% or
4 more of the structures in the area have an age of 35 years or more, which
5 area is not yet blighted, but may become a blighted area due to the
6 existence of a combination of two or more of the following factors:

- 7 (1) Dilapidation, obsolescence or deterioration of the structures;
8 (2) illegal use of individual structures;
9 (3) the presence of structures below minimum code standards;
10 (4) building abandonment;
11 (5) excessive vacancies;
12 (6) overcrowding of structures and community facilities; or
13 (7) inadequate utilities and infrastructure.

14 (e) "De minimus" means an amount less than 15% of the land area
15 within a redevelopment district.

16 (f) "Developer" means any person, firm, corporation, partnership or
17 limited liability company, other than a city and other than an agency,
18 political subdivision or instrumentality of the state or a county when
19 relating to a bioscience development district.

20 (g) "Eligible area" means a blighted area, conservation area,
21 enterprise zone, intermodal transportation area, major tourism area or a
22 major commercial entertainment and tourism area or bioscience
23 development area.

24 (h) "Enterprise zone" means an area within a city that was designated
25 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
26 through 12-17,113, and amendments thereto, prior to its repeal and the
27 conservation, development or redevelopment of the area is necessary to
28 promote the general and economic welfare of such city.

29 (i) "Environmental increment" means the increment determined
30 pursuant to K.S.A. 12-1771a(b), and amendments thereto.

31 (j) "Environmentally contaminated area" means an area of land
32 having contaminated groundwater or soil which is deemed
33 environmentally contaminated by the department of health and
34 environment or the United States environmental protection agency.

35 (k) (1) "Feasibility study" means:

36 (A) A study which shows whether a redevelopment project's or
37 bioscience development project's benefits and tax increment revenue and
38 other available revenues under K.S.A. 12-1774(a)(1), and amendments
39 thereto, are expected to exceed or be sufficient to pay for the
40 redevelopment or bioscience development project costs; and

41 (B) the effect, if any, the redevelopment project costs or bioscience
42 development project will have on any outstanding special obligation bonds
43 payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and

1 amendments thereto.

2 (2) For a redevelopment project or bioscience project financed by
3 bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and
4 amendments thereto, the feasibility study must also include:

5 (A) A statement of how the taxes obtained from the project will
6 contribute significantly to the economic development of the jurisdiction in
7 which the project is located;

8 (B) a statement concerning whether a portion of the local sales and
9 use taxes are pledged to other uses and are unavailable as revenue for the
10 redevelopment project. If a portion of local sales and use taxes is so
11 committed, the applicant shall describe the following:

12 (i) The percentage of sales and use taxes collected that are so
13 committed; and

14 (ii) the date or dates on which the local sales and use taxes pledged to
15 other uses can be pledged for repayment of special obligation bonds;

16 (C) an anticipated principal and interest payment schedule on the
17 bonds;

18 (D) following approval of the redevelopment plan, the feasibility
19 study shall be supplemented to include a copy of the minutes of the
20 governing body meeting or meetings of any city whose bonding authority
21 will be utilized in the project, evidencing that a redevelopment plan has
22 been created, discussed, and adopted by the city in a regularly scheduled
23 open public meeting; and

24 (E) the failure to include all information enumerated in this
25 subsection in the feasibility study for a redevelopment or bioscience
26 project shall not affect the validity of bonds issued pursuant to this act.

27 (l) "Major tourism area" means an area for which the secretary has
28 made a finding the capital improvements costing not less than
29 \$100,000,000 will be built in the state to construct an auto race track
30 facility.

31 (m) "Real property taxes" means all taxes levied on an ad valorem
32 basis upon land and improvements thereon, except that when relating to a
33 bioscience development district, as defined in this section, "real property
34 taxes" does not include property taxes levied for schools, pursuant to
35 ~~K.S.A. 2015 Supp. 72-6470~~ *section 15*, and amendments thereto.

36 (n) "Redevelopment project area" means an area designated by a city
37 within a redevelopment district or, if the redevelopment district is
38 established for an intermodal transportation area, an area designated by a
39 city within or outside of the redevelopment district.

40 (o) "Redevelopment project costs" means: (1) Those costs necessary
41 to implement a redevelopment project plan or a bioscience development
42 project plan, including costs incurred for:

43 (A) Acquisition of property within the redevelopment project area;

- 1 (B) payment of relocation assistance pursuant to a relocation
2 assistance plan as provided in K.S.A. 12-1777, and amendments thereto;
- 3 (C) site preparation including utility relocations;
- 4 (D) sanitary and storm sewers and lift stations;
- 5 (E) drainage conduits, channels, levees and river walk canal facilities;
- 6 (F) street grading, paving, graveling, macadamizing, curbing,
7 guttering and surfacing;
- 8 (G) street light fixtures, connection and facilities;
- 9 (H) underground gas, water, heating and electrical services and
10 connections located within the public right-of-way;
- 11 (I) sidewalks and pedestrian underpasses or overpasses;
- 12 (J) drives and driveway approaches located within the public right-of-
13 way;
- 14 (K) water mains and extensions;
- 15 (L) plazas and arcades;
- 16 (M) major multi-sport athletic complex;
- 17 (N) museum facility;
- 18 (O) parking facilities including multilevel parking facilities;
- 19 (P) landscaping and plantings, fountains, shelters, benches,
20 sculptures, lighting, decorations and similar amenities;
- 21 (Q) related expenses to redevelop and finance the redevelopment
22 project;
- 23 (R) for purposes of an incubator project, such costs shall also include
24 wet lab equipment including hoods, lab tables, heavy water equipment and
25 all such other equipment found to be necessary or appropriate for a
26 commercial incubator wet lab facility by the city in its resolution
27 establishing such redevelopment district or a bioscience development
28 district;
- 29 (S) costs for the acquisition of land for and the construction and
30 installation of publicly-owned infrastructure improvements which serve an
31 intermodal transportation area and are located outside of a redevelopment
32 district; and
- 33 (T) costs for infrastructure located outside the redevelopment district
34 but contiguous to any portion of the redevelopment district and such
35 infrastructure is necessary for the implementation of the redevelopment
36 plan as determined by the city.
- 37 (2) Redevelopment project costs shall not include: (A) Costs incurred
38 in connection with the construction of buildings or other structures to be
39 owned by or leased to a developer, however, the "redevelopment project
40 costs" shall include costs incurred in connection with the construction of
41 buildings or other structures to be owned or leased to a developer which
42 includes an auto race track facility or a multilevel parking facility.
- 43 (B) In addition, for a redevelopment project financed with special

1 obligation bonds payable from the revenues described in K.S.A. 12-
2 1774(a)(1)(D), and amendments thereto, redevelopment project costs shall
3 not include:

4 (i) Fees and commissions paid to developers, real estate agents,
5 financial advisors or any other consultants who represent the developers or
6 any other businesses considering locating in or located in a redevelopment
7 district;

8 (ii) salaries for local government employees;

9 (iii) moving expenses for employees of the businesses locating within
10 the redevelopment district;

11 (iv) property taxes for businesses that locate in the redevelopment
12 district;

13 (v) lobbying costs;

14 (vi) a bond origination fee charged by the city pursuant to K.S.A. 12-
15 1742, and amendments thereto;

16 (vii) any personal property, as defined in K.S.A. 79-102, and
17 amendments thereto; and

18 (viii) travel, entertainment and hospitality.

19 (p) "Redevelopment district" means the specific area declared to be
20 an eligible area in which the city may develop one or more redevelopment
21 projects.

22 (q) "Redevelopment district plan" or "district plan" means the
23 preliminary plan that identifies all of the proposed redevelopment project
24 areas and identifies in a general manner all of the buildings, facilities and
25 improvements in each that are proposed to be constructed or improved in
26 each redevelopment project area or, if the redevelopment district is
27 established for an intermodal transportation area, in or outside of the
28 redevelopment district.

29 (r) "Redevelopment project" means the approved project to
30 implement a project plan for the development of the established
31 redevelopment district.

32 (s) "Redevelopment project plan" means the plan adopted by a
33 municipality for the development of a redevelopment project or projects
34 which conforms with K.S.A. 12-1772, and amendments thereto, in a
35 redevelopment district.

36 (t) "Substantial change" means, as applicable, a change wherein the
37 proposed plan or plans differ substantially from the intended purpose for
38 which the district plan or project plan was approved.

39 (u) "Tax increment" means that amount of real property taxes
40 collected from real property located within the redevelopment district that
41 is in excess of the amount of real property taxes which is collected from
42 the base year assessed valuation.

43 (v) "Taxing subdivision" means the county, city, unified school

1 district and any other taxing subdivision levying real property taxes, the
2 territory or jurisdiction of which includes any currently existing or
3 subsequently created redevelopment district including a bioscience
4 development district.

5 (w) "River walk canal facilities" means a canal and related water
6 features which flows through a redevelopment district and facilities related
7 or contiguous thereto, including, but not limited to pedestrian walkways
8 and promenades, landscaping and parking facilities.

9 (x) "Major commercial entertainment and tourism area" may include,
10 but not be limited to, a major multi-sport athletic complex.

11 (y) "Major multi-sport athletic complex" means an athletic complex
12 that is utilized for the training of athletes, the practice of athletic teams, the
13 playing of athletic games or the hosting of events. Such project may
14 include playing fields, parking lots and other developments including
15 grandstands, suites and viewing areas, concessions, souvenir facilities,
16 catering facilities, visitor centers, signage and temporary hospitality
17 facilities, but excluding hotels, motels, restaurants and retail facilities, not
18 directly related to or necessary to the operation of such facility.

19 (z) "Bioscience" means the use of compositions, methods and
20 organisms in cellular and molecular research, development and
21 manufacturing processes for such diverse areas as pharmaceuticals,
22 medical therapeutics, medical diagnostics, medical devices, medical
23 instruments, biochemistry, microbiology, veterinary medicine, plant
24 biology, agriculture, industrial environmental and homeland security
25 applications of bioscience and future developments in the biosciences.
26 Bioscience includes biotechnology and life sciences.

27 (aa) "Bioscience development area" means an area that:

28 (1) Is or shall be owned, operated, or leased by, or otherwise under
29 the control of the Kansas bioscience authority;

30 (2) is or shall be used and maintained by a bioscience company; or

31 (3) includes a bioscience facility.

32 (bb) "Bioscience development district" means the specific area,
33 created under K.S.A. 12-1771, and amendments thereto, where one or
34 more bioscience development projects may be undertaken.

35 (cc) "Bioscience development project" means an approved project to
36 implement a project plan in a bioscience development district.

37 (dd) "Bioscience development project plan" means the plan adopted
38 by the authority for a bioscience development project pursuant to K.S.A.
39 12-1772, and amendments thereto, in a bioscience development district.

40 (ee) "Bioscience facility" means real property and all improvements
41 thereof used to conduct bioscience research, including, without limitation,
42 laboratory space, incubator space, office space and any and all facilities
43 directly related and necessary to the operation of a bioscience facility.

- 1 (ff) "Bioscience project area" means an area designated by the
2 authority within a bioscience development district.
- 3 (gg) "Biotechnology" means those fields focusing on technological
4 developments in such areas as molecular biology, genetic engineering,
5 genomics, proteomics, physiomics, nanotechnology, biodefense,
6 biocomputing, bioinformatics and future developments associated with
7 biotechnology.
- 8 (hh) "Board" means the board of directors of the Kansas bioscience
9 authority.
- 10 (ii) "Life sciences" means the areas of medical sciences,
11 pharmaceutical sciences, biological sciences, zoology, botany, horticulture,
12 ecology, toxicology, organic chemistry, physical chemistry, physiology and
13 any future advances associated with life sciences.
- 14 (jj) "Revenue increase" means that amount of real property taxes
15 collected from real property located within the bioscience development
16 district that is in excess of the amount of real property taxes which is
17 collected from the base year assessed valuation.
- 18 (kk) "Taxpayer" means a person, corporation, limited liability
19 company, S corporation, partnership, registered limited liability
20 partnership, foundation, association, nonprofit entity, sole proprietorship,
21 business trust, group or other entity that is subject to the Kansas income
22 tax act, K.S.A. 79-3201 et seq., and amendments thereto.
- 23 (ll) "Floodplain increment" means the increment determined pursuant
24 to K.S.A. 2015 Supp. 12-1771e(b), and amendments thereto.
- 25 (mm) "100-year floodplain area" means an area of land existing in a
26 100-year floodplain as determined by either an engineering study of a
27 Kansas certified engineer or by the United States federal emergency
28 management agency.
- 29 (nn) "Major motorsports complex" means a complex in Shawnee
30 county that is utilized for the hosting of competitions involving motor
31 vehicles, including, but not limited to, automobiles, motorcycles or other
32 self-propelled vehicles other than a motorized bicycle or motorized
33 wheelchair. Such project may include racetracks, all facilities directly
34 related and necessary to the operation of a motorsports complex,
35 including, but not limited to, parking lots, grandstands, suites and viewing
36 areas, concessions, souvenir facilities, catering facilities, visitor and retail
37 centers, signage and temporary hospitality facilities, but excluding hotels,
38 motels, restaurants and retail facilities not directly related to or necessary
39 to the operation of such facility.
- 40 (oo) "Intermodal transportation area" means an area of not less than
41 800 acres to be developed primarily to handle the transfer, storage and
42 distribution of freight through railway and trucking operations.
- 43 (pp) "Museum facility" means a separate newly-constructed museum

1 building and facilities directly related and necessary to the operation
2 thereof, including gift shops and restaurant facilities, but excluding hotels,
3 motels, restaurants and retail facilities not directly related to or necessary
4 to the operation of such facility. The museum facility shall be owned by
5 the state, a city, county, other political subdivision of the state or a non-
6 profit corporation, shall be managed by the state, a city, county, other
7 political subdivision of the state or a non-profit corporation and may not
8 be leased to any developer and shall not be located within any retail or
9 commercial building.

10 Sec. 49. From and after July 1, 2017, K.S.A. 2015 Supp. 12-1775a is
11 hereby amended to read as follows: 12-1775a. (a) Prior to December 31,
12 1996, the governing body of each city which, pursuant to K.S.A. 12-1771,
13 and amendments thereto, has established a redevelopment district prior to
14 July 1, 1996, shall certify to the director of accounts and reports the
15 amount equal to the amount of revenue realized from ad valorem taxes
16 imposed pursuant to ~~K.S.A. 2015 Supp. 72-6470 section 15~~, and
17 amendments thereto, within such redevelopment district. Prior to February
18 1, 1997, and annually on that date thereafter, the governing body of each
19 such city shall certify to the director of accounts and reports an amount
20 equal to the amount by which revenues realized from such ad valorem
21 taxes imposed in such redevelopment district are estimated to be reduced
22 for the ensuing calendar year due to legislative changes in the statewide
23 school finance formula. Prior to March 1 of each year, the director of
24 accounts and reports shall certify to the state treasurer each amount
25 certified by the governing bodies of cities under this section for the
26 ensuing calendar year and shall transfer from the state general fund to the
27 city tax increment financing revenue fund the aggregate of all amounts so
28 certified. Prior to April 15 of each year, the state treasurer shall pay from
29 the city tax increment financing revenue fund to each city certifying an
30 amount to the director of accounts and reports under this section for the
31 ensuing calendar year the amount so certified.

32 (b) There is hereby created the tax increment financing revenue
33 replacement fund which shall be administered by the state treasurer. All
34 expenditures from the tax increment financing revenue replacement fund
35 shall be made in accordance with appropriations acts upon warrants of the
36 director of accounts and reports issued pursuant to vouchers approved by
37 the state treasurer or a person or persons designated by the state treasurer.

38 Sec. 50. K.S.A. 46-1701 is hereby amended to read as follows: 46-
39 1701. (a) There is hereby created the joint committee on state building
40 construction which shall be within the legislative branch of state
41 government and which shall be composed of five members of the senate
42 and five members of the house of representatives. The five senate
43 members shall be the chairperson of the committee on ways and means of

1 the senate, or a member of the committee on ways and means of the senate
2 appointed by the chairperson, two senators appointed by the president and
3 two senators appointed by the minority leader. The five representative
4 members shall be the chairperson of the committee on appropriations of
5 the house of representatives, or a member of the committee on
6 appropriations of the house of representatives appointed by the
7 chairperson, two representatives appointed by the speaker and two
8 representatives appointed by the minority leader.

9 (b) All members of the joint committee on state building construction
10 shall serve for terms ending on the first day of the regular legislative
11 session in odd-numbered years. The joint committee shall organize
12 annually and elect a chairperson and vice-chairperson in accordance with
13 this subsection. On and after the first day of the regular legislative session
14 in odd-numbered years, the chairperson shall be one of the representative
15 members of the joint committee elected by the members of the joint
16 committee and the vice-chairperson shall be one of the senate members
17 elected by the members of the joint committee and on and after the first
18 day of the regular legislative session in even-numbered years, the
19 chairperson shall be one of the senate members of the joint committee
20 elected by the members of the joint committee and the vice-chairperson
21 shall be one of the representative members of the joint committee elected
22 by the members of the joint committee. The chairperson and vice-
23 chairperson of the joint committee shall serve in such capacities until the
24 first day of the regular legislative session in the ensuing year. The vice-
25 chairperson shall exercise all of the powers of the chairperson in the
26 absence of the chairperson. If a vacancy occurs in the office of chairperson
27 or vice-chairperson, a member of the joint committee, who is a member of
28 the same house as the member who vacated the office, shall be elected by
29 the members of the joint committee to fill such vacancy.

30 (c) A quorum of the joint committee on state building construction
31 shall be six. All actions of the joint committee shall be taken by a majority
32 of all of the members of the joint committee.

33 (d) The joint committee on state building construction may meet at
34 any time and at any place within the state on the call of the chairperson.
35 *The joint committee shall meet at least once each quarter as required by*
36 *section 25, and amendments thereto.*

37 (e) The provisions of the acts contained in article 12 of chapter 46 of
38 the Kansas Statutes Annotated, and amendments thereto, applicable to
39 special committees shall apply to the joint committee on state building
40 construction to the extent that the same do not conflict with the specific
41 provisions of this act applicable to the joint committee.

42 (f) In accordance with K.S.A. 46-1204, and amendments thereto, the
43 legislative coordinating council may provide for such professional services

1 as may be requested by the joint committee on state building construction.

2 (g) The joint committee on state building construction may introduce
3 such legislation as it deems necessary in performing its functions.

4 Sec. 51. K.S.A. 2015 Supp. 60-2102 is hereby amended to read as
5 follows: 60-2102. (a) *Appeal to court of appeals as matter of right.* Except
6 for any order or final decision of a district magistrate judge who is not
7 regularly admitted to practice law in Kansas, the appellate jurisdiction of
8 the court of appeals may be invoked by appeal as a matter of right from:

9 (1) An order that discharges, vacates or modifies a provisional
10 remedy.

11 (2) An order that grants, continues, modifies, refuses or dissolves an
12 injunction, or an order that grants or refuses relief in the form of
13 mandamus, quo warranto or habeas corpus.

14 (3) An order that appoints a receiver or refuses to wind up a
15 receivership or to take steps to accomplish the purposes thereof, such as
16 directing sales or other disposal of property, or an order involving the tax
17 or revenue laws, the title to real estate, the constitution of this state or the
18 constitution, laws or treaties of the United States.

19 (4) A final decision in any action, except in an action where a direct
20 appeal to the supreme court is required by law. In any appeal or cross
21 appeal from a final decision, any act or ruling from the beginning of the
22 proceedings shall be reviewable.

23 (b) *Appeal to court of appeals en banc as a matter of right.* The
24 appellate jurisdiction of the court of appeals sitting together en banc may
25 be invoked by appeal as a matter of right from a preliminary or final
26 decision in which a statute of this state has been held unconstitutional as a
27 violation of article 6 of the constitution of the state of Kansas pursuant to
28 K.S.A. 2015 Supp. 72-64b03, and amendments thereto. Any appeal filed
29 pursuant to this subsection shall be filed within 30 days of the date the
30 preliminary or final decision is filed.

31 ~~(b)~~ (c) *Appeal to supreme court as matter of right.* The appellate
32 jurisdiction of the supreme court may be invoked by appeal as a matter of
33 right from:

34 ~~(1) A preliminary or final decision in which a statute of this state has~~
35 ~~been held unconstitutional as a violation of Article 6 of the constitution of~~
36 ~~the state of Kansas pursuant to K.S.A. 2015 Supp. 72-64b03, and~~
37 ~~amendments thereto. Any appeal filed pursuant to this subsection (b)(1)~~
38 ~~shall be filed within 30 days of the date the preliminary or final decision is~~
39 ~~filed.~~

40 ~~(2)~~ a final decision of the district court in any action challenging the
41 constitutionality of or arising out of any provision of the Kansas expanded
42 lottery act, any lottery gaming facility management contract or any
43 racetrack gaming facility management contract entered into pursuant to the

1 Kansas expanded lottery act.

2 (e) (d) *Other appeals.* When a district judge, or a district magistrate
 3 judge who is regularly admitted to practice law in Kansas, in making in a
 4 civil action an order not otherwise appealable under this section, is of the
 5 opinion that such order involves a controlling question of law as to which
 6 there is substantial ground for difference of opinion and that an immediate
 7 appeal from the order may materially advance the ultimate termination of
 8 the litigation, the judge shall so state in writing in such order. The court of
 9 appeals may thereupon, in its discretion, permit an appeal to be taken from
 10 such order, if application is made to it within 14 days after the entry of the
 11 order under such terms and conditions as the supreme court fixes by rule.
 12 Application for an appeal pursuant to this subsection shall not stay
 13 proceedings in the district court unless the judge of the district court or an
 14 appellate court or a judge thereof so orders.

15 Sec. 52. From and after July 1, 2017, K.S.A. 2015 Supp. 72-978 is
 16 hereby amended to read as follows: 72-978. (a) Each year, the state board
 17 of education shall determine the amount of state aid for the provision of
 18 special education and related services each school district shall receive for
 19 the ensuing school year. The amount of such state aid shall be computed
 20 by the state board as provided in this section. The state board shall:

21 (1) Determine the total amount of ~~the general fund and local option~~
 22 budgets of all school districts;

23 (2) subtract from the amount determined in subsection (a)(1) the total
 24 amount attributable to assignment of transportation weighting, program
 25 weighting, special education weighting and at-risk pupil weighting, as
 26 those weightings were calculated under the school district finance and
 27 quality performance act, prior to its repeal, to enrollment of all school
 28 districts;

29 (3) divide the remainder obtained in subsection (a)(2) by the total
 30 number of full-time equivalent ~~pupils~~ *students* enrolled in all school
 31 districts on September 20;

32 (4) determine the total full-time equivalent enrollment of exceptional
 33 children receiving special education and related services provided by all
 34 school districts;

35 (5) multiply the amount of the quotient obtained in subsection (a)(3)
 36 by the full-time equivalent enrollment determined in subsection (a)(4);

37 (6) determine the amount of federal funds received by all school
 38 districts for the provision of special education and related services;

39 (7) determine the amount of revenue received by all school districts
 40 rendered under contracts with the state institutions for the provisions of
 41 special education and related services by the state institution;

42 (8) add the amounts determined under subsections (a)(6) and (a)(7) to
 43 the amount of the product obtained under subsection (a)(5);

1 (9) determine the total amount of expenditures of all school districts
2 for the provision of special education and related services;

3 (10) subtract the amount of the sum obtained under subsection (a)(8)
4 from the amount determined under subsection (a)(9); and

5 (11) multiply the remainder obtained under subsection (a)(10) by
6 92%.

7 The computed amount is the amount of state aid for the provision of
8 special education and related services aid a school district is entitled to
9 receive for the ensuing school year.

10 (b) Each school district shall be entitled to receive:

11 (1) Reimbursement for actual travel allowances paid to special
12 teachers at not to exceed the rate specified under K.S.A. 75-3203, and
13 amendments thereto, for each mile actually traveled during the school year
14 in connection with duties in providing special education or related services
15 for exceptional children; such reimbursement shall be computed by the
16 state board by ascertaining the actual travel allowances paid to special
17 teachers by the school district for the school year and shall be in an
18 amount equal to 80% of such actual travel allowances;

19 (2) reimbursement in an amount equal to 80% of the actual travel
20 expenses incurred for providing transportation for exceptional children to
21 special education or related services;

22 (3) reimbursement in an amount equal to 80% of the actual expenses
23 incurred for the maintenance of an exceptional child at some place other
24 than the residence of such child for the purpose of providing special
25 education or related services; such reimbursement shall not exceed \$600
26 per exceptional child per school year; and

27 (4) (A) except for those school districts entitled to receive
28 reimbursement under subsection (c) or (d), after subtracting the amounts of
29 reimbursement under subsections (a)(1), (a)(2) and (a)(3) from the total
30 amount appropriated for special education and related services under this
31 act, an amount which bears the same proportion to the remaining amount
32 appropriated as the number of full-time equivalent special teachers who
33 are qualified to provide special education or related services to exceptional
34 children and are employed by the school district for approved special
35 education or related services bears to the total number of such qualified
36 full-time equivalent special teachers employed by all school districts for
37 approved special education or related services.

38 (B) Each special teacher who is qualified to assist in the provision of
39 special education or related services to exceptional children shall be
40 counted as $\frac{2}{5}$ full-time equivalent special teacher who is qualified to
41 provide special education or related services to exceptional children.

42 (C) For purposes of this subsection (b)(4), a special teacher, qualified
43 to assist in the provision of special education and related services to

1 exceptional children, who assists in providing special education and
2 related services to exceptional children at either the state school for the
3 blind or the state school for the deaf and whose services are paid for by a
4 school district pursuant to K.S.A. 76-1006 or 76-1102, and amendments
5 thereto, shall be considered a special teacher of such school district.

6 (c) Each school district which has paid amounts for the provision of
7 special education and related services under an interlocal agreement shall
8 be entitled to receive reimbursement under subsection (b)(4). The amount
9 of such reimbursement for the district shall be the amount which bears the
10 same relation to the aggregate amount available for reimbursement for the
11 provision of special education and related services under the interlocal
12 agreement, as the amount paid by such district in the current school year
13 for provision of such special education and related services bears to the
14 aggregate of all amounts paid by all school districts in the current school
15 year who have entered into such interlocal agreement for provision of such
16 special education and related services.

17 (d) Each contracting school district which has paid amounts for the
18 provision of special education and related services as a member of a
19 cooperative shall be entitled to receive reimbursement under subsection (b)
20 (4). The amount of such reimbursement for the district shall be the amount
21 which bears the same relation to the aggregate amount available for
22 reimbursement for the provision of special education and related services
23 by the cooperative, as the amount paid by such district in the current
24 school year for provision of such special education and related services
25 bears to the aggregate of all amounts paid by all contracting school
26 districts in the current school year by such cooperative for provision of
27 such special education and related services.

28 (e) No time spent by a special teacher in connection with duties
29 performed under a contract entered into by the Kansas juvenile
30 correctional complex, the Atchison juvenile correctional facility, the
31 Larned juvenile correctional facility, or the Topeka juvenile correctional
32 facility and a school district for the provision of special education services
33 by such state institution shall be counted in making computations under
34 this section.

35 (f) There is hereby established in every school district a fund which
36 shall be called the special education fund, which fund shall consist of all
37 moneys deposited therein or transferred thereto according to law.
38 Notwithstanding any other provision of law, all moneys received by the
39 school district from whatever source for special education shall be credited
40 to the special education fund established by this section, except that: (1)
41 Amounts of payments received by a school district under K.S.A. 72-979,
42 and amendments thereto, and amounts of grants, if any, received by a
43 school district under K.S.A. 72-983, and amendments thereto, shall be

1 deposited in the general fund of the district and transferred to the special
2 education fund; and (2) moneys received by a school district pursuant to
3 lawful agreements made under K.S.A. 72-968, and amendments thereto,
4 shall be credited to the special education fund established under the
5 agreements.

6 (g) The expenses of a school district directly attributable to special
7 education shall be paid from the special education fund and from special
8 funds established under K.S.A. 72-968, and amendments thereto.

9 (h) Obligations of a school district pursuant to lawful agreements
10 made under K.S.A. 72-968, and amendments thereto, shall be paid from
11 the special education fund established by this section.

12 Sec. 53. From and after July 1, 2017, K.S.A. 2015 Supp. 72-1046b is
13 hereby amended to read as follows: 72-1046b. (a) As used in this section:

14 (1) "School district" means a school district organized and operating
15 under the laws of this state and no part of which is located in Johnson
16 county, Sedgwick county, Shawnee county or Wyandotte county.

17 (2) "Non-resident pupil" or "pupil" means a pupil who is enrolled and
18 in attendance at a school located in a district in which such pupil is not a
19 resident and who: (A) Lives 2½ or more miles from the attendance center
20 the pupil would attend in the district in which the pupil resides and is not a
21 resident of Johnson county, Sedgwick county, Shawnee county or
22 Wyandotte county; or (B) is a member of the family of a pupil meeting the
23 condition prescribed in ~~subpart~~ *subparagraph* (A).

24 (3) "Member of the family" means a brother or sister of the whole or
25 half blood or by adoption, a stepbrother or stepsister, and a foster brother
26 or foster sister.

27 (b) The board of education of any school district may allow any pupil
28 who is not a resident of the district to enroll in and attend school in such
29 district. The board of education of such district may furnish or provide
30 transportation to any non-resident pupil who is enrolled in and attending
31 school in the district pursuant to this section. If the district agrees to
32 furnish or provide transportation to a non-resident pupil, such
33 transportation shall be furnished or provided until the end of the school
34 year. Prior to providing or furnishing transportation to a non-resident
35 pupil, the district shall notify the board of education of the district in
36 which the pupil resides that transportation will be furnished or provided.

37 (c) Pupils attending school in a school district in which the pupil does
38 not reside pursuant to this section shall be counted as regularly enrolled in
39 and attending school in the district where the pupil is enrolled for the
40 purpose of computations under the ~~classroom learning assuring student~~
41 ~~success act, K.S.A. 2015 Supp. 72-6463~~ *school district finance and*
42 *student success act, section 1* et seq., and amendments thereto, and for the
43 purposes of the statutory provisions contained in article 83 of chapter 72 of

1 the Kansas Statutes Annotated, and amendments thereto. Such non-
2 resident pupil shall not be charged for the costs of attendance at school.

3 (d) Any pupil who was not a resident of the district in school year
4 2014-2015, but was allowed to enroll in and attend school in such district
5 in school year 2014-2015 by the board of education of such district and
6 any member of the family of such pupil regardless of whether such family
7 member enrolled in and attended school in such district in school year
8 2014-2015, shall be allowed to enroll in and attend school in such district
9 in school years 2015-2016 and 2016-2017 regardless of whether such
10 pupil or family member of such pupil is a resident of the district in either
11 school year, provided such pupil or such pupil's family member is in
12 compliance with any attendance and behavior policies of the district. If
13 transportation was furnished or provided to such pupil in school year
14 2014-2015 by the district, then transportation shall be furnished or
15 provided by the district to such pupil and any family member of such pupil
16 in school years 2015-2016 and 2016-2017, provided there is no change in
17 such pupil's residence and no requirement for the district to furnish
18 transportation to any additional residence.

19 Sec. 54. From and after July 1, 2017, K.S.A. 2015 Supp. 72-1398 is
20 hereby amended to read as follows: 72-1398. (a) The national board for
21 professional teaching standards certification incentive program is hereby
22 established for the purpose of rewarding teachers who have attained
23 certification from the national board. Teachers who have attained
24 certification from the national board shall be issued a master teacher's
25 license by the state board of education. A master teacher's license shall be
26 valid for 10 years and renewable thereafter every 10 years through
27 compliance with continuing education and professional development
28 requirements prescribed by the state board. Teachers who have attained
29 certification from the national board and who are employed by a school
30 district shall be paid an incentive bonus in the amount of \$1,000 each
31 school year that the teacher remains employed by a school district and
32 retains a valid master teacher's license.

33 (b) The board of education of each school district employing one or
34 more national board certified teachers shall pay the incentive bonus to
35 each such teacher in each school year that the teacher retains eligibility for
36 such payment. Each board of education which has made payments of
37 incentive bonuses to national board certified teachers under this subsection
38 may file an application with the state board of education for state aid and
39 shall certify to the state board the amount of such payments. The
40 application and certification shall be on a form prescribed and furnished by
41 the state board, shall contain such information as the state board shall
42 require and shall be filed at the time specified by the state board.

43 (c) In each school year, each school district employing one or more

1 national board certified teachers is entitled to receive from appropriations
2 for the national board for professional teaching standards certification
3 incentive program an amount which is equal to the amount certified to the
4 state board of education in accordance with the provisions of subsection
5 (b). The state board shall certify to the director of accounts and reports the
6 amount due each school district. The director of accounts and reports shall
7 draw warrants on the state treasurer payable to the treasurer of each school
8 district entitled to payment under this section upon vouchers approved by
9 the state board.

10 (d) Moneys received by a board of education under this section shall
11 be deposited in the general fund of the school district and shall be
12 considered reimbursements to the district for the purpose of the ~~classroom~~
13 ~~learning assuring student success act, K.S.A. 2015 Supp. 72-6463~~ *school*
14 *district finance and student success act, section 1* et seq., and amendments
15 thereto, and may be expended whether the same have been budgeted or
16 not.

17 (e) The state board of education is authorized to provide scholarships
18 of \$1,100 each to teachers who are accepted to participate in the national
19 board for professional teaching standards program for initial certification.
20 The state board of education is authorized to provide scholarships of \$500
21 each to teachers who are accepted to participate in the national board for
22 professional teaching standards program for renewal of certification. Any
23 teacher who has been accepted to participate in such program may file an
24 application with the state board of education for a scholarship. The
25 application shall be on a form prescribed and furnished by the state board,
26 shall contain such information as the state board shall require and shall be
27 filed at the time specified by the state board.

28 (f) As used in this section, the term "school district" means any
29 school district organized and operating under the laws of this state.

30 Sec. 55. From and after July 1, 2017, K.S.A. 2015 Supp. 72-1414 is
31 hereby amended to read as follows: 72-1414. (a) On or before January 1,
32 2001, the state board of education shall adopt rules and regulations for the
33 administration of mentor teacher programs and shall:

34 (1) Establish standards and criteria for evaluating and approving
35 mentor teacher programs and applications of school districts for grants;

36 (2) evaluate and approve mentor teacher programs;

37 (3) establish criteria for determination of exemplary teaching ability
38 of certificated teachers for qualification as mentor teachers;

39 (4) prescribe guidelines for the selection by boards of education of
40 mentor teachers and for the provision by boards of education of training
41 programs for mentor teachers;

42 (5) be responsible for awarding grants to school districts; and

43 (6) request of and receive from each school district which is awarded

1 a grant for maintenance of a mentor teacher program reports containing
2 information with regard to the effectiveness of the program.

3 (b) Subject to the availability of appropriations for mentor teacher
4 programs maintained by school districts, and within the limits of any such
5 appropriations, the state board of education shall determine the amount of
6 grants to be awarded school districts by multiplying an amount not to
7 exceed \$1,000 by the number of mentor teachers participating in the
8 program maintained by a school district. The product is the amount of the
9 grant to be awarded to the district. Upon receipt of a grant of state moneys
10 for maintenance of a mentor teacher program, the amount of the grant shall
11 be deposited in the general fund of the school district. Moneys deposited in
12 the general fund of a school district under this subsection shall be
13 considered reimbursements for the purpose of the ~~classroom learning~~
14 ~~assuring student success act, K.S.A. 2015 Supp. 72-6463~~ *school district*
15 *finance and student success act, section 1* et seq., and amendments thereto.
16 The full amount of the grant shall be allocated among the mentor teachers
17 employed by the school district so as to provide a mentor teacher with an
18 annual stipend in an amount not to exceed \$1,000. Such annual stipend
19 shall be over and above the regular salary to which the mentor teacher is
20 entitled for the school year.

21 Sec. 56. From and after July 1, 2017, K.S.A. 2015 Supp. 72-1923 is
22 hereby amended to read as follows: 72-1923. (a) Except as provided in
23 K.S.A. 2015 Supp. 72-1925, and amendments thereto, the board of
24 education of any school district may apply to the state board for a grant of
25 authority to operate such school district as a public innovative district. The
26 application shall be submitted in the form and manner prescribed by the
27 state board, and shall be submitted not later than December 1 of the school
28 year preceding the school year in which the school district intends to
29 operate as a public innovative district.

30 (b) The application shall include the following:

31 (1) A description of the educational programs of the public innovative
32 district;

33 (2) a description of the interest and support for partnerships between
34 the public innovative district, parents and the community;

35 (3) the specific goals and the measurable pupil outcomes to be
36 obtained by operating as a public innovative district; and

37 (4) an explanation of how pupil performance in achieving the
38 specified outcomes will be measured, evaluated and reported.

39 (c) (1) Within 90 days from the date such application is submitted, the
40 state board shall review the application to determine compliance with this
41 section, and shall approve or deny such application on or before the
42 conclusion of such 90-day period. If the application is determined to be in
43 compliance with this section, the state board shall approve such

1 application and grant the school district authority to operate as a public
2 innovative district. Notification of such approval shall be sent to the board
3 of education of such school district within 10 days after such decision.

4 (2) If the state board determines such application is not in compliance
5 with either this section, or K.S.A. 2015 Supp. 72-1925, and amendments
6 thereto, the state board shall deny such application. Notification of such
7 denial shall be sent to the board of education of such school district within
8 10 days after such decision and shall specify the reasons therefor. Within
9 30 days from the date such notification is sent, the board of education of
10 such school district may submit a request to the state board for
11 reconsideration of the application and may submit an amended application
12 with such request. The state board shall act on the request for
13 reconsideration within 60 days of receipt of such request.

14 (d) A public innovative district shall:

15 (1) Not charge tuition for any of the pupils residing within the public
16 innovative district;

17 (2) participate in all Kansas math and reading assessments applicable
18 to such public innovative district, or an alternative assessment program for
19 measuring student progress as determined by the board of education;

20 (3) abide by all financial and auditing requirements that are
21 applicable to school districts, except that a public innovative district may
22 use generally accepted accounting principles;

23 (4) comply with all applicable health, safety and access laws; and

24 (5) comply with all statements set forth in the application submitted
25 pursuant to subsection (a).

26 (e) (1) Except as otherwise provided in K.S.A. 2015 Supp. 72-1921
27 through 72-1930, and amendments thereto, or as required by the board of
28 education of the public innovative district, a public innovative district shall
29 be exempt from all laws and rules and regulations that are applicable to
30 school districts.

31 (2) A public innovative district shall be subject to the special
32 education for exceptional children act, the virtual school act, ~~the classroom~~
33 ~~learning-assuring student success act~~, K.S.A. 2015 Supp. 72-6463 *the*
34 *school district finance and student success act, section 1* et seq., and
35 amendments thereto, the provisions of K.S.A. 72-8801 et seq., and
36 amendments thereto, all laws governing the issuance of general obligation
37 bonds by school districts, the provisions of K.S.A. 74-4901 et seq., and
38 amendments thereto, and all laws governing the election of members of
39 the board of education, the open meetings act as provided in K.S.A. 75-
40 4317 et seq., and amendments thereto, and the open records act as
41 provided in K.S.A. 45-215 et seq., and amendments thereto.

42 Sec. 57. From and after July 1, 2017, K.S.A. 2015 Supp. 72-5333b is
43 hereby amended to read as follows: 72-5333b. (a) The unified school

1 district maintaining and operating a school on the Fort Leavenworth
2 military reservation, being unified school district No. 207 of Leavenworth
3 county, state of Kansas, shall have a governing body, which shall be
4 known as the "Fort Leavenworth school district board of education" and
5 which shall consist of three members who shall be appointed by, and serve
6 at the pleasure of the commanding general of Fort Leavenworth. One
7 member of the board shall be the president and one member shall be the
8 vice-president. The commanding general, when making any appointment
9 to the board, shall designate which of the offices the member so appointed
10 shall hold. Except as otherwise expressly provided in this section, the
11 district board and the officers thereof shall have and may exercise all the
12 powers, duties, authority and jurisdiction imposed or conferred by law on
13 unified school districts and boards of education thereof, except such school
14 district shall not offer or operate any of grades 10 through 12.

15 (b) The board of education of the school district shall not have the
16 power to issue bonds.

17 (c) Except as otherwise expressly provided in this subsection, the
18 provisions of the ~~classroom learning assuring student success act, K.S.A.~~
19 ~~2015 Supp. 72-6463~~ *school district finance and student success act,*
20 *section 1 et seq.*, and amendments thereto, apply to the school district.
21 Any moneys received by the school district shall be deposited in the
22 general fund of the school district or, at the discretion of the board of
23 education, in the capital outlay fund of the school district.

24 Sec. 58. K.S.A. 2015 Supp. 72-5413 is hereby amended to read as
25 follows: 72-5413. As used in this act, and amendments thereto:

26 (a) The term "persons" includes one or more individuals,
27 organizations, associations, corporations, boards, committees,
28 commissions, agencies, or their representatives.

29 (b) "Board of education" means the state board of education pursuant
30 to its authority under K.S.A. 76-1001a and 76-1101a, and amendments
31 thereto, the board of education of any school district, the board of control
32 of any area vocational-technical school and the board of trustees of any
33 community college.

34 (c) "Professional employee" means any person employed by a board
35 of education in a position which requires a certificate issued by the state
36 board of education or employed by a board of education in a professional,
37 educational or instructional capacity, but shall not mean any such person
38 who is an administrative employee and, commencing in the 2006-2007
39 school year, shall not mean any person who is a retirant from school
40 employment of the Kansas public employees retirement system, regardless
41 of whether an agreement between a board of education and an exclusive
42 representative of professional employees that covers terms and conditions
43 of professional service provides to the contrary.

1 (d) "Administrative employee" means, in the case of a school district,
2 any person who is employed by a board of education in an administrative
3 capacity and who is fulfilling duties for which an administrator's certificate
4 is required under K.S.A. 72-7513, and amendments thereto; and, in the
5 case of an area vocational-technical school or community college, any
6 person who is employed by the board of control or the board of trustees in
7 an administrative capacity and who is acting in that capacity and who has
8 authority, in the interest of the board of control or the board of trustees, to
9 hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward or
10 discipline other employees, or responsibly to direct them or to adjust their
11 grievances, or effectively to recommend a preponderance of such actions,
12 if in connection with the foregoing, the exercise of such authority is not of
13 a merely routine or clerical nature, but requires the use of independent
14 judgment.

15 (e) "Professional employees' organizations" means any one or more
16 organizations, agencies, committees, councils or groups of any kind in
17 which professional employees participate, and which exist for the purpose,
18 in whole or part, of engaging in professional negotiation with boards of
19 education with respect to the terms and conditions of professional service
20 or for the purpose of professional development or liability protection.

21 (f) "Representative" means any professional employees' organization
22 or any person it authorizes or designates to act in its behalf or any person a
23 board of education authorizes or designates to act in its behalf.

24 (g) "Professional negotiation" means meeting, conferring, consulting
25 and discussing in a good faith effort by both parties to reach agreement
26 with respect to the terms and conditions of professional service.

27 (h) "Mediation" means the effort through interpretation and advice by
28 an impartial third party to assist in reconciling a dispute concerning terms
29 and conditions of professional service which arose in the course of
30 professional negotiation between a board of education or its
31 representatives and representatives of the recognized professional
32 employees' organization.

33 (i) "Fact-finding" means the investigation by an individual or board
34 of a dispute concerning terms and conditions of professional service which
35 arose in the course of professional negotiation, and the submission of a
36 report by such individual or board to the parties to such dispute which
37 includes a determination of the issues involved, findings of fact regarding
38 such issues, and the recommendation of the fact-finding individual or
39 board for resolution of the dispute.

40 (j) "Strike" means an action taken for the purpose of coercing a
41 change in the terms and conditions of professional service or the rights,
42 privileges or obligations thereof, through any failure by concerted action
43 with others to report for duty including, but not limited to, any work

1 stoppage, slowdown, or refusal to work.

2 (k) "Lockout" means action taken by a board of education to provoke
3 interruptions of or prevent the continuity of work normally and usually
4 performed by the professional employees for the purpose of coercing
5 professional employees into relinquishing rights guaranteed by this act and
6 the act of which this section is amendatory.

7 (l) (1) "Terms and conditions of professional service" means: (A)
8 Salaries and wages, including pay for duties under supplemental contracts;
9 hours and amounts of work; vacation allowance, holiday, sick, extended,
10 sabbatical and other leave, and number of holidays; retirement; insurance
11 benefits; wearing apparel; pay for overtime; jury duty; grievance
12 procedure, including binding arbitration of grievances; disciplinary
13 procedure; resignations; termination and nonrenewal of contracts;
14 reemployment of professional employees; terms and form of the individual
15 professional employee contract; probationary period; professional
16 employee appraisal procedures; each of the foregoing being a term and
17 condition of professional service, regardless of its impact on the employee
18 or on the operation of the educational system; (B) matters which relate to
19 privileges to be granted the recognized professional employees'
20 organization, including, but not limited to, voluntary payroll deductions;
21 dissemination of information regarding the professional negotiation
22 process and related matters to members of the bargaining unit on school or
23 college premises through direct contact with members of the bargaining
24 unit; reasonable leaves of absence for members of the bargaining unit for
25 organizational purposes, such as engaging in professional negotiation and
26 partaking of instructional programs properly related to the representation
27 of the bargaining unit; any of the foregoing privileges which are granted
28 the recognized professional employees' organization through the
29 professional negotiation process shall not be granted to any other
30 professional employees' organization; and (C) such other matters as the
31 parties mutually agree upon as properly related to professional service
32 including, but not limited to, employment incentive or retention bonuses
33 authorized under K.S.A. 72-8246, and amendments thereto.

34 (2) Nothing in this act, and amendments thereto, shall authorize any
35 professional employees' organization to be granted the exclusive privilege
36 of access to the use of school or college facilities for meetings, the use of
37 bulletin boards on or about the facility or the use of school or college mail
38 systems.

39 (3) Nothing in this act, and amendments thereto, shall authorize the
40 diminution of any right, duty or obligation of either the professional
41 employee or the board of education which have been fixed by statute or by
42 the constitution of this state. Except as otherwise expressly provided in
43 this subsection (l), the fact that any matter may be the subject of a statute

1 or the constitution of this state does not preclude negotiation thereon so
2 long as the negotiation proposal would not prevent the fulfillment of the
3 statutory or constitutional objective.

4 (4) Matters which relate to the duration of the school term, and
5 specifically to consideration and determination by a board of education of
6 the question of the development and adoption of a policy to provide for a
7 school term consisting of school hours, are not included within the
8 meaning of terms and conditions of professional service and are not
9 subject to professional negotiation.

10 (5) *Matters which relate to the unified school district employee health*
11 *care benefits program established under section 27, and amendments*
12 *thereto, or coverage provided under such program, are not included*
13 *within the meaning of terms and conditions of professional service and are*
14 *not subject to professional negotiation.*

15 (m) "Secretary" means the secretary of labor or a designee thereof.

16 (n) "Statutory declaration of impasse date" means July 31 in the
17 current school year.

18 (o) "Supplemental contracts" means contracts for employment duties
19 other than those services covered in the principal or primary contract of
20 employment of the professional employee and shall include, but not be
21 limited to, such services as coaching, supervising, directing and assisting
22 extracurricular activities, chaperoning, ticket-taking, lunchroom
23 supervision, and other similar and related activities.

24 Sec. 59. From and after July 1, 2017, K.S.A. 2015 Supp. 72-64b01 is
25 hereby amended to read as follows: 72-64b01. ~~(a)~~No school district shall
26 expend, use or transfer any moneys from the general fund of the district
27 for the purpose of engaging in or supporting in any manner any litigation
28 by the school district or any person, association, corporation or other entity
29 against the state of Kansas, the state board of education, the state
30 department of education, other state agency or any state officer or
31 employee regarding any law concerning school finance. No such moneys
32 shall be paid, donated or otherwise provided to any person, association,
33 corporation or other entity and used for the purpose of any such litigation.

34 ~~(b) Nothing in this section shall be construed as prohibiting the~~
35 ~~expenditure, use or transfer of moneys from the proceeds of any tax levied~~
36 ~~by a school district pursuant to K.S.A. 2015 Supp. 72-6472, and~~
37 ~~amendments thereto, for the purposes specified in subsection (a).~~

38 Sec. 60. K.S.A. 2015 Supp. 72-64b03 is hereby amended to read as
39 follows: 72-64b03. (a) If a petition is filed in a district court of this state
40 alleging a violation of article 6 of the Kansas constitution, the chief judge
41 of such district court shall notify the chief justice of the supreme court of
42 such petition within three business days thereafter.

43 (b) Within three business days of receiving such notice, the chief

1 justice shall notify the chief judge of the court of appeals. Within 10
2 business days of receiving notice by the chief justice, the chief judge shall
3 ~~appoint~~ *select* a panel of three current ~~or retired~~ district court judges to
4 preside over such civil action. *The selection of the three district court*
5 *judges shall be done by lottery with each current district court judge in*
6 *this state having an equal chance of being randomly selected to the panel.*

7 The chief judge shall designate ~~one of such judges~~ *the first judge selected*
8 to be the presiding judge of the panel. The judicial panel shall be
9 considered a court of competent jurisdiction to hear and decide the civil
10 action.

11 (c) The judicial panel shall establish venue pursuant to K.S.A. 2015
12 Supp. 72-64b04, and amendments thereto.

13 (d) As a part of a remedy, preliminary decision or final decision in
14 which a statute or legislative enactment of this state has been held
15 unconstitutional as a violation of article 6 of the Kansas constitution, the
16 judicial panel or any master or other person or persons appointed by the
17 panel to hear or determine a cause or controversy or to make or enforce
18 any order or remedy ordered by a court pursuant to K.S.A. 60-253, and
19 amendments thereto, or any other provision of law, shall not have the
20 authority to order a school district or any attendance center within a school
21 district to be closed or enjoin the use of all statutes related to the
22 distribution of funds for public education.

23 Sec. 61. From and after July 1, 2017, K.S.A. 2015 Supp. 72-64c03 is
24 hereby amended to read as follows: 72-64c03. The appropriation of
25 moneys necessary to pay general state aid ~~and supplemental general state~~
26 ~~aid under the classroom learning assuring student success act, K.S.A. 2015~~
27 ~~Supp. 72-6463~~ *under the school district finance and student success act,*
28 *section 1 et seq.,* and amendments thereto, and state aid for the provision
29 of special education and related services under the special education for
30 exceptional children act shall be given first priority in the legislative
31 budgeting process and shall be paid first from existing state revenues.

32 Sec. 62. From and after July 1, 2017, K.S.A. 2015 Supp. 72-64c05 is
33 hereby amended to read as follows: 72-64c05. Article 6 of the constitution
34 of the state of Kansas states that the legislature shall provide for
35 intellectual, educational, vocational and scientific improvement by
36 establishing and maintaining public schools; provide for a state board of
37 education having general supervision of public schools, educational
38 institutions and the educational interests of the state, except those
39 delegated by law to the state board of regents; and make suitable provision
40 for finance of the educational interests of the state. It is the purpose and
41 intention of the legislature to provide a financing system for the education
42 of kindergarten and grades one through 12 which provides students with
43 the capacities set forth in K.S.A. 2015 Supp. 72-1127, and amendments

1 thereto. Such financing system shall be sufficiently flexible for the
2 legislature to consider and utilize financing methods from all available
3 resources in order to satisfy the constitutional requirements under article 6.

4 Such financing methods shall include, but are not limited to, the following:

5 (a) Federal funding to unified school districts or public schools,
6 including any grants or federal assistance;

7 (b) subject to appropriations by the legislature, appropriations of state
8 moneys for the improvement of public education, including, but not
9 limited to, the following:

10 (1) Financing to unified school districts through the ~~classroom-~~
11 ~~learning assuring student success act, K.S.A. 2015-Supp. 72-6463 school~~
12 *district finance and student success act, section 1 et seq.*, and amendments
13 thereto;

14 (2) financing to unified school districts through any provisions which
15 provide state aid, such as capital improvements state aid, capital outlay
16 state aid and any other state aid paid, distributed or allocated to school
17 districts on the basis of the assessed valuation of school districts;

18 (3) employer contributions to the Kansas public employees retirement
19 system for public schools;

20 (4) appropriations to the Kansas children's cabinet for programs
21 serving students enrolled in unified school districts in meeting the goal
22 specified in K.S.A. 2015 Supp. 72-1127, and amendments thereto;

23 (5) appropriations to any programs which provide early learning to
24 four-year-old children with the purpose of preparing them for success in
25 public schools;

26 (6) appropriations to any programs, such as communities in schools,
27 which provide individualized support to students enrolled in unified school
28 districts in meeting the goal specified in K.S.A. 2015 Supp. 72-1127, and
29 amendments thereto;

30 (7) transportation financing, including any transfers from the state
31 general fund and state highway fund to the state department of education
32 to provide technical education transportation, special education
33 transportation or school bus safety;

34 (8) financing to other facilities providing public education to students,
35 such as the Kansas state school for the blind, the Kansas state school for
36 the deaf, school district juvenile detention facilities and the Flint Hills job
37 corps center;

38 (9) appropriations relating to the Kansas academy of mathematics and
39 science;

40 (10) appropriations relating to teaching excellence, such as
41 scholarships, awards, training or in-service workshops;

42 (11) appropriations to the state board of regents to provide technical
43 education incentives to unified school districts and tuition costs to

1 postsecondary institutions which provide career technical education to
2 secondary students; and

3 (12) appropriations to any postsecondary educational institution
4 which provides postsecondary education to a secondary student without
5 charging tuition to such student;

6 (c) any provision which authorizes the levying of local taxes for the
7 purpose of financing public schools; and

8 (d) any transfer of funds or appropriations from one object or fund to
9 another approved by the legislature for the purpose of financing public
10 schools.

11 Sec. 63. From and after July 1, 2017, K.S.A. 2015 Supp. 72-6624 is
12 hereby amended to read as follows: 72-6624. (a) As used in this section:

13 (1) "School district" means unified school district No. 404, unified
14 school district No. 493, unified school district No. 499 and unified school
15 district No. 508.

16 (2) "Property" means any property, and improvements thereon,
17 comprising a racetrack gaming facility or lottery gaming facility under the
18 Kansas expanded lottery act located in Cherokee county.

19 (3) "State aid" means general state aid, capital improvements state
20 aid, capital outlay state aid and any other state aid paid, distributed or
21 allocated to school districts under the ~~classroom learning assuring student~~
22 ~~success act, K.S.A. 2015 Supp. 72-6463~~ *school district finance and*
23 *student success act, section 1 et seq.*, and amendments thereto, or other
24 law, and any other state aid paid, distributed or allocated to school districts
25 on the basis of the assessed valuation of school districts.

26 (b) For the purposes of computing the assessed valuation of school
27 districts for the payment, distribution or allocation of state aid and the
28 levying of school taxes, $\frac{1}{4}$ of the assessed valuation of such property shall
29 be assigned to each of the school districts.

30 (c) The provisions of this section shall not apply if the property is not
31 or ceases to be used as a racetrack gaming facility or lottery gaming
32 facility under the Kansas expanded lottery act.

33 Sec. 64. From and after July 1, 2017, K.S.A. 2015 Supp. 72-6625 is
34 hereby amended to read as follows: 72-6625. (a) As used in this section:

35 (1) "School district" means unified school district No. 507 and
36 unified school district No. 374.

37 (2) "Property" means the following described property, and
38 improvements thereon, comprised of 1,120 acres, more or less, located in
39 Haskell county: All of Section 34, Township 29 South, Range 33 West and
40 the West $\frac{1}{2}$ of Section 3, Township 30 South, Range 33 West and the
41 Northeast Quarter of Section 3, Township 30 South, Range 33 West.

42 (3) "State aid" means general state aid, capital improvements state
43 aid, capital outlay state aid and any other state aid paid, distributed or

1 allocated to school districts under the ~~classroom learning assuring student~~
2 ~~success act, K.S.A. 2015 Supp. 72-6463~~ *school district finance and*
3 *student success act, section 1 et seq.*, and amendments thereto, or other
4 law, and any other state aid paid, distributed or allocated to school districts
5 on the basis of the assessed valuation of school districts.

6 (b) For the purposes of computing the assessed valuation of school
7 districts for the payment, distribution or allocation of state aid and the
8 levying of school taxes, $\frac{1}{2}$ of the assessed valuation of such property shall
9 be assigned to each of the school districts.

10 (c) The provisions of this section shall not apply if the property is not
11 or ceases to be used for the production of ethanol.

12 Sec. 65. From and after July 1, 2017, K.S.A. 2015 Supp. 72-6757 is
13 hereby amended to read as follows: 72-6757. (a) As used in this section:

14 (1) "Receiving school district" means a school district of
15 nonresidence of a pupil who attends school in such school district.

16 (2) "Sending school district" means a school district of residence of a
17 pupil who attends school in a school district not of the pupil's residence.

18 (b) The board of education of any school district may make and enter
19 into contracts with the board of education of any receiving school district
20 located in this state for the purpose of providing for the attendance of
21 pupils at school in the receiving school district.

22 (c) The board of education of any school district may make and enter
23 into contracts with the governing authority of any accredited school
24 district located in another state for the purpose of providing for the
25 attendance of pupils from this state at school in such other state or for the
26 attendance of pupils from such other state at school in this state.

27 (d) Pupils attending school in a receiving school district in
28 accordance with a contract authorized by this section and made and
29 entered into by such receiving school district with a sending school district
30 located in this state shall be counted as regularly enrolled in and attending
31 school in the sending school district for the purpose of computations under
32 the ~~classroom learning assuring student success act, K.S.A. 2015 Supp. 72-~~
33 ~~6463~~ *school district finance and student success act, section 1 et seq.*, and
34 amendments thereto.

35 (e) Any contract made and entered into under authority of this section
36 is subject to the following conditions:

37 (1) The contract shall be for the benefit of pupils who reside at
38 inconvenient or unreasonable distances from the schools maintained by the
39 sending school district or for pupils who, for any other reason deemed
40 sufficient by the board of education of the sending school district, should
41 attend school in a receiving school district;

42 (2) the contract shall make provision for the payment of tuition by the
43 sending school district to the receiving school district;

1 (3) if a sending school district is located in this state and the receiving
2 school district is located in another state, the amount of tuition provided to
3 be paid for the attendance of a pupil or pupils at school in the receiving
4 school district shall not exceed $\frac{1}{2}$ of the amount of the budget per pupil of
5 the sending school district under the ~~classroom learning assuring student~~
6 ~~success act, K.S.A. 2015 Supp. 72-6463~~ *school district finance and*
7 *student success act, section 1 et seq.*, and amendments thereto, for the
8 current school year; and

9 (4) the contract shall make provision for transportation of pupils to
10 and from the school attended on every school day.

11 (f) Amounts received pursuant to contracts made and entered into
12 under authority of this section by a school district located in this state for
13 enrollment and attendance of pupils at school in regular educational
14 programs shall be deposited in the general fund of the school district.

15 (g) The provisions of subsection (e)(3) do not apply to unified school
16 district No. 104, Jewell county.

17 (h) The provisions of this section do not apply to contracts made and
18 entered into under authority of the special education for exceptional
19 children act.

20 (i) The provisions of this section are deemed to be alternative to the
21 provisions of K.S.A. 72-8233, and amendments thereto, and no procedure
22 or authorization under K.S.A. 72-8233, and amendments thereto, shall be
23 limited by the provisions of this section.

24 Sec. 66. K.S.A. 2015 Supp. 72-6760 is hereby amended to read as
25 follows: 72-6760. (a) Except as provided by this section and K.S.A. 72-
26 6760b, no expenditure involving an amount greater than \$20,000 for
27 construction, reconstruction or remodeling or for the purchase of materials,
28 goods or wares shall be made by the board of education of any school
29 district except upon sealed proposals, and to the lowest responsible bidder.

30 (b) The provisions of subsection (a) do not apply to expenditures by a
31 board of education for the purchase of:

32 (1) Services;

33 (2) products required to be purchased under the provisions of K.S.A.
34 75-3317 through 75-3322, and amendments thereto;

35 (3) educational materials directly related to curriculum and secured
36 by copyright;

37 (4) motor fuels required to provide or furnish transportation;

38 (5) food and foodstuffs necessary for the implementation or operation
39 of any child nutrition program;

40 (6) articles or products that are produced, manufactured or provided
41 by inmates under the prison-made goods act of Kansas;

42 (7) natural gas that will be consumed in buildings owned or operated
43 by the school district;

1 (8) materials, goods or wares required for reconstructing, remodeling,
 2 repairing or equipping buildings when such purchase has been necessitated
 3 by the occurrence of a loss against which the board of education has
 4 purchased property or casualty insurance; and

5 (9) materials, goods or wares which are purchased:

6 (A) From vendors who have entered into contracts with the state
 7 director of purchases pursuant to state purchasing statutes for purchases by
 8 state agencies;

9 (B) under the same pricing provisions established in the state
 10 contracts, subject to agreement of the vendor to honor the state contract
 11 prices; and

12 (C) under the same pricing provisions established in federal, national
 13 or other state contracts facilitated by a federal or local governmental entity
 14 or agency, subject to:

15 (i) Agreement of the vendor to honor the contract prices; and

16 (ii) approval by the board of education for expenditures in an amount
 17 greater than \$20,000.

18 (c) (1) Whenever the board of education of any school district lets
 19 bids for the purchase of materials, goods or wares and bids are submitted
 20 by bidders domiciled within the school district and by bidders domiciled
 21 outside the school district and the low bid is submitted by a bidder
 22 domiciled outside the school district, the school district domiciliary which
 23 submitted the lowest bid may be deemed the preferred bidder and awarded
 24 the bid if:

25 (⊕) (A) The quality, suitability and usability of the materials, goods or
 26 wares are equal;

27 (⊖) (B) the amount of the bid of the school district domiciliary is not
 28 more than 1% greater than the amount of the low bid; and

29 (⊗) (C) the school district domiciliary agrees to meet the low bid by
 30 filing a written agreement to that effect within 72 hours after receiving
 31 notification of being deemed the preferred bidder.

32 (⊕) (2) The provisions of *this* subsection (⊕) do not apply to
 33 expenditures for construction, reconstruction or remodeling.

34 (d) *No expenditure for construction, reconstruction or remodeling of*
 35 *a facility for which bonds have been issued by the school district to*
 36 *finance such expenditure shall be made unless such school district has*
 37 *received at least three sealed proposals.*

38 Sec. 67. From and after July 1, 2017, K.S.A. 2015 Supp. 72-67,115 is
 39 hereby amended to read as follows: 72-67,115. (a) The board of education
 40 of any school district may:

41 (1) Offer and teach courses and conduct preschool programs for
 42 children under the age of eligibility to attend kindergarten.

43 (2) Enter into cooperative or interlocal agreements with one or more

1 other boards for the establishment, operation and maintenance of such
2 preschool programs.

3 (3) Contract with private, nonprofit corporations or associations or
4 with any public or private agency or institution, whether located within or
5 outside the state, for the establishment, operation and maintenance of such
6 preschool programs.

7 (4) Prescribe and collect fees for providing such preschool programs.

8 (b) Fees for providing preschool programs shall be prescribed and
9 collected only to recover the costs incurred as a result of and directly
10 attributable to the establishment, operation and maintenance of the
11 preschool programs. Revenues from fees collected by a board under this
12 section shall be deposited in the general fund of the school district and
13 shall be considered reimbursements to the district for the purpose of the
14 ~~classroom learning assuring student success act, K.S.A. 2015 Supp. 72-~~
15 ~~6463~~ *school district finance and student success act, section 1* et seq., and
16 amendments thereto, and may be expended whether the same have been
17 budgeted or not and amounts so expended shall not be considered
18 operating expenses.

19 Sec. 68. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8187 is
20 hereby amended to read as follows: 72-8187. (a) In each school year, to the
21 extent that appropriations are available, each school district which has
22 provided educational services for pupils residing at the Flint Hills job
23 corps center, for pupils housed at a psychiatric residential treatment facility
24 or for pupils confined in a juvenile detention facility is eligible to receive a
25 grant of state moneys in an amount to be determined by the state board of
26 education.

27 (b) In order to be eligible for a grant of state moneys provided for by
28 this section, each school district which has provided educational services
29 for pupils residing at the Flint Hills job corps center, for pupils housed at a
30 psychiatric residential treatment facility or for pupils confined in a juvenile
31 detention facility shall submit to the state board of education an
32 application for a grant and shall certify the amount expended, and not
33 reimbursed or otherwise financed, in the school year for the services
34 provided. The application and certification shall be prepared in such form
35 and manner as the state board shall require and shall be submitted at a time
36 to be determined and specified by the state board. Approval by the state
37 board of applications for grants of state moneys is prerequisite to the
38 award of grants.

39 (c) Each school district which is awarded a grant under this section
40 shall make such periodic and special reports of statistical and financial
41 information to the state board as it may request.

42 (d) All moneys received by a school district under authority of this
43 section shall be deposited in the general fund of the school district and

1 shall be considered reimbursement of the district for the purpose of the
2 ~~classroom learning assuring student success act, K.S.A. 2015 Supp. 72-~~
3 ~~6463 school district finance and student success act, section 1 et seq., and~~
4 amendments thereto.

5 (e) The state board of education shall approve applications of school
6 districts for grants, determine the amount of grants and be responsible for
7 payment of grants to school districts. In determining the amount of a grant
8 which a school district is eligible to receive, the state board shall compute
9 the amount of state financial aid the district would have received on the
10 basis of enrollment of pupils residing at the Flint Hills job corps center,
11 housed at a psychiatric residential treatment facility or confined in a
12 juvenile detention facility if such pupils had been counted as two pupils
13 under the school district finance and quality performance act and compare
14 such computed amount to the amount certified by the district under
15 subsection (b). The amount of the grant the district is eligible to receive
16 shall be an amount equal to the lesser of the amount computed under this
17 subsection or the amount certified under subsection (b). If the amount of
18 appropriations for the payment of grants under this section is insufficient
19 to pay in full the amount each school district is determined to be eligible to
20 receive for the school year, the state board shall prorate the amount
21 appropriated among all school districts which are eligible to receive grants
22 of state moneys in proportion to the amount each school district is
23 determined to be eligible to receive.

24 (f) On or before July 1 of each year, the secretary for aging and
25 disability services shall submit to the Kansas department of education a list
26 of facilities which have been certified and licensed as psychiatric
27 residential treatment facilities.

28 (g) As used in this section:

29 (1) "Enrollment" means the number of pupils who are: (A) Residing
30 at the Flint Hills job corps center, confined in a juvenile detention facility
31 or residing at a psychiatric residential treatment facility; and (B) for whom
32 a school district is providing educational services on September 20, on
33 November 20, or on April 20 of a school year, whichever is the greatest
34 number of pupils;

35 (2) "juvenile detention facility" means any public or private facility
36 which is used for the lawful custody of accused or adjudicated juvenile
37 offenders and which shall not be a jail; and

38 (3) "psychiatric residential treatment facility" means a facility which
39 provides psychiatric services to individuals under the age of 21 and which
40 conforms with the regulations of the centers for medicare/medicaid
41 services, is licensed and certified by the Kansas department for aging and
42 disability services pursuant to subsection (f).

43 Sec. 69. From and after July 1, 2017, K.S.A. 72-8208a is hereby

1 amended to read as follows: 72-8208a. (a) The board of education of any
2 school district may authorize, by separate resolutions, the establishment of
3 school activity funds from which to make needed expenditures for the
4 payment of expenses attributable to activities in which pupils of the *school*
5 district may participate directly or indirectly. Every such resolution shall
6 specify the general purpose for which the fund is to be established and
7 shall authorize an employee of the school district to administer the fund.

8 (b) The employee authorized to administer any school activity fund
9 established by any resolution provided for in this section shall keep a
10 record of all receipts and expenditures from the fund, and *the transfer of*
11 *any moneys to or from such fund. Such employee* shall, from time to time,
12 and at the end of each school year, prepare a statement for the board of
13 education showing all receipts, expenditures, *transfers* and the balance in
14 the fund. The fund shall be kept separate from all other funds and be used
15 only for authorized expenditures, and itemized receipts shall be taken for
16 each expenditure.

17 (c) All moneys received from the sale of admissions to activities
18 which the school district sponsors shall be credited to school activity funds
19 in accordance with policies and procedures adopted by the board of
20 education. Such moneys shall not be considered to be moneys of the
21 school district for the purposes of K.S.A. 72-8202d, and amendments
22 thereto.

23 (d) The provisions of K.S.A. 12-105b, and amendments thereto, shall
24 not apply to claims against any school activity fund established by any
25 resolution provided for in this section.

26 (e) As used in this section, the term "activities" means ~~activities,~~
27 ~~events, and competitions in such fields as athletics, music, forensics, and~~
28 ~~dramatics, and other interschool or intraschool extracurricular activities in~~
29 ~~which pupils may participate directly or indirectly~~ *those activities*
30 *provided or supported by a school district, but which are not required by*
31 *or a substantial part of any curriculum of such school district. The term*
32 *"activities" shall not include co-curricular activities, as defined in section*
33 *19, and amendments thereto.*

34 Sec. 70. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8230 is
35 hereby amended to read as follows: 72-8230. (a) In the event the boards of
36 education of any two or more school districts enter into a school district
37 interlocal cooperation agreement for the purpose of jointly and
38 cooperatively performing any of the services, duties, functions, activities,
39 obligations or responsibilities which are authorized or required by law to
40 be performed by school districts of this state, the following conditions
41 shall apply:

42 (1) A school district interlocal cooperation agreement shall establish a
43 board of directors which shall be responsible for administering the joint or

1 cooperative undertaking. The agreement shall specify the organization and
2 composition of and manner of appointment to the board of directors. Only
3 members of boards of education of school districts party to the agreement
4 shall be eligible for membership on the board of directors. The terms of
5 office of members of the board of directors shall expire concurrently with
6 their terms as board of education members. Vacancies in the membership
7 of the board of directors shall be filled within 30 days from the date of the
8 vacancy in the manner specified in the agreement.

9 (2) A school district interlocal cooperation agreement may provide
10 for the establishment and composition of an executive board. The
11 members of the executive board, if established, shall be selected by the
12 board of directors from its membership. The executive board shall exercise
13 the powers, have the responsibilities, and perform the duties and functions
14 of the board of directors to the extent authority to do so is delegated by the
15 board of directors.

16 (3) A school district interlocal cooperation agreement shall be
17 effective only after approval by the state board of education.

18 (4) A school district interlocal cooperation agreement shall be subject
19 to change or termination by the legislature.

20 (5) The duration of a school district interlocal cooperation agreement
21 for joint or cooperative action in performing any of the services, duties,
22 functions, activities, obligations or responsibilities, other than the
23 provision of special education services, which are authorized or required
24 by law to be performed by school districts of this state, shall be for a term
25 of at least three years but not exceeding five years.

26 (6) (A) The duration of a school district interlocal cooperation
27 agreement for joint or cooperative action in providing special education
28 services shall be perpetual unless the agreement is partially or completely
29 terminated in accordance with this provision. This provision applies to
30 every school district interlocal cooperation agreement for the provision of
31 special education services entered into under authority of this section after
32 the effective date of this act and to every such agreement entered into
33 under this section prior to the effective date of this act, and extant on the
34 effective date of this act, regardless of any provisions in such an agreement
35 to the contrary.

36 (B) Partial termination of a school district interlocal cooperation
37 agreement for the provision of special education services made and
38 entered into by the boards of three or more school districts may be
39 accomplished only upon petition for withdrawal from the agreement by a
40 contracting school district to the other contracting school districts and
41 approval by the state board of written consent to the petition by such other
42 school districts or upon order of the state board after appeal to it by a
43 school district from denial of consent to a petition for withdrawal and

1 hearing thereon conducted by the state board. The state board shall
2 consider all the testimony and evidence brought forth at the hearing and
3 issue an order approving or disapproving withdrawal by the school district
4 from the agreement.

5 (C) Complete termination of a school district interlocal cooperation
6 agreement for the provision of special education services made and
7 entered into by the boards of two school districts may be accomplished
8 upon approval by the state board of a joint petition made to the state board
9 for termination of the agreement by both of the contracting school districts
10 after adoption of a resolution to that effect by each of the contracting
11 school districts or upon petition for withdrawal from the agreement made
12 by a contracting school district to the other contracting school district and
13 approval by the state board of written consent to the petition by such other
14 school district or upon order of the state board after appeal to it by a school
15 district from denial of consent to a petition for withdrawal and hearing
16 thereon conducted by the state board. The state board shall consider all the
17 testimony and evidence brought forth at the hearing and issue an order
18 approving or disapproving withdrawal by the school district from the
19 agreement.

20 (D) Complete termination of a school district interlocal cooperation
21 agreement for the provision of special education services made and
22 entered into by the boards of three or more school districts may be
23 accomplished only upon approval by the state board of a joint petition
24 made to the state board for termination of the agreement by not less than
25 $\frac{2}{3}$ of the contracting school districts after adoption of a resolution to that
26 effect by each of the contracting school districts seeking termination of the
27 agreement. The state board shall consider the petition and approve or
28 disapprove termination of the agreement.

29 (E) The state board shall take such action in approving or
30 disapproving the complete or partial termination of a school district
31 interlocal cooperation agreement for the provision of special education
32 services as the state board deems to be in the best interests of the involved
33 school districts and of the state as a whole in the provision of special
34 education services for exceptional children. Whenever the state board has
35 disapproved the complete or partial termination of such an agreement, no
36 further action with respect to such agreement shall be considered or taken
37 by the state board for a period of not less than three years.

38 (7) A school district interlocal cooperation agreement shall specify
39 the method or methods to be employed for disposing of property upon
40 partial or complete termination.

41 (8) Within the limitations provided by law, a school district interlocal
42 cooperation agreement may be changed or modified by affirmative vote of
43 not less than $\frac{2}{3}$ of the contracting school districts.

1 (b) Except as otherwise specifically provided in this subsection, any
2 power or powers, privileges or authority exercised or capable of exercise
3 by any school district of this state, or by any board of education thereof,
4 may be jointly exercised pursuant to the provisions of a school district
5 interlocal cooperation agreement. No power or powers, privileges or
6 authority with respect to the levy and collection of taxes, the issuance of
7 bonds, or the purposes and provisions of the ~~classroom learning assuring~~
8 ~~student success act, K.S.A. 2015 Supp. 72-6463 school district finance~~
9 ~~and student success act, section 1 et seq.~~, and amendments thereto, or title
10 I of public law 874 shall be created or effectuated for joint exercise
11 pursuant to the provisions of a school district interlocal cooperation
12 agreement.

13 (c) Payments from the general fund of each school district which
14 enters into any school district interlocal cooperation agreement for the
15 purpose of financing the joint or cooperative undertaking provided for by
16 the agreement shall be operating expenses.

17 (d) Upon partial termination of a school district interlocal cooperation
18 agreement, the board of directors established under a renegotiated
19 agreement thereof shall be the successor in every respect to the board of
20 directors established under the former agreement.

21 (e) Nothing contained in this section shall be construed to abrogate,
22 interfere with, impair, qualify or affect in any manner the exercise and
23 enjoyment of all of the powers, privileges and authority conferred upon
24 school districts and boards of education thereof by the provisions of the
25 interlocal cooperation act, except that boards of education and school
26 districts are required to comply with the provisions of this section when
27 entering into an interlocal cooperation agreement that meets the definition
28 of school district interlocal cooperation agreement.

29 (f) As used in this section:

30 (1) "School district interlocal cooperation agreement" means an
31 agreement which is entered into by the boards of education of two or more
32 school districts pursuant to the provisions of the interlocal cooperation act.

33 (2) "State board" means the state board of education.

34 Sec. 71. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8233 is
35 hereby amended to read as follows: 72-8233. (a) In accordance with the
36 provisions of this section, the boards of education of any two or more
37 unified school districts may make and enter into agreements providing for
38 the attendance of pupils residing in one school district at school in
39 kindergarten or any of the grades one through 12 maintained by any such
40 other school district. The boards of education may also provide by
41 agreement for the combination of enrollments for kindergarten or one or
42 more grades, courses or units of instruction.

43 (b) Prior to entering into any agreement under authority of this

1 section, the board of education shall adopt a resolution declaring that it has
2 made a determination that such an agreement should be made and that the
3 making and entering into of such an agreement would be in the best
4 interests of the educational system of the school district. Any such
5 agreement is subject to the following conditions:

6 (1) The agreement may be for any term not exceeding a term of five
7 years.

8 (2) The agreement shall be subject to change or termination by the
9 legislature.

10 (3) Within the limitations provided by law, the agreement may be
11 changed or terminated by mutual agreement of the participating boards of
12 education.

13 (4) The agreement shall make provision for transportation of pupils to
14 and from the school attended on every school day, for payment or sharing
15 of the costs and expenses of pupil attendance at school, and for the
16 authority and responsibility of the participating boards of education.

17 (c) Provision by agreements entered into under authority of this
18 section for the attendance of pupils at school in a school district of
19 nonresidence of such pupils shall be deemed to be compliance with the
20 kindergarten, grade, course and units of instruction requirements of law.

21 (d) The board of education of any school district which enters into an
22 agreement under authority of this section for the attendance of pupils at
23 school in another school district may discontinue kindergarten or any or all
24 of the grades, courses and units of instruction specified in the agreement
25 for attendance of pupils enrolled in kindergarten or any such grades,
26 courses and units of instruction at school in such other school district.
27 Upon discontinuing kindergarten or any grade, course or unit of instruction
28 under authority of this subsection, the board of education may close any
29 school building or buildings operated or used for attendance by pupils
30 enrolled in such discontinued kindergarten, grades, courses or units of
31 instruction. The closing of any school building under authority of this
32 subsection shall require a majority vote of the members of the board of
33 education and shall require no other procedure or approval.

34 (e) Pupils attending school in a school district of nonresidence of
35 such pupils in accordance with an agreement made and entered into under
36 authority of this section shall be counted as regularly enrolled in and
37 attending school in the school district of residence of such pupils for the
38 purpose of computations under the ~~classroom learning assuring student~~
39 ~~success act, K.S.A. 2015 Supp. 72-6463 school district finance and~~
40 ~~student success act, section 1 et seq., and amendments thereto.~~

41 (f) Pupils who satisfactorily complete grade 12 while in attendance at
42 school in a school district of nonresidence of such pupils in accordance
43 with the provisions of an agreement entered into under authority of this

1 section shall be certified as having graduated from the school district of
2 residence of such pupils unless otherwise provided for by the agreement.

3 Sec. 72. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8236 is
4 hereby amended to read as follows: 72-8236. (a) The board of education of
5 any school district may: (1) Establish, operate and maintain a child care
6 facility; (2) enter into cooperative or interlocal agreements with one or
7 more other boards for the establishment, operation and maintenance of a
8 child care facility; (3) contract with private, nonprofit corporations or
9 associations or with any public or private agency or institution, whether
10 located within or outside the state, for the establishment, operation and
11 maintenance of a child care facility; and (4) prescribe and collect fees for
12 providing care at a child care facility.

13 (b) Fees for providing care at a child care facility established under
14 authority of this section shall be prescribed and collected only to recover
15 the costs incurred as a result of and directly attributable to the
16 establishment, operation and maintenance of the child care facility.
17 Revenues from fees collected by a board under this section shall be
18 deposited in the general fund of the school district and shall be considered
19 reimbursements to the district for the purpose of the ~~classroom learning~~
20 ~~assuring student success act~~, K.S.A. 2015 Supp. 72-6463 ~~school district~~
21 ~~finance and student success act, section 1 et seq.~~, and amendments thereto,
22 and may be expended whether the same have been budgeted or not and
23 amounts so expended shall not be considered operating expenses.

24 (c) Every school district which establishes, operates and maintains a
25 child care facility shall be subject to the provisions contained in article 5 of
26 chapter 65 of Kansas Statutes Annotated, and amendments thereto.

27 (d) As used in this section, the term "child" means any child who is
28 three years of age or older, and any infant or toddler whose parent or
29 parents are pupils or employees of a school district which establishes,
30 operates and maintains, or cooperates in the establishment, operation and
31 maintenance of, a child care facility under authority of this act.

32 Sec. 73. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8251 is
33 hereby amended to read as follows: 72-8251. Whenever a school district is
34 required by law to make any payment during the month of June and there
35 is insufficient revenue to make such payment as a result of the payment of
36 state aid after the date prescribed by the state board of education pursuant
37 to ~~K.S.A. 2015 Supp. 72-6466 section 11~~, and amendments thereto, the
38 school district shall make such payment as soon as moneys are available.

39 Sec. 74. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8254 is
40 hereby amended to read as follows: 72-8254. (a) This section shall be
41 known and may be cited as the Kansas uniform financial accounting and
42 reporting act.

43 (b) As used in this section:

1 (1) "Budget summary" means a one-page summary of the official
2 budget adopted by the board of education of the school district, and shall
3 include, but is not limited to, graphs depicting the total expenditures in the
4 budget by category, supplemental and general fund expenditures,
5 instruction expenditures, enrollment figures, mill rates by fund and
6 average salaries. For purposes of this section, a one-page budget at a
7 glance format developed by the state board, and any successor format shall
8 be deemed a budget summary, provided it complies with the requirements
9 of this section.

10 (2) "Reporting system" means the uniform reporting system,
11 including a uniform chart of accounts, developed by the state board as
12 required by this section.

13 (3) "School district" means a unified school district organized and
14 operated under the laws of this state.

15 (4) "State board" means the state board of education.

16 (c) The state board shall develop and maintain a uniform reporting
17 system for the receipts and expenditures of school districts. The
18 accounting records maintained by each school district shall be coordinated
19 with the uniform reporting system. Each school district shall record the
20 receipts and expenditures of the district in accordance with a uniform
21 classification of accounts or chart of accounts and reports as shall be
22 prescribed by the state board. Each school district shall submit such
23 reports and statements as may be required by the state board. The state
24 board shall design, revise and direct the use of accounting records and
25 fiscal procedures and prescribe uniform classifications for receipts and
26 expenditures for all school districts. The reporting system shall include all
27 funds held by a school district regardless of the source of the moneys held
28 in such funds, including, but not limited to, all funds funded by fees or
29 other sources of revenue not derived from tax levies. The state board shall
30 prescribe the necessary forms to be used by school districts in connection
31 with such uniform reporting system.

32 (d) The reporting system developed by the state board shall be
33 developed in such a manner that allows school districts to record and
34 report any information required by state or federal law.

35 (e) The reporting system shall provide records showing by funds,
36 accounts and other pertinent classifications, the amounts appropriated, the
37 estimated revenues, actual revenues or receipts, the amounts available for
38 expenditure, the total and itemized expenditures, the unencumbered cash
39 balances, excluding state aid receivable, actual balances on hand and the
40 unencumbered balances of allotments or appropriations for each school
41 district.

42 (f) The reporting system shall allow a person to search the data and
43 allow for the comparison of data by school district.

1 (g) *The reporting system shall require that all receipts and*
2 *expenditures for activities, whether extracurricular or co-curricular, be*
3 *reported by the specific activity to which the receipt or expenditure relates.*
4 *The reporting of activity receipts and expenditures also shall differentiate*
5 *between extracurricular and co-curricular activities.*

6 ~~(g)~~ (h) Each school district shall annually submit a report to the state
7 board on all construction activity undertaken by the school district which
8 was financed by the issuance of bonds and which such bonds have not
9 matured. Such report shall include all revenue receipts, all expenditures of
10 bond proceeds authorized by law, the dates for commencement and
11 completion of such construction activity, the estimated cost and the actual
12 cost of such construction activity. The information provided in the report
13 shall be in a form so as to readily identify such information with a specific
14 construction project. Such report shall be submitted in a form and manner
15 prescribed by the state board in accordance with the provisions of this
16 section.

17 ~~(h)~~ (i) From and after July 1, 2012, the board of education of each
18 school district shall record and report the receipts and expenditures of the
19 district in the manner prescribed by the state board in accordance with this
20 section.

21 ~~(i)~~ (j) (1) Each school district shall annually publish on such district's
22 internet website:

23 (A) A copy of form 150, estimated legal maximum general fund
24 budget, or any successor document containing the same or similar
25 information, that was submitted by such district to the state board of
26 education for the immediately preceding school year; and

27 (B) the budget summary for the current school year and actual
28 expenditures for the immediately preceding two school years showing total
29 dollars net of transfers and dollars per pupil for each of the following:

- 30 (i) Function 1000, instruction;
31 (ii) function 2100, student support;
32 (iii) function 2200, instructional staff support;
33 (iv) functions 2300 through 2500, administration;
34 (v) function 2600, operation and maintenance;
35 (vi) function 2700, transportation;
36 (vii) function 3100, food service;
37 (viii) functions 2900, 3200 and 3300, other current spending;
38 (ix) function 4000, capital outlay;
39 (x) function 5100, debt service;
40 (xi) the total expenditures which is the sum of the amounts in clauses
41 (i) through (x);

42 (xii) the spending allocated to function 1000, instruction, excluding
43 capital outlay and debt service expenditures, as a percentage of total

1 expenditures;

2 (xiii) the spending allocated to function 1000, instruction, excluding
 3 capital outlay and debt service expenditures, as a percentage of current
 4 spending, which is the sum of expenditures for functions 1000 through
 5 3300 less capital outlay and debt service expenditures included in any of
 6 those functions; and

7 (xiv) the revenue in total dollars net of transfers both in total and
 8 disaggregated to show the amount of revenue received from local, state
 9 and federal revenue sources.

10 (2) For purposes of subsection ~~(i)(1)(B)~~ (j)(1)(B), all per pupil
 11 amounts shall be calculated using the full-time equivalent enrollment of
 12 the school district. All function categories and other accounting categories
 13 shall refer to those same categories as established and required for
 14 financial accounting purposes by the state board as published in the
 15 Kansas state department of education's Kansas accounting handbook for
 16 unified school districts, as published in August 2012, or later versions as
 17 established in rules and regulations adopted by the state board.

18 (3) Publications required by this subsection shall be published with
 19 an easily identifiable link located on such district's website homepage.

20 (4) Publications required by this subsection shall be made available to
 21 the public at every meeting held by the board of education of each school
 22 district when the board is discussing the district's budget or any other
 23 school finance matter.

24 ~~(j)~~ (k) (1) The department of education shall annually publish on its
 25 internet website:

26 (A) All of the publications required under subsection (i); and

27 (B) the following expenditures for each school district on a per pupil
 28 basis:

29 (i) Total expenditures;

30 (ii) capital outlay expenditures;

31 (iii) bond and interest expenditures; and

32 (iv) all other expenditures not included in (ii) or (iii).

33 (2) Publications required by this subsection shall be published with
 34 an easily identifiable link located on the department's website homepage.

35 Sec. 75. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8316 is
 36 hereby amended to read as follows: 72-8316. (a) Any board of education,
 37 pursuant to a policy developed and adopted by it, may provide for the use
 38 of district-owned or leased school buses when such buses are not being
 39 used for regularly required school purposes. The policy may provide for:

40 (1) (A) Transporting parents and other adults to or from school-
 41 related functions or activities; (B) transporting pupils to or from functions
 42 or activities sponsored by organizations, the membership of which is
 43 principally composed of children of school age; and (C) transporting

1 persons engaged in field trips in connection with their participation in an
2 adult education program maintained by the transporting school district or
3 by any other school district, within or outside the boundaries of the
4 transporting school district; and

5 (2) contracting with: (A) The governing body of any township, city or
6 county for transportation of individuals, groups or organizations; (B) the
7 governing authority of any nonpublic school for transportation of pupils
8 attending such nonpublic school to or from interschool or intraschool
9 functions or activities; (C) the board of trustees of any community college
10 for transportation of students enrolled in such community college to or
11 from attendance at class at the community college or to and from functions
12 or activities of the community college; (D) a public recreation commission
13 established and operated under the laws of this state, for any purposes
14 related to the operation of the recreation commission and all programs and
15 services thereof; (E) the board of education of any other school district for
16 transportation, on a cooperative and shared-cost basis, of pupils, school
17 personnel, parents and other adults to or from school-related functions or
18 activities; or (F) a four-year college or university, area vocational school or
19 area vocational-technical school for transportation of students to or from
20 attendance at class at the four-year college or university, area vocational
21 school or area vocational-technical school or for transportation of students,
22 alumni and other members of the public to or from functions or activities
23 of the four-year college or university, area vocational school or area
24 vocational-technical school.

25 (b) Transportation fees may be charged by the board to offset, totally
26 or in part, the costs incurred for the use of school buses under authority of
27 this section.

28 (c) Any revenues received by a board of education as transportation
29 fees or under any contract entered into pursuant to this section shall be
30 deposited in the general fund of the school district and shall be considered
31 reimbursements to the school district for the purpose of the ~~classroom-~~
32 ~~learning assuring student success act, K.S.A. 2015-Supp. 72-6463~~ *school*
33 *district finance and student success act, section 1* et seq., and amendments
34 thereto. Such revenues may be expended whether the same have been
35 budgeted or not.

36 (d) The provisions of K.S.A. 8-1556(c), and amendments thereto,
37 apply to the use of school buses under authority of this section.

38 Sec. 76. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8415b is
39 hereby amended to read as follows: 72-8415b. (a) Any school district that
40 elects to become a self-insurer under the provisions of K.S.A. 72-8414,
41 and amendments thereto, may transfer moneys from its general fund to the
42 special reserve fund of the district as provided by ~~K.S.A. 2015 Supp. 72-~~
43 ~~6478~~ *section 18*, and amendments thereto.

1 (b) Any community college that elects to become a self-insurer under
2 the provisions of K.S.A. 72-8414, and amendments thereto, may transfer
3 such amounts from its general fund to the health care services reserve fund
4 or the disability income benefits reserve fund, or the group life benefit
5 reserve fund, or all three, as may be deemed necessary to meet the cost of
6 health care services or disability income benefits, or group life insurance
7 claims, whichever is applicable.

8 Sec. 77. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8804 is
9 hereby amended to read as follows: 72-8804. (a) Any moneys in the capital
10 outlay fund of any school district and any moneys received from issuance
11 of bonds under K.S.A. 72-8805 or 72-8810, and amendments thereto, may
12 be used for the purpose of the acquisition, construction, reconstruction,
13 repair, remodeling, additions to, furnishing, maintaining and equipping of
14 school district property and equipment necessary for school district
15 purposes, including: (1) Acquisition of computer software; (2) acquisition
16 of performance uniforms; (3) housing and boarding pupils enrolled in an
17 area vocational school operated under the board of education; (4)
18 architectural expenses; (5) acquisition of building sites; (6) undertaking
19 and maintenance of asbestos control projects; (7) acquisition of school
20 buses; and (8) acquisition of other fixed assets, and, for school years 2015-
21 2016 and 2016-2017, subject to the provisions of ~~K.S.A. 2015 Supp. 72-~~
22 ~~6478 section 18~~, and amendments thereto, may be transferred to the
23 general fund of the school district as approved by the board of education.

24 (b) The board of education of any school district is hereby authorized
25 to invest any portion of the capital outlay fund of the school district which
26 is not currently needed in investments authorized by K.S.A. 12-1675, and
27 amendments thereto, in the manner prescribed therein, or may invest the
28 same in direct obligations of the United States government maturing or
29 redeemable at par and accrued interest within three years from date of
30 purchase, the principal and interest whereof is guaranteed by the
31 government of the United States. All interest received on any such
32 investment shall upon receipt thereof be credited to the capital outlay fund.

33 Sec. 78. From and after July 1, 2017, K.S.A. 2015 Supp. 72-8908 is
34 hereby amended to read as follows: 72-8908. As used in this act:

- 35 (a) "Juvenile" means a person who is less than 18 years of age;
36 (b) "adult" means a person who is 18 years of age or older;
37 (c) "felony" means any crime designated a felony by the laws of
38 Kansas or the United States;
39 (d) "misdemeanor" means any crime designated a misdemeanor by
40 the laws of Kansas or the United States;
41 (e) "school day" means any day on which school is maintained;
42 (f) "school year" has the meaning ascribed thereto in ~~K.S.A. 2015-~~
43 ~~Supp. 72-6464 section 3~~, and amendments thereto;

1 (g) "counsel" means any person a pupil selects to represent and
2 advise the pupil at all proceedings conducted pursuant to the provisions of
3 this act; and

4 (h) "principal witness" means any witness whose testimony is of
5 major importance in support of the charges upon which a proposed
6 suspension or expulsion from school is based, or in determination of
7 material questions of fact.

8 Sec. 79. From and after July 1, 2017, K.S.A. 2015 Supp. 72-99a02 is
9 hereby amended to read as follows: 72-99a02. As used in the tax credit for
10 low income students scholarship program act:

11 (a) "Contributions" means monetary gifts or donations and in-kind
12 contributions, gifts or donations that have an established market value.

13 (b) "Department" means the Kansas department of revenue.

14 (c) "Educational scholarship" means an amount not to exceed \$8,000
15 per school year provided to an eligible student, or to a qualified school
16 with respect to an eligible student, to cover all or a portion of the costs of
17 education including tuition, fees and expenses of a qualified school and, if
18 applicable, the costs of transportation to a qualified school if provided by
19 such qualified school.

20 (d) "Eligible student" means a child who:

21 (1) (A) Qualifies as an at-risk pupil as defined in ~~K.S.A. 72-6407,~~
22 ~~prior to its repeal, section 3, and amendments thereto,~~ and who is attending
23 a public school; or (B) has been eligible to receive an educational
24 scholarship under this program and has not graduated from high school or
25 reached 21 years of age;

26 (2) resides in Kansas while eligible for an educational scholarship;
27 and

28 (3) (A) was enrolled in any public school in the previous school year
29 in which an educational scholarship is first sought for the child; or (B) is
30 eligible to be enrolled in any public school in the school year in which an
31 educational scholarship is first sought for the child and the child is under
32 the age of six years.

33 (e) "Parent" includes a guardian, custodian or other person with
34 authority to act on behalf of the child.

35 (f) "Program" means the tax credit for low income students
36 scholarship program established in K.S.A. 2015 Supp. 72-99a01 through
37 72-99a07, and amendments thereto.

38 (g) "Public school" means a school that would qualify as either a title
39 I focus school or a title I priority school as described by the state board
40 under the elementary and secondary education act flexibility waiver as
41 amended in January 2013 and is operated by a school district.

42 (h) "Qualified school" means any nonpublic school that provides
43 education to elementary or secondary students, has notified the state board

1 of its intention to participate in the program and complies with the
2 requirements of the program.

3 (i) "Scholarship granting organization" means an organization that
4 complies with the requirements of this program and provides educational
5 scholarships to eligible students or to qualified schools in which parents
6 have enrolled eligible students.

7 (j) "School district" or "district" means any unified school district
8 organized and operating under the laws of this state.

9 (k) "School year" shall have the meaning ascribed thereto in ~~K.S.A.~~
10 ~~2015 Supp. 72-6464 section 3~~, and amendments thereto.

11 (l) "Secretary" means the secretary of revenue.

12 (m) "State board" means the state board of education.

13 Sec. 80. From and after July 1, 2017, K.S.A. 2015 Supp. 74-4939a is
14 hereby amended to read as follows: 74-4939a. On and after the effective
15 date of this act for each fiscal year commencing with fiscal year 2005,
16 notwithstanding the provisions of K.S.A. 74-4939, and amendments
17 thereto, or any other statute, all moneys appropriated for the department of
18 education from the state general fund commencing with fiscal year 2005,
19 and each ensuing fiscal year thereafter, by appropriation act of the
20 legislature, in the KPERS — employer contributions account and all
21 moneys appropriated for the department of education from the state
22 general fund or any special revenue fund for each fiscal year commencing
23 with fiscal year 2005, and each ensuing fiscal year thereafter, by any such
24 appropriation act in that account or any other account for payment of
25 employer contributions for school districts, shall be distributed by the
26 department of education to school districts in accordance with this section.
27 Notwithstanding the provisions of K.S.A. 74-4939, and amendments
28 thereto, the department of education shall disburse to each school district
29 that is an eligible employer as specified in K.S.A. 74-4931(1), and
30 amendments thereto, an amount in accordance with K.S.A. 2015 Supp.
31 72-6465(a)(6), and amendments thereto, which shall be disbursed pursuant
32 to K.S.A. 2015 Supp. 72-6465, and amendments thereto, *or an amount in*
33 *accordance with section 4, and amendments thereto, which shall be*
34 *disbursed pursuant to section 4(a)(6), and amendments thereto, as*
35 *applicable to such school district. Upon receipt of each such disbursement*
36 *of moneys, the school district shall deposit the entire amount thereof into a*
37 *special retirement contributions fund of the school district, which shall be*
38 *established by the school district in accordance with such policies and*
39 *procedures and which shall be used for the sole purpose of receiving such*
40 *disbursements from the department of education and making the*
41 *remittances to the system in accordance with this section and such policies*
42 *and procedures. Upon receipt of each such disbursement of moneys from*
43 *the department of education, the school district shall remit, in accordance*

1 with the provisions of such policies and procedures and in the manner and
2 on the date or dates prescribed by the board of trustees of the Kansas
3 public employees retirement system, an equal amount to the Kansas public
4 employees retirement system from the special retirement contributions
5 fund of the school district to satisfy such school district's obligation as a
6 participating employer. Notwithstanding the provisions of K.S.A. 74-4939,
7 and amendments thereto, each school district that is an eligible employer
8 as specified in K.S.A. 74-4931(1), and amendments thereto, shall show
9 within the budget of such school district all amounts received from
10 disbursements into the special retirement contributions fund of such school
11 district. Notwithstanding the provisions of any other statute, no official
12 action of the school board of such school district shall be required to
13 approve a remittance to the system in accordance with this section and
14 such policies and procedures. All remittances of moneys to the system by a
15 school district in accordance with this subsection and such policies and
16 procedures shall be deemed to be expenditures of the school district.

17 Sec. 81. From and after July 1, 2017, K.S.A. 2015 Supp. 74-8925 is
18 hereby amended to read as follows: 74-8925. (a) For the purposes of this
19 act, the term "taxing subdivision" shall include the county, the city, the
20 unified school district and any other taxing subdivision levying real
21 property taxes, the territory or jurisdiction of which includes any currently
22 existing or subsequently created redevelopment district. The term "real
23 property taxes" includes all taxes levied on an ad valorem basis upon land
24 and improvements thereon, other than the property tax levied pursuant to
25 the provisions of ~~K.S.A. 2015 Supp. 72-6470~~ *section 15*, and amendments
26 thereto, or any other property tax levied by or on behalf of a school
27 district.

28 (b) All tangible taxable property located within a redevelopment
29 district shall be assessed and taxed for ad valorem tax purposes pursuant to
30 law in the same manner that such property would be assessed and taxed if
31 located outside such district, and all ad valorem taxes levied on such
32 property shall be paid to and collected by the county treasurer in the same
33 manner as other taxes are paid and collected. Except as otherwise provided
34 in this section, the county treasurer shall distribute such taxes as may be
35 collected in the same manner as if such property were located outside a
36 redevelopment district. Each redevelopment district established under the
37 provisions of this act shall constitute a separate taxing unit for the purpose
38 of the computation and levy of taxes.

39 (c) Beginning with the first payment of taxes which are levied
40 following the date of approval of any redevelopment district established
41 pursuant to K.S.A. 74-8921, and amendments thereto, real property taxes
42 received by the county treasurer resulting from taxes which are levied
43 subject to the provisions of this act by and for the benefit of a taxing

1 subdivision, as herein defined, on property located within such
2 redevelopment district constituting a separate taxing unit under the
3 provisions of this section, shall be divided as follows:

4 (1) From the taxes levied each year subject to the provisions of this
5 act by or for each of the taxing subdivisions upon property located within a
6 redevelopment district constituting a separate taxing unit under the
7 provisions of this act, the county treasurer first shall allocate and pay to
8 each such taxing subdivision all of the real property taxes collected which
9 are produced from that portion of the current assessed valuation of such
10 real property located within such separate taxing unit which is equal to the
11 total assessed value of such real property on the date of the establishment
12 of the redevelopment district.

13 (2) Any real property taxes produced from that portion of the current
14 assessed valuation of real property within the redevelopment district
15 constituting a separate taxing unit under the provisions of this section in
16 excess of an amount equal to the total assessed value of such real property
17 on the effective date of the establishment of the district shall be allocated
18 and paid by the county treasurer according to specified percentages of the
19 tax increment expressly agreed upon and consented to by the governing
20 bodies of the county and school district in which the redevelopment
21 district is located. The amount of the real property taxes allocated and
22 payable to the authority under the agreement shall be paid by the county
23 treasurer to the treasurer of the state. The remaining amount of the real
24 property taxes not payable to the authority shall be allocated and paid in
25 the same manner as other ad valorem taxes. Any real property taxes paid to
26 the state treasurer under this section shall be deposited in the
27 redevelopment bond finance fund of the authority which is created
28 pursuant to K.S.A. 74-8927, and amendments thereto, to pay the costs of
29 any approved redevelopment project, including the payment of principal of
30 and interest on any bonds issued by the authority to finance, in whole or in
31 part, such project. When such bonds and interest thereon have been paid,
32 all moneys thereafter received from real property taxes within such
33 redevelopment district shall be allocated and paid to the respective taxing
34 subdivisions in the same manner as are other ad valorem taxes. If such
35 bonds and interest thereon have been paid before the completion of a
36 project, the authority may continue to use such moneys for any purpose
37 authorized by the redevelopment agreement until such time as the project
38 costs are paid or reimbursed, but for a period not to exceed the final
39 scheduled maturity of the bonds.

40 (d) In any redevelopment plan or in the proceedings for the issuing of
41 any bonds by the authority to finance a project, the property tax increment
42 portion of taxes provided for in subsection (c)(2) may be irrevocably
43 pledged for the payment of the principal of and interest on such bonds. The

1 authority may adopt a redevelopment plan in which only a specified
2 percentage of the tax increment realized from taxpayers in the
3 redevelopment district is pledged to the payment of costs.

4 Sec. 82. From and after July 1, 2017, K.S.A. 2015 Supp. 74-99b43 is
5 hereby amended to read as follows: 74-99b43. (a) The Kansas
6 development finance authority is hereby authorized to issue special
7 obligation bonds pursuant to K.S.A. 74-8901 et seq., and amendments
8 thereto, in one or more series to finance the undertaking of any bioscience
9 development project in accordance with the provisions of this act. No
10 special obligation bonds may be issued pursuant to this section unless the
11 Kansas development finance authority has received a resolution of the
12 board of the authority requesting the issuance of such bonds. Such special
13 obligation bonds shall be made payable, both as to principal and interest
14 from one or more of the following, as directed by the authority:

15 (1) From ad valorem tax increments allocated to, and paid into the
16 bioscience development bond fund for the payment of the project costs of
17 a bioscience development project under the provisions of this section;

18 (2) from any private sources, contributions or other financial
19 assistance from the state or federal government;

20 (3) from a pledge of a portion or all of the revenue received from
21 transient guest, sales and use taxes collected pursuant to K.S.A. 12-1696 et
22 seq., 79-3601 et seq., 79-3701 et seq. and 12-187 et seq., and amendments
23 thereto, and which are collected from taxpayers doing business within that
24 portion of the bioscience development district and paid into the bioscience
25 development bond fund;

26 (4) from a pledge of a portion or all increased revenue received by
27 any city from franchise fees collected from utilities and other businesses
28 using public right-of-way within the bioscience development district; or

29 (5) by any combination of these methods.

30 (b) All tangible taxable property located within a bioscience
31 development district shall be assessed and taxed for ad valorem tax
32 purposes pursuant to law in the same manner that such property would be
33 assessed and taxed if located outside such district, and all ad valorem taxes
34 levied on such property shall be paid to and collected by the county
35 treasurer in the same manner as other taxes are paid and collected. Except
36 as otherwise provided in this section, the county treasurer shall distribute
37 such taxes as may be collected in the same manner as if such property
38 were located outside a bioscience development district. Each bioscience
39 development district established under the provisions of this act shall
40 constitute a separate taxing unit for the purpose of the computation and
41 levy of taxes.

42 (c) Beginning with the first payment of taxes which are levied
43 following the date of the establishment of the bioscience development

1 district real property taxes received by the county treasurer resulting from
 2 taxes which are levied subject to the provisions of this act by and for the
 3 benefit of a taxing subdivision, as defined in K.S.A. 2015 Supp. 12-1770a,
 4 and amendments thereto, on property located within such bioscience
 5 development district constituting a separate taxing unit under the
 6 provisions of this section, shall be divided as follows:

7 (1) From the taxes levied each year subject to the provisions of this
 8 act by or for each of the taxing subdivisions upon property located within a
 9 bioscience development district constituting a separate taxing unit under
 10 the provisions of this act, the county treasurer first shall allocate and pay to
 11 each such taxing subdivision all of the real property taxes collected which
 12 are produced from the base year assessed valuation.

13 (2) Any real property taxes, except for property taxes levied for
 14 schools pursuant to ~~K.S.A. 2015 Supp. 72-6470~~ *section 15*, and
 15 amendments thereto, produced from that portion of the current assessed
 16 valuation of real property within the bioscience development district
 17 constituting a separate taxing unit under the provisions of this section in
 18 excess of the base year assessed valuation shall be allocated and paid by
 19 the county treasurer to the bioscience development bond fund to pay the
 20 bioscience development project costs including the payment of principal
 21 and interest on any special obligation bonds to finance, in whole or in part,
 22 such bioscience development projects.

23 (d) The authority may pledge the bioscience development bond fund
 24 or other available revenue to the repayment of such special obligation
 25 bonds prior to, simultaneously with, or subsequent to the issuance of such
 26 special obligation bonds.

27 (e) Any bonds issued under the provisions of this act and the interest
 28 paid thereon, unless specifically declared to be taxable in the authorizing
 29 resolution of the Kansas development finance authority, shall be exempt
 30 from all state, county and municipal taxes, and the exemption shall include
 31 income, estate and property taxes.

32 Sec. 83. K.S.A. 2015 Supp. 75-2319 is hereby amended to read as
 33 follows: 75-2319. (a) There is hereby established in the state treasury the
 34 school district capital improvements fund. The fund shall consist of all
 35 amounts transferred thereto under the provisions of subsection (c).

36 (b) Subject to the provisions of subsection (f), in each school year,
 37 each school district which is obligated to make payments from its capital
 38 improvements fund shall be entitled to receive payment from the school
 39 district capital improvements fund in an amount determined by the state
 40 board of education as provided in this subsection.

41 (1) For general obligation bonds approved for issuance at an election
 42 held prior to July 1, 2015, the state board of education shall:

43 (A) Determine the amount of the assessed valuation per pupil (AVPP)

1 of each school district in the state and round such amount to the nearest
2 \$1,000. The rounded amount is the AVPP of a school district for the
3 purposes of this subsection (b)(1);

4 (B) determine the median AVPP of all school districts;

5 (C) prepare a schedule of dollar amounts using the amount of the
6 median AVPP of all school districts as the point of beginning. The
7 schedule of dollar amounts shall range upward in equal \$1,000 intervals
8 from the point of beginning to and including an amount that is equal to the
9 amount of the AVPP of the school district with the highest AVPP of all
10 school districts and shall range downward in equal \$1,000 intervals from
11 the point of beginning to and including an amount that is equal to the
12 amount of the AVPP of the school district with the lowest AVPP of all
13 school districts;

14 (D) determine a state aid percentage factor for each school district by
15 assigning a state aid computation percentage to the amount of the median
16 AVPP shown on the schedule, decreasing the state aid computation
17 percentage assigned to the amount of the median AVPP by one percentage
18 point for each \$1,000 interval above the amount of the median AVPP, and
19 increasing the state aid computation percentage assigned to the amount of
20 the median AVPP by one percentage point for each \$1,000 interval below
21 the amount of the median AVPP. Except as provided by K.S.A. 2015 Supp.
22 75-2319c, and amendments thereto, the state aid percentage factor of a
23 school district is the percentage assigned to the schedule amount that is
24 equal to the amount of the AVPP of the school district. The state aid
25 percentage factor of a school district shall not exceed 100%. The state aid
26 computation percentage is 25%;

27 (E) determine the amount of payments that a school district is
28 obligated to make from its bond and interest fund attributable to general
29 obligation bonds approved for issuance at an election held prior to July 1,
30 2015; and

31 (F) multiply the amount determined under subsection (b)(1)(E) by the
32 applicable state aid percentage factor.

33 (2) For general obligation bonds approved for issuance at an election
34 held on or after July 1, 2015, but prior to ~~July 1, 2017~~ *January 1, 2016*, the
35 state board of education shall:

36 (A) Determine the amount of the AVPP of each school district in the
37 state and round such amount to the nearest \$1,000. The rounded amount is
38 the AVPP of a school district for the purposes of this subsection (b)(2);

39 (B) prepare a schedule of dollar amounts using the amount of the
40 AVPP of the school district with the lowest AVPP of all school districts as
41 the point of beginning. The schedule of dollar amounts shall range upward
42 in equal \$1,000 intervals from the point of beginning to and including an
43 amount that is equal to the amount of the AVPP of the school district with

1 the highest AVPP of all school districts;

2 (C) determine a state aid percentage factor for each school district by
3 assigning a state aid computation percentage to the amount of the lowest
4 AVPP shown on the schedule and decreasing the state aid computation
5 percentage assigned to the amount of the lowest AVPP by one percentage
6 point for each \$1,000 interval above the amount of the lowest AVPP.
7 Except as provided by K.S.A. 2015 Supp. 75-2319c, and amendments
8 thereto, the state aid percentage factor of a school district is the percentage
9 assigned to the schedule amount that is equal to the amount of the AVPP of
10 the school district. The state aid computation percentage is 75%;

11 (D) determine the amount of payments that a school district is
12 obligated to make from its bond and interest fund attributable to general
13 obligation bonds approved for issuance at an election held on or after July
14 1, 2015, but prior to ~~July 1, 2017~~ January 1, 2016; and

15 (E) multiply the amount determined under subsection (b)(2)(D) by
16 the applicable state aid percentage factor.

17 (3) *Subject to the provisions of section 25, and amendments thereto,*
18 *for general obligation bonds approved for issuance at an election held on*
19 *or after January 1, 2016, the state board of education shall:*

20 (A) *Determine the amount of the AVPP of each school district in the*
21 *state and round such amount to the nearest \$1,000. The rounded amount is*
22 *the AVPP of a school district for the purposes of this subsection (b)(3);*

23 (B) *prepare a schedule of dollar amounts using the amount of the*
24 *AVPP of the school district with the lowest AVPP of all school districts as*
25 *the point of beginning. The schedule of dollar amounts shall range upward*
26 *in equal \$1,000 intervals from the point of beginning to and including an*
27 *amount that is equal to the amount of the AVPP of the school district with*
28 *the highest AVPP of all school districts;*

29 (C) *determine a state aid percentage factor for each school district*
30 *by assigning a state aid computation percentage to the amount of the*
31 *lowest AVPP shown on the schedule and decreasing the state aid*
32 *computation percentage assigned to the amount of the lowest AVPP by one*
33 *percentage point for each \$1,000 interval above the amount of the lowest*
34 *AVPP. Except as provided by K.S.A. 2015 Supp. 75-2319c, and*
35 *amendments thereto, the state aid percentage factor of a school district is*
36 *the percentage assigned to the schedule amount that is equal to the*
37 *amount of the AVPP of the school district. The state aid computation*
38 *percentage is 75%;*

39 (D) *determine the amount of payments that a school district is*
40 *obligated to make from its bond and interest fund attributable to general*
41 *obligation bonds approved for issuance at an election held on or after*
42 *January 1, 2016; and*

43 (E) *multiply the amount determined under subsection (b)(3)(D) by*

1 *the applicable state aid percentage factor; and*
2 *(F) multiply the amount calculated under subsection (b)(3)(E) by the*
3 *percentage certified by the joint committee on state building construction*
4 *pursuant to section 25, and amendments thereto, if any.*

5 ~~and~~ *(4) The sum of the amount determined under subsection (b)(1)(F)*
6 *and, the amount determined under subsection (b)(2)(E) and the amount*
7 *determined under subsection (b)(3)(F) is the amount of payment the*
8 *school district is entitled to receive from the school district capital*
9 *improvements fund in the school year.*

10 (c) The state board of education shall certify to the director of
11 accounts and reports the entitlements of school districts determined under
12 the provisions of subsection (b), and an amount equal thereto shall be
13 transferred by the director from the state general fund to the school district
14 capital improvements fund for distribution to school districts. All transfers
15 made in accordance with the provisions of this subsection shall be
16 considered to be demand transfers from the state general fund, except that
17 all such transfers during the fiscal years ending June 30, 2013, June 30,
18 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue
19 transfers from the state general fund.

20 (d) Payments from the school district capital improvements fund shall
21 be distributed to school districts at times determined by the state board of
22 education to be necessary to assist school districts in making scheduled
23 payments pursuant to contractual bond obligations. The state board of
24 education shall certify to the director of accounts and reports the amount
25 due each school district entitled to payment from the fund, and the director
26 of accounts and reports shall draw a warrant on the state treasurer payable
27 to the treasurer of the school district. Upon receipt of the warrant, the
28 treasurer of the school district shall credit the amount thereof to the bond
29 and interest fund of the school district to be used for the purposes of such
30 fund.

31 (e) The provisions of this section apply only to contractual
32 obligations incurred by school districts pursuant to general obligation
33 bonds issued upon approval of a majority of the qualified electors of the
34 school district voting at an election upon the question of the issuance of
35 such bonds.

36 Sec. 84. K.S.A. 2015 Supp. 75-6506 is hereby amended to read as
37 follows: 75-6506. (a) The participation of a person qualified to participate
38 in the state health care benefits program shall be voluntary, and the cost of
39 the state health care benefits program for such person shall be established
40 by the Kansas state employees health care commission.

41 (b) Periodic deductions from state payrolls may be made in
42 accordance with procedures prescribed by the secretary of administration
43 to cover the costs of the state health care benefits program payable by

1 persons who are on the state payroll when authorized by such persons. Any
2 such periodic payroll deductions in effect on an implementation date for
3 biweekly payroll periods shall be collected in the manner prescribed by the
4 secretary of administration.

5 (c) In the event that the Kansas state employees health care
6 commission designates by rules and regulations a group of persons on the
7 payroll of a county, township, city, special district or other local
8 governmental entity, ~~public school district~~, licensed child care facility
9 operated by a not-for-profit corporation providing residential group foster
10 care for children and receiving reimbursement for all or part of such care
11 from the Kansas department for children and families, nonprofit
12 community mental health center, as provided in K.S.A. 19-4001 et seq.,
13 and amendments thereto, nonprofit community facility for people with
14 intellectual disability, as provided in K.S.A. 19-4001 et seq., and
15 amendments thereto, or nonprofit independent living agency, as defined in
16 K.S.A. 65-5101, and amendments thereto, as qualified to participate in the
17 state health care benefits program, periodic deductions from payrolls of the
18 local governmental entity, ~~public school district~~, licensed child care facility
19 operated by a not-for-profit corporation providing residential group foster
20 care for children and receiving reimbursement for all or part of such care
21 from the Kansas department for children and families, nonprofit
22 community mental health center, as provided in K.S.A. 19-4001 et seq.,
23 and amendments thereto, nonprofit community facility for people with
24 intellectual disability, as provided in K.S.A. 19-4001 et seq., and
25 amendments thereto, or nonprofit independent living agency, as defined in
26 K.S.A. 65-5101, and amendments thereto, may be made to cover the costs
27 of the state health care benefits program payable by such persons when
28 authorized by such persons. All such moneys deducted from payrolls shall
29 be remitted to the Kansas state employees health care commission in
30 accordance with the directions of the commission.

31 (d) Whenever the Kansas state employees health care commission
32 designates any entity listed in subsection (c) as qualified to participate in
33 the state health care benefits program, such entity's participation shall be
34 conditioned upon the following:

35 (1) At least 70% of such entity's employees shall participate in the
36 state health care plan;

37 (2) except as provided by paragraph (6) of this subsection, the rate of
38 the premium paid by the entity as the employer's share of the total amount
39 of premium paid shall be at least equal to the rate paid by the state of
40 Kansas for its employees;

41 (3) the entity shall not create, maintain or permit any exemption from
42 participation in the state health care plan for such entity's employees;

43 (4) the rate charged to such entity shall be sufficient to pay for any

1 administrative or underwriting costs incurred by the state employees health
2 care commission;

3 (5) the rate charged to such entity shall not increase the rate of
4 premium paid by the state of Kansas for its employees;

5 (6) the entity shall elect to participate for a minimum of three
6 consecutive years in the state health care benefits program; and

7 (7) the commission may authorize an entity to pay less than the state
8 rate for the employee coverage for no more than three years and no more
9 than five years for dependent coverage on the condition that the entity
10 elects to participate for at least three consecutive years after first paying
11 the state rate for employee coverage.

12 Sec. 85. K.S.A. 2015 Supp. 75-6508 is hereby amended to read as
13 follows: 75-6508. (a) (1) Each state agency which has on its payroll
14 persons participating in the state health care benefits program shall pay
15 from any moneys available to the agency for such purpose an amount
16 specified by the Kansas state employees health care commission, including
17 any amounts prescribed under a cafeteria plan established under K.S.A.
18 75-6512, and amendments thereto. All such payments shall continue on the
19 behalf of employees otherwise eligible for participation in the state health
20 care benefits program in accordance with the continuation provisions of
21 the federal family and medical leave act of 1993, P.L. 103-03, 107 Stat. 6.
22 The commission may charge each state agency a uniform amount per
23 person as the cost to the agency for the state's contribution for persons
24 participating in the state health care benefits program. Such amounts may
25 include the costs of administering the program.

26 (2) In the event that the Kansas state employees health care
27 commission designates by rules and regulations a group of persons on the
28 payroll of a county, township, city, special district or other local
29 governmental entity, ~~public school district~~, licensed child care facility
30 operated by a not-for-profit corporation providing residential group foster
31 care for children and receiving reimbursement for all or part of such care
32 from the Kansas department for children and families, nonprofit
33 community mental health center, as provided in K.S.A. 19-4001 et seq.,
34 and amendments thereto, nonprofit community facility for people with
35 intellectual disability, as provided in K.S.A. 19-4001 et seq., and
36 amendments thereto, or nonprofit independent living agency, as defined in
37 K.S.A. 65-5101, and amendments thereto, as qualified to participate in the
38 state health care benefits program, each local governmental entity, ~~public~~
39 ~~school district~~, licensed child care facility operated by a not-for-profit
40 corporation providing residential group foster care for children and
41 receiving reimbursement for all or part of such care from the Kansas
42 department for children and families, nonprofit community mental health
43 center, as provided in K.S.A. 19-4001 et seq., and amendments thereto,

1 nonprofit community facility for people with intellectual disability, as
2 provided in K.S.A. 19-4001 et seq., and amendments thereto, or nonprofit
3 independent living agency, as defined in K.S.A. 65-5101, and amendments
4 thereto, which has on its payroll persons participating in the state health
5 care benefits program shall pay from any moneys available to the local
6 governmental entity, ~~public school district~~, licensed child care facility
7 operated by a not-for-profit corporation providing residential group foster
8 care for children and receiving reimbursement for all or part of such care
9 from the Kansas department for children and families, nonprofit
10 community mental health center, as provided in K.S.A. 19-4001 et seq.,
11 and amendments thereto, nonprofit community facility for people with
12 intellectual disability, as provided in K.S.A. 19-4001 et seq., and
13 amendments thereto, or nonprofit independent living agency, as defined in
14 K.S.A. 65-5101, and amendments thereto, for such purpose an amount
15 specified by the commission. The commission may charge each local
16 governmental entity, ~~public school district~~, licensed child care facility
17 operated by a not-for-profit corporation providing residential group foster
18 care for children and receiving reimbursement for all or part of such care
19 from the Kansas department for children and families, nonprofit
20 community mental health center, as provided in K.S.A. 19-4001 et seq.,
21 and amendments thereto, nonprofit community facility for people with
22 intellectual disability, as provided in K.S.A. 19-4001 et seq., and
23 amendments thereto, or nonprofit independent living agency, as defined in
24 K.S.A. 65-5101, and amendments thereto, a uniform amount per person as
25 the cost to the local governmental entity, ~~public school district~~, licensed
26 child care facility operated by a not-for-profit corporation providing
27 residential group foster care for children and receiving reimbursement for
28 all or part of such care from the Kansas department for children and
29 families, nonprofit community mental health center, as provided in K.S.A.
30 19-4001 et seq., and amendments thereto, nonprofit community facility for
31 people with intellectual disability, as provided in K.S.A. 19-4001 et seq.,
32 and amendments thereto, or nonprofit independent living agency, as
33 defined in K.S.A. 65-5101, and amendments thereto, for the contribution
34 of the local governmental entity, ~~public school district~~, licensed child care
35 facility operated by a not-for-profit corporation providing residential group
36 foster care for children and receiving reimbursement for all or part of such
37 care from the Kansas department for children and families, nonprofit
38 community mental health center, as provided in K.S.A. 19-4001 et seq.,
39 and amendments thereto, nonprofit community facility for people with
40 intellectual disability, as provided in K.S.A. 19-4001 et seq., and
41 amendments thereto, or nonprofit independent living agency, as defined in
42 K.S.A. 65-5101, and amendments thereto, for persons participating in the
43 state health care benefits program. Such amounts may include the costs of

1 administering the program.

2 (b) Payments from public funds for coverage under the state health
3 care benefits program for persons participating in that program shall not be
4 deemed a payment or supplement of wages of such person notwithstanding
5 any other provision of law or rules and regulations relating to wages of any
6 such person.

7 Sec. 86. K.S.A. 2015 Supp. 75-6509 is hereby amended to read as
8 follows: 75-6509. Commencing with the regular session of the legislature
9 in 1985 and with each regular session of the legislature thereafter, the
10 Kansas state employees health care commission shall submit to the
11 president of the senate and to the speaker of the house of representatives,
12 on the day the governor's budget report is submitted to the legislature;: (1)
13 Recommendations with respect to the state health care benefits program
14 together with estimates of the cost of the program proposed by the
15 commission, including a five-year projection of the cost of the program,
16 and the estimated cost of admitting each entity pursuant to ~~subsection (e)~~
17 ~~of K.S.A. 75-6506(c)~~, and amendments thereto; and (2) *recommendations*
18 *with respect to the unified school district employee health care benefits*
19 *program together with estimates of the cost of the program proposed by*
20 *the commission, including a five-year projection of the cost of the*
21 *program.* Together with the recommendations submitted, the commission
22 shall include alternatives for cost containment and benefit coverage for
23 qualified persons for both the proposed ~~program programs~~ and the five-
24 year projected ~~program programs~~. The commission shall also submit any
25 recommendations for legislation with respect to the state health care
26 benefits program *and the unified school district employee health care*
27 *benefits program.*

28 Sec. 87. K.S.A. 75-6510 is hereby amended to read as follows: 75-
29 6510. (a) In exercising and performing the powers, duties and functions
30 prescribed by K.S.A. 75-6501 ~~to 75-6511, inclusive, through 75-6524, and~~
31 ~~sections 27 through 32, and amendments thereto~~, the Kansas state
32 employees health care commission may adopt rules and regulations and
33 enter into such contracts as may be necessary.

34 (b) The Kansas state employees health care commission may
35 establish an advisory committee to advise the commission on matters
36 relating to health care benefits of state officers and employees *and school*
37 *district employees*, and to assist the commission in the development of
38 policy with respect to such benefits.

39 (c) The Kansas state employees health care commission shall
40 maintain an ongoing study and review of the state health care benefits
41 program *and the unified school district employee health care benefits*
42 *program* in order to make necessary improvements therein and to make
43 recommendations thereon under K.S.A. 75-6509, *and amendments thereto.*

1 Sec. 88. From and after July 1, 2017, K.S.A. 2015 Supp. 79-201x is
2 hereby amended to read as follows: 79-201x. For taxable years ~~2015 and~~
3 ~~2016 2017 and 2018~~, the following described property, to the extent herein
4 specified, shall be and is hereby exempt from the property tax levied
5 pursuant to the provisions of ~~K.S.A. 2015 Supp. 72-6470~~ *section 15*, and
6 amendments thereto: Property used for residential purposes to the extent of
7 \$20,000 of its appraised valuation.

8 Sec. 89. From and after July 1, 2017, K.S.A. 2015 Supp. 79-213 is
9 hereby amended to read as follows: 79-213. (a) Any property owner
10 requesting an exemption from the payment of ad valorem property taxes
11 assessed, or to be assessed, against their property shall be required to file
12 an initial request for exemption, on forms approved by the state board of
13 tax appeals and provided by the county appraiser.

14 (b) The initial exemption request shall identify the property for which
15 the exemption is requested and state, in detail, the legal and factual basis
16 for the exemption claimed.

17 (c) The request for exemption shall be filed with the county appraiser
18 of the county where such property is principally located.

19 (d) After a review of the exemption request, and after a preliminary
20 examination of the facts as alleged, the county appraiser shall recommend
21 that the exemption request either be granted or denied, and, if necessary,
22 that a hearing be held. If a denial is recommended, a statement of the
23 controlling facts and law relied upon shall be included on the form.

24 (e) The county appraiser, after making such written recommendation,
25 shall file the request for exemption and the recommendations of the county
26 appraiser with the state board of tax appeals. With regard to a request for
27 exemption from property tax pursuant to the provisions of K.S.A. 79-201g
28 and 82a-409, and amendments thereto, not filed with the board of tax
29 appeals by the county appraiser on or before the effective date of this act,
30 if the county appraiser recommends the exemption request be granted, the
31 exemption shall be provided in the amount recommended by the county
32 appraiser and the county appraiser shall not file the request for exemption
33 and recommendations of the county appraiser with the state board of tax
34 appeals. The county clerk or county assessor shall annually make such
35 adjustment in the taxes levied against the real property as the owner may
36 be entitled to receive under the provisions of K.S.A. 79-201g, and
37 amendments thereto, as recommended by the county appraiser, beginning
38 with the first period, following the date of issue of the certificate of
39 completion on which taxes are regularly levied, and during the years
40 which the landowner is entitled to such adjustment.

41 (f) Upon receipt of the request for exemption, the board shall docket
42 the same and notify the applicant and the county appraiser of such fact.

43 (g) After examination of the request for exemption and the county

1 appraiser's recommendation related thereto, the board may fix a time and
2 place for hearing, and shall notify the applicant and the county appraiser of
3 the time and place so fixed. A request for exemption pursuant to: (1)
4 Section 13 of article 11 of the constitution of the state of Kansas; or (2)
5 K.S.A. 79-201a *Second*, and amendments thereto, for property constructed
6 or purchased, in whole or in part, with the proceeds of revenue bonds
7 under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and
8 amendments thereto, prepared in accordance with instructions and
9 assistance which shall be provided by the department of commerce, shall
10 be deemed approved unless scheduled for hearing within 30 days after the
11 date of receipt of all required information and data relating to the request
12 for exemption, and such hearing shall be conducted within 90 days after
13 such date. Such time periods shall be determined without regard to any
14 extension or continuance allowed to either party to such request. In any
15 case where a party to such request for exemption requests a hearing
16 thereon, the same shall be granted. Hearings shall be conducted in
17 accordance with the provisions of the Kansas administrative procedure act.
18 In all instances where the board sets a request for exemption for hearing,
19 the county shall be represented by its county attorney or county counselor.

20 (h) Except as otherwise provided by subsection (g), in the event of a
21 hearing, the same shall be originally set not later than 90 days after the
22 filing of the request for exemption with the board.

23 (i) During the pendency of a request for exemption, no person, firm,
24 unincorporated association, company or corporation charged with real
25 estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-
26 2004a, and amendments thereto, on the tax books in the hands of the
27 county treasurer shall be required to pay the tax from the date the request
28 is filed with the county appraiser until the expiration of 30 days after the
29 board issued its order thereon and the same becomes a final order. In the
30 event that taxes have been assessed against the subject property, no interest
31 shall accrue on any unpaid tax for the year or years in question nor shall
32 the unpaid tax be considered delinquent from the date the request is filed
33 with the county appraiser until the expiration of 30 days after the board
34 issued its order thereon. In the event the board determines an application
35 for exemption is without merit and filed in bad faith to delay the due date
36 of the tax, the tax shall be considered delinquent as of the date the tax
37 would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and
38 amendments thereto, and interest shall accrue as prescribed therein.

39 (j) In the event the board grants the initial request for exemption, the
40 same shall be effective beginning with the date of first exempt use except
41 that, with respect to property the construction of which commenced not to
42 exceed 24 months prior to the date of first exempt use, the same shall be
43 effective beginning with the date of commencement of construction.

1 (k) In conjunction with its authority to grant exemptions, the board
2 shall have the authority to abate all unpaid taxes that have accrued from
3 and since the effective date of the exemption. In the event that taxes have
4 been paid during the period where the subject property has been
5 determined to be exempt, the board shall have the authority to order a
6 refund of taxes for the year immediately preceding the year in which the
7 exemption application is filed in accordance with subsection (a).

8 (l) The provisions of this section shall not apply to: (1) Farm
9 machinery and equipment exempted from ad valorem taxation by K.S.A.
10 79-201j, and amendments thereto; (2) personal property exempted from ad
11 valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing
12 apparel, household goods and personal effects exempted from ad valorem
13 taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all
14 property exempted from ad valorem taxation by K.S.A. 79-201d, and
15 amendments thereto; (6) merchants' and manufacturers' inventories
16 exempted from ad valorem taxation by K.S.A. 79-201m, and amendments
17 thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n,
18 and amendments thereto; (8) property exempted from ad valorem taxation
19 by K.S.A. 79-201a *Seventeenth*, and amendments thereto, including all
20 property previously acquired by the secretary of transportation or a
21 predecessor in interest, which is used in the administration, construction,
22 maintenance or operation of the state system of highways. The secretary of
23 transportation shall at the time of acquisition of property notify the county
24 appraiser in the county in which the property is located that the acquisition
25 occurred and provide a legal description of the property acquired; (9)
26 property exempted from ad valorem taxation by K.S.A. 79-201a *Ninth*,
27 and amendments thereto, including all property previously acquired by the
28 Kansas turnpike authority which is used in the administration,
29 construction, maintenance or operation of the Kansas turnpike. The Kansas
30 turnpike authority shall at the time of acquisition of property notify the
31 county appraiser in the county in which the property is located that the
32 acquisition occurred and provide a legal description of the property
33 acquired; (10) aquaculture machinery and equipment exempted from ad
34 valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in
35 this section, "aquaculture" has the same meaning ascribed thereto by
36 K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery
37 and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and
38 amendments thereto; (12) property used exclusively by the state or any
39 municipality or political subdivision of the state for right-of-way purposes.
40 The state agency or the governing body of the municipality or political
41 subdivision shall at the time of acquisition of property for right-of-way
42 purposes notify the county appraiser in the county in which the property is
43 located that the acquisition occurred and provide a legal description of the

1 property acquired; (13) machinery, equipment, materials and supplies
2 exempted from ad valorem taxation by K.S.A. 79-201w, and amendments
3 thereto; (14) vehicles owned by the state or by any political or taxing
4 subdivision thereof and used exclusively for governmental purposes; (15)
5 property used for residential purposes which is exempted pursuant to
6 K.S.A. 79-201x, and amendments thereto, from the property tax levied
7 pursuant to ~~K.S.A. 2015 Supp. 72-6470~~ *section 15*, and amendments
8 thereto; (16) from and after July 1, 1998, vehicles which are owned by an
9 organization having as one of its purposes the assistance by the provision
10 of transit services to the elderly and to disabled persons and which are
11 exempted pursuant to K.S.A. 79-201 *Ninth*, and amendments thereto; (17)
12 from and after July 1, 1998, motor vehicles exempted from taxation by
13 K.S.A. 79-5107(e), and amendments thereto; (18) commercial and
14 industrial machinery and equipment exempted from property or ad
15 valorem taxation by K.S.A. 2015 Supp. 79-223, and amendments thereto;
16 (19) telecommunications machinery and equipment and railroad
17 machinery and equipment exempted from property or ad valorem taxation
18 by K.S.A. 2015 Supp. 79-224, and amendments thereto; and (20) property
19 exempted from property or ad valorem taxation by K.S.A. 2015 Supp. 79-
20 234, and amendments thereto.

21 (m) The provisions of this section shall apply to property exempt
22 pursuant to the provisions of section 13 of article 11 of the constitution of
23 the state of Kansas.

24 (n) The provisions of subsection (k) as amended by this act shall be
25 applicable to all exemption applications filed in accordance with
26 subsection (a) after December 31, 2001.

27 Sec. 90. From and after July 1, 2017, K.S.A. 2015 Supp. 79-2001 is
28 hereby amended to read as follows: 79-2001. (a) As soon as the county
29 treasurer receives the tax roll of the county, the treasurer shall enter in a
30 column opposite the description of each tract or parcel of land the amount
31 of unpaid taxes and the date of unredeemed sales, if any, for previous years
32 on such land. The treasurer shall cause a notice to be published in the
33 official county paper once each week for three consecutive weeks, stating
34 in the notice the amount of taxes charged for state, county, township,
35 school, city or other purposes for that year, on each \$1,000 of valuation.

36 (b) Each year after receipt of the tax roll from the county clerk and
37 before December 15, the treasurer shall mail to each taxpayer, as shown by
38 the rolls, a tax statement which indicates the taxing unit, assessed value of
39 real and personal property, the mill levy and tax due. In addition, with
40 respect to land devoted to agricultural use, such statement shall indicate
41 the acreage and description of each parcel of such land. The tax statement
42 shall also indicate separately each parcel of real property which is
43 separately classified for property tax purposes. The county appraiser shall

1 provide the information necessary for the county treasurer to comply with
2 the provisions of this section. The tax statement also may include the
3 intangible tax due the county. All items may be on one statement or may
4 be shown on separate statements and may be on a form prescribed by the
5 county treasurer. The statement shall be mailed to the last known address
6 of the taxpayer or to a designee authorized by the taxpayer to accept the
7 tax statement, if the designee has an interest in receiving the statement.
8 When any statement is returned to the county treasurer for failure to find
9 the addressee, the treasurer shall make a diligent effort to find a
10 forwarding address of the taxpayer and mail the statement to the new
11 address. All tax statements mailed pursuant to this section shall be mailed
12 by first-class mail. The requirement for mailing a tax statement shall
13 extend only to the initial statement required to be mailed in each year and
14 to any follow-up required by this section.

15 (c) For tax year 1998, and all tax years thereafter, after receipt of the
16 tax roll from the county clerk and before December 15, the treasurer shall
17 mail to each taxpayer, as shown by the tax rolls, a tax information form
18 which indicates the taxing unit, assessed value of real property for the
19 current and next preceding taxable year, the mill levy for the current and
20 next preceding taxable year and, in the case of unified school districts, the
21 mill levy required by ~~K.S.A. 2015 Supp. 72-6470 section 15~~, and
22 amendments thereto, shall be separately indicated, the tax due and an
23 itemization of each taxing unit's mill levy for the current and next
24 preceding taxable year and the percentage change in the amount of
25 revenue produced therefrom, if any. In addition, with respect to land
26 devoted to agricultural use, such form shall indicate the acreage and
27 description of each parcel of such land. The tax information form shall
28 also indicate separately each parcel of real property which is separately
29 classified for property tax purposes. The county appraiser shall provide the
30 information necessary for the county treasurer to comply with the
31 provisions of this section. The tax information form may be separate from
32 the tax statement or a part of the tax statement. The tax information form
33 shall be in a format prescribed by the director of property valuation. The
34 tax information form shall be mailed to the last known address of the
35 taxpayer. When a tax information form is returned to the county treasurer
36 for failure to find the addressee, the treasurer shall make a diligent effort to
37 find a forwarding address of the taxpayer and mail the tax information
38 form to the new address. All tax information forms mailed pursuant to this
39 section shall be mailed by first class mail.

40 Sec. 91. From and after July 1, 2017, K.S.A. 2015 Supp. 79-2925b is
41 hereby amended to read as follows: 79-2925b. (a) Without a majority vote
42 so providing, the governing body of any municipality shall not approve
43 any appropriation or budget, as the case requires, which may be funded by

1 revenue produced from property taxes, and which provides for funding
2 with such revenue in an amount exceeding that of the next preceding year,
3 adjusted to reflect changes in the consumer price index for all urban
4 consumers as published by the United States department of labor for the
5 preceding calendar year. If the total tangible property valuation in any
6 municipality increases from the next preceding year due to increases in the
7 assessed valuation of existing tangible property and such increase exceeds
8 changes in the consumer price index, the governing body shall lower the
9 amount of ad valorem tax to be levied to the amount of ad valorem tax
10 levied in the next preceding year, adjusted to reflect changes in the
11 consumer price index. This subsection shall not apply to ad valorem taxes
12 levied under K.S.A. 76-6b01 and 76-6b04 and ~~K.S.A. 2015 Supp. 72-6470~~
13 *section 15*, and amendments thereto, and any other ad valorem tax levy
14 which was previously approved by the voters of such municipality. Except
15 as provided in subsection (g), notwithstanding the requirements of this
16 subsection, nothing herein shall prohibit a municipality from increasing
17 the amount of ad valorem tax to be levied if the municipality approves the
18 increase with a majority vote of the governing body by the adoption of a
19 resolution and publishes such vote as provided in subsection (c).

20 (b) Revenue that, in the current year, is produced and attributable to
21 the taxation of:

- 22 (1) New improvements to real property;
- 23 (2) increased personal property valuation, other than increased
24 valuation of oil and gas leaseholds and mobile homes;
- 25 (3) property located within added jurisdictional territory; or
- 26 (4) property which has changed in use shall not be considered when
27 determining whether revenue produced from property has increased from
28 the next preceding year.

29 (c) In the event the governing body votes to approve any
30 appropriation or budget, as the case requires, which may be funded by
31 revenue produced from property taxes, and which provides for funding
32 with such revenue in an amount exceeding that of the next preceding year
33 as provided in subsection (a), notice of such vote shall be published in the
34 official county newspaper of the county where such municipality is
35 located.

36 (d) The provisions of this section shall be applicable to all fiscal and
37 budget years commencing on and after the effective date of this act.

38 (e) The provisions of this section shall not apply to revenue received
39 from property tax levied for the sole purpose of repayment of the principal
40 of and interest upon bonded indebtedness, temporary notes and no-fund
41 warrants.

42 (f) For purposes of this section, "municipality" means any political
43 subdivision of the state which levies an ad valorem tax on property and

1 includes, but is not limited to, any county, township, municipal university,
2 school district, community college, drainage district or other taxing
3 district. "Municipality" shall not include any such political subdivision or
4 taxing district which receives \$1,000 or less in revenue from property
5 taxes in the current year.

6 (g) On and after January 1, 2018: (1) In the case of cities and
7 counties, any resolution by the governing body otherwise required by this
8 section to adopt any appropriation or budget which provides for funding
9 by property tax revenue in an amount exceeding that of the next preceding
10 year as adjusted pursuant to subsection (a) to reflect changes in the
11 consumer price index, shall not become effective unless such resolution
12 has been submitted to and approved by a majority of the qualified electors
13 of the city or county voting at an election called and held thereon, except
14 as otherwise provided. The election shall be called and held in the manner
15 provided by K.S.A. 10-120, and amendments thereto, at the next regularly
16 scheduled election to be held in August or November, or may be a mail
17 ballot election, conducted in accordance with K.S.A. 25-431 et seq., and
18 amendments thereto, or may be a special election called by the city or
19 county. Nothing in this subsection shall prevent any city or county from
20 holding more than one election in any year.

21 (2) A resolution by the governing body of a city or county otherwise
22 required by the provisions of this section shall not be required to be
23 approved by an election required by subsection (g)(1) under the following
24 circumstances:

25 (A) The increase in the amount of ad valorem tax to be levied that is
26 greater than the change in the consumer price index is due to:

27 (i) Costs for new infrastructure or improvements to existing
28 infrastructure to support new improvements to property exempt from
29 property taxation pursuant to the provisions of K.S.A. 79-201 et seq., and
30 amendments thereto, such as hospitals, schools and churches, or exempt
31 additions to or improvements to property so exempt from property
32 taxation;

33 (ii) bond and interest payments;

34 (iii) an increase in property subject to taxation as the result of the
35 expiration of any abatement of property from property tax;

36 (iv) increases in road construction costs when such construction has
37 been once approved by a resolution of the governing body of the city or
38 county;

39 (v) special assessments;

40 (vi) judgments levied against the city or county or expenses for legal
41 counsel and for defense of legal actions against the city or county or
42 officers of the city or county;

43 (vii) new expenditures that are specifically mandated by federal or

1 state law; or

2 (viii) an increase in property subject to taxation as the result of new
3 construction;

4 (B) the assessed valuation has declined in one or more of the next
5 preceding three calendar years and the increase in the amount of funding
6 for the budget or appropriation from revenue produced from property taxes
7 does not exceed the average amount of funding from such revenue of the
8 next preceding three calendar years, adjusted to reflect changes in the
9 consumer price index for all urban consumers as published by the United
10 States department of labor for the preceding calendar year; or

11 (C) the increase in the amount of ad valorem tax to be levied is less
12 than the change in the consumer price index plus the loss of assessed
13 property valuation that has occurred as the result of legislative action,
14 judicial action or a ruling by the board of tax appeals.

15 Sec. 92. K.S.A. 46-1701 and 75-6510 and K.S.A. 2015 Supp. 60-
16 2102, 72-5413, 72-64b03, 72-6760, 75-2319, 75-6506, 75-6508 and 75-
17 6509 are hereby repealed.

18 Sec. 93. From and after July 1, 2017, K.S.A. 72-8208a and K.S.A.
19 2015 Supp. 10-1116a, 12-1770a, 12-1775a, 72-978, 72-1046b, 72-1398,
20 72-1414, 72-1923, 72-3715, 72-5333b, 72-64b01, 72-64c03, 72-64c05, 72-
21 6624, 72-6625, 72-6757, 72-67,115, 72-8187, 72-8230, 72-8233, 72-8236,
22 72-8251, 72-8254, 72-8316, 72-8415b, 72-8804, 72-8908, 72-99a02, 74-
23 4939a, 74-8925, 74-99b43, 79-201x, 79-213, 79-2001 and 79-2925b are
24 hereby repealed.

25 Sec. 94. This act shall take effect and be in force from and after its
26 publication in the statute book.