

Senate Substitute for HOUSE BILL No. 2004

By Committee on Ways and Means

6-28

9 AN ACT concerning schools and school districts; relating to school fi-
10 nance; relating to the powers and duties of the legislature, courts, state
11 board of education and school districts in relation thereto; relating to
12 litigation in relation thereto; making and concerning appropriations for
13 the fiscal years ending June 30, 2006, for the department of education;
14 amending K.S.A. 72-6410, as amended by section 14 of 2005 House
15 Bill No. 2247, 72-6412, as amended by section 15 of 2005 House Bill
16 No. 2247, 72-6414, as amended by section 17 of 2005 House Bill No.
17 2247, 72-6426, 79-1801 and section 3 of 2005 House Bill No. 2247,
18 and K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005
19 House Bill No. 2247, 72-6407, as amended by section 16 of 2005 Sen-
20 ate Bill No. 43, and 72-6434, as amended by section 24 of 2005 House
21 Bill No. 2247, and repealing the existing sections; also repealing K.S.A.
22 46-1222, 46-1223, 46-1224 and section 13 of 2005 Senate Bill No. 43.

23

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

25 New Section 1. No school district shall expend, use or transfer any
26 moneys from the general fund of the district for the purpose of engaging
27 in or supporting in any manner any litigation by the school district or any
28 person, association, corporation or other entity against the state of Kansas,
29 the state board of education, the state department of education, other
30 state agency or any state officer or employee regarding the school district
31 finance and quality performance act or any other law concerning school
32 finance. No such moneys shall be paid, donated or otherwise provided to
33 any person, association, corporation or other entity and used for the pur-
34 pose of any such litigation.

35 New Sec. 2. (a) There is hereby established the at-risk education coun-
36 cil. The council shall be composed of six members as follows:

- 37 (1) One member appointed by the president of the senate;
38 (2) one member appointed by the minority leader of the senate;
39 (3) one member appointed by the speaker of the house of
40 representatives;
41 (4) one member appointed by the minority leader of the house of
42 representatives;
43 (5) the commissioner of education or a designee thereof; and

1 (6) a member appointed by the governor who shall be the chairperson
2 of the council. Such person shall be selected from two nominations sub-
3 mitted to the governor by the president of the senate and two nominations
4 submitted by the speaker of the house of representatives.

5 (b) Members shall be selected with special reference to training, ex-
6 perience or expertise in serving at-risk children. No members of the leg-
7 islature may be appointed to the council.

8 (c) All members of the council shall serve at the pleasure of the ap-
9 pointing authority.

10 (d) Members of the council attending regular or special meetings or
11 subcommittee meetings authorized by the council, shall be paid amounts
12 for expenses, mileage and subsistence as provided in subsection (e) of
13 K.S.A. 75-3223, and amendments thereto. Expenses for the commission
14 shall be part of the budget of the legislative coordinating council and shall
15 be subject to the council's approval.

16 (e) The council may meet at any time and at any place within the state
17 on the call of the chairperson as authorized by the legislative coordinating
18 council. A quorum of the council shall be four members. All actions of
19 the council shall be by motion adopted by a majority of those voting
20 members present when there is a quorum.

21 (f) In accordance with K.S.A. 46-1204, and amendments thereto, the
22 legislative coordinating council may provide for such professional services
23 as may be requested by the council.

24 (g) The staff of the office of the revisor of statutes, the legislative re-
25 search department and the division of legislative administrative services
26 shall provide such assistance as may be requested by the council. Upon
27 request of the council, the state board of education and the center for
28 innovative school leadership established pursuant to K.S.A. 2004 Supp.
29 76-767, and amendments thereto, shall provide consultants and assistance
30 when requested by the council. In addition and upon the request of the
31 council, the state board of education and school districts shall provide any
32 information and supporting documentation related thereto.

33 (h) The council shall cease to exist on June 30, 2007.

34 New Sec. 3. (a) The at-risk education council shall:

35 (1) Identify those conditions or circumstances which contribute to mak-
36 ing a student at-risk for not succeeding in school;

37 (2) develop and recommend programs and services which meet the
38 needs of at-risk students;

39 (3) develop and recommend programs and services which help close
40 the achievement gap;

41 (4) develop and recommend tools to assess and evaluate the effective-
42 ness of at-risk programs; and

43 (5) recommend funding alternatives for at-risk programs.

1 (b) On or before October 1, 2006, the council shall submit a report on
2 its activities to the 2010 commission and the governor. On or before
3 October 1, 2007, the council shall submit its final report, including its
4 recommendations, to the 2010 commission and the governor.

5 New Sec. 4. The correlation weighting of each district with 1,659 or
6 over enrollment shall be determined by the state board as follows:

7 (a) Determine the schedule amount for a district with 1,659 enrollment
8 as derived from the linear transition under (d) of K.S.A. 72-6412, and
9 amendments thereto, and subtract the amount determined under (c) of
10 K.S.A. 72-6412, and amendments thereto, from the schedule amount so
11 determined;

12 (b) divide the remainder obtained under (a) by the amount determined
13 under (c) of K.S.A. 72-6412, and amendments thereto, and multiply the
14 quotient by the enrollment of the district in the current school year. The
15 product is the correlation weighting of the district.

16 New Sec. 5. (a) There is hereby established in the state treasury the
17 school district capital outlay state aid fund. Such fund shall consist of all
18 amounts transferred thereto under the provisions of subsection (c).

19 (b) In each school year, each school district which levies a tax pursuant
20 to K.S.A. 72-8801 et seq., and amendments thereto, shall be entitled to
21 receive payment from the school district capital outlay state aid fund in
22 an amount determined by the state board of education as provided in this
23 subsection. The state board of education shall:

24 (1) Determine the amount of the assessed valuation per pupil (AVPP)
25 of each school district in the state and round such amount to the nearest
26 \$1,000. The rounded amount is the AVPP of a school district for the
27 purposes of this section;

28 (2) determine the median AVPP of all school districts;

29 (3) prepare a schedule of dollar amounts using the amount of the me-
30 dian AVPP of all school districts as the point of beginning. The schedule
31 of dollar amounts shall range upward in equal \$1,000 intervals from the
32 point of beginning to and including an amount that is equal to the amount
33 of the AVPP of the school district with the highest AVPP of all school
34 districts and shall range downward in equal \$1,000 intervals from the
35 point of beginning to and including an amount that is equal to the amount
36 of the AVPP of the school district with the lowest AVPP of all school
37 districts;

38 (4) determine a state aid percentage factor for each school district by
39 assigning a state aid computation percentage to the amount of the median
40 AVPP shown on the schedule, decreasing the state aid computation per-
41 centage assigned to the amount of the median AVPP by one percentage
42 point for each \$1,000 interval above the amount of the median AVPP,
43 and increasing the state aid computation percentage assigned to the

1 amount of the median AVPP by one percentage point for each \$1,000
2 interval below the amount of the median AVPP. The state aid percentage
3 factor of a school district is the percentage assigned to the schedule
4 amount that is equal to the amount of the AVPP of the school district,
5 except that the state aid percentage factor of a school district shall not
6 exceed 100%. The state aid computation percentage is 25%;

7 (5) determine the amount levied by each school district pursuant to
8 K.S.A. 72-8801 et seq., and amendments thereto;

9 (6) multiply the amount computed under (5), but not to exceed 8 mills,
10 by the applicable state aid percentage factor. The product is the amount
11 of payment the school district is entitled to receive from the school district
12 capital outlay state aid fund in the school year.

13 (c) The state board of education shall certify to the director of accounts
14 and reports the entitlements of school districts determined under the
15 provisions of subsection (b), and an amount equal thereto shall be trans-
16 ferred by the director from the state general fund to the school district
17 capital outlay state aid fund for distribution to school districts.

18 (d) Payments from the school district capital outlay state aid fund shall
19 be distributed to school districts at times determined by the state board
20 of education. The state board of education shall certify to the director of
21 accounts and reports the amount due each school district entitled to pay-
22 ment from the fund, and the director of accounts and reports shall draw
23 a warrant on the state treasurer payable to the treasurer of the school
24 district. Upon receipt of the warrant, the treasurer of the school district
25 shall credit the amount thereof to the capital outlay fund of the school
26 district to be used for the purposes of such fund.

27 New Sec. 6. (a) There is hereby established the office of legislative
28 counsel. The legislative counsel shall be appointed by the legislative co-
29 ordinating council and shall be an attorney in the private practice of law
30 employed by the legislative coordinating council pursuant to a contract
31 entered into by the legislative coordinating council and such attorney.

32 (b) No person shall be eligible for appointment as legislative counsel
33 unless: (1) Such person has been admitted to practice law in Kansas for
34 not less than five years prior to appointment; and (2) such person is ad-
35 mitted to practice in the federal court. In addition to the foregoing qual-
36 ifications, in considering a person for appointment as legislative counsel
37 the legislative coordinating council shall investigate such person's expe-
38 rience in legal research, trial and appellate practice and related areas in
39 order that such person shall possess the experience and judgment deemed
40 necessary to fulfill the duties and responsibilities of the office. The leg-
41 islative coordinating council shall further make such investigation of a
42 person considered for appointment as will ensure that such person is of
43 high professional standing.

1 (c) The provisions of the contract entered into by the legislative coor-
2 dinating council and the legislative counsel shall provide that the legis-
3 lative counsel may be removed from the position and the contract ter-
4 minated by a vote of five members of the legislative coordinating council
5 taken at any regular meeting of the council. The legislative counsel shall
6 receive compensation fixed by the legislative coordinating council in ac-
7 cordance with the contract. The contract shall provide for such other
8 matters as the parties to the contract deem appropriate.

9 (d) Expenditures provided for in this act shall not be subject to approval
10 under any other statute and shall be paid from appropriations for the
11 legislature. No contract made under authority of this act shall require
12 approval under any other statute.

13 (e) The legislative counsel shall represent the legislature, or either
14 house thereof, in any school finance litigation or other cause or matter as
15 directed by the legislative coordinating council. In cases of quo warranto
16 and mandamus the legislative counsel shall have the same powers and
17 standing in all courts of this state as any county attorney or district attor-
18 ney has in such attorney's county or in the supreme court and as the
19 attorney general has in any court. When the legislature is in session, either
20 house thereof by its resolution, or both houses by concurrent resolution
21 may authorize the legislative coordinating council to direct the legislative
22 counsel to bring or participate in any cause or action by representing the
23 legislature or either house thereof or the legislative coordinating council
24 in any court of this state or of the United States. When the legislature is
25 not in session, the legislative coordinating council may direct the legis-
26 lative counsel to bring or participate in any cause or action by representing
27 the legislature or either house thereof or the legislative coordinating
28 council in any court of this state or of the United States in accordance
29 with directions of the legislative coordinating council.

30 (f) The legislative counsel shall render unofficial advisory opinions upon
31 such legal questions submitted by any member or any standing or special
32 committee of the legislature, all in accordance with policies to be estab-
33 lished by the legislative coordinating council. Upon direction of the leg-
34 islative coordinating council, the legislative counsel shall act as counsel to
35 special committees of the legislature and shall provide investigative assis-
36 tance, conduct examination of witnesses and participate in committee
37 hearings and deliberations as deemed necessary by the committee
38 chairpersons.

39 (g) The legislative counsel shall perform such other duties as are di-
40 rected by the legislative coordinating council.

41 Sec. 7. K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005
42 House Bill No. 2247, is hereby amended to read as follows: 72-978. (a)
43 Each year, the state board of education shall determine the amount of

1 state aid for the provision of special education and related services each
2 school district shall receive for the ensuing school year. The amount of
3 such state aid shall be computed by the state board as provided in this
4 section. The state board shall:

5 (1) Determine the total amount of general fund and local option budg-
6 ets of all school districts;

7 (2) subtract from the amount determined in paragraph (1) the total
8 amount attributable to assignment of transportation weighting, program
9 weighting, special education weighting and at-risk pupil weighting to en-
10 rollment of all school districts;

11 (3) divide the remainder obtained in paragraph (2) by the total number
12 of full-time equivalent pupils enrolled in all school districts on September
13 20;

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

17 (5) multiply the amount of the quotient obtained in paragraph (3) by
18 the full-time equivalent enrollment determined in paragraph (4);

19 (6) determine the amount of federal funds received by all school dis-
20 tricts for the provision of special education and related services;

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

24 (8) add the amounts determined under paragraphs (6) and (7) to the
25 amount of the product obtained under paragraph (5);

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

28 (10) subtract the amount of the sum obtained under paragraph (8) from
29 the amount determined under paragraph (9); and

30 ~~(11) (A) for school year 2005-2006, multiply the remainder obtained
31 under paragraph (10) by 85%;~~

32 ~~—(B) for school year, 2006-2007, multiply the remainder obtained under
33 paragraph (10) by 88%; and~~

34 ~~—(C) for school year 2007-2008 and each year thereafter, multiply the
35 remainder obtained under paragraph (10) by 91%.~~

36 *(11) (A) for school year 2005-2006, multiply the remainder obtained*
37 *under paragraph (10) by 90%; and*

38 *(B) for school year 2006-2007 and each school year thereafter, multiply*
39 *the remainder obtained under paragraph (10) by 92%.*

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

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

1 (1) Reimbursement for actual travel allowances paid to special teachers
2 at not to exceed the rate specified under K.S.A. 75-3203, and amend-
3 ments thereto, for each mile actually traveled during the school year in
4 connection with duties in providing special education or related services
5 for exceptional children; such reimbursement shall be computed by the
6 state board by ascertaining the actual travel allowances paid to special
7 teachers by the school district for the school year and shall be in an
8 amount equal to 80% of such actual travel allowances;

9 (2) reimbursement in an amount equal to 80% of the actual travel
10 expenses incurred for providing transportation for exceptional children to
11 special education or related services; such reimbursement shall not be
12 paid if such child has been counted in determining the transportation
13 weighting of the district under the provisions of the school district finance
14 and quality performance act;

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

20 (4) except for those school districts entitled to receive reimbursement
21 under subsection (c) or (d), after subtracting the amounts of reimburse-
22 ment under paragraphs (1), (2) and (3) of this subsection (a) from the
23 total amount appropriated for special education and related services un-
24 der this act, an amount which bears the same proportion to the remaining
25 amount appropriated as the number of full-time equivalent special teach-
26 ers who are qualified to provide special education or related services to
27 exceptional children and are employed by the school district for approved
28 special education or related services bears to the total number of such
29 qualified full-time equivalent special teachers employed by all school dis-
30 tricts for approved special education or related services.

31 Each special teacher who is qualified to assist in the provision of special
32 education or related services to exceptional children shall be counted as
33 $\frac{2}{3}$ full-time equivalent special teacher who is qualified to provide special
34 education or related services to exceptional children.

35 (c) Each school district which has paid amounts for the provision of
36 special education and related services under an interlocal agreement shall
37 be entitled to receive reimbursement under subsection (b)(4). The
38 amount of such reimbursement for the district shall be the amount which
39 bears the same relation to the aggregate amount available for reimburse-
40 ment for the provision of special education and related services under the
41 interlocal agreement, as the amount paid by such district in the current
42 school year for provision of such special education and related services
43 bears to the aggregate of all amounts paid by all school districts in the

1 current school year who have entered into such interlocal agreement for
2 provision of such special education and related services.

3 (d) Each contracting school district which has paid amounts for the
4 provision of special education and related services as a member of a co-
5 operative shall be entitled to receive reimbursement under subsection
6 (b)(4). The amount of such reimbursement for the district shall be the
7 amount which bears the same relation to the aggregate amount available
8 for reimbursement for the provision of special education and related serv-
9 ices by the cooperative, as the amount paid by such district in the current
10 school year for provision of such special education and related services
11 bears to the aggregate of all amounts paid by all contracting school dis-
12 tricts in the current school year by such cooperative for provision of such
13 special education and related services.

14 (e) No time spent by a special teacher in connection with duties per-
15 formed under a contract entered into by the Kansas juvenile correctional
16 complex, the Atchison juvenile correctional facility, the Beloit juvenile
17 correctional facility, the Larned juvenile correctional facility, or the To-
18 peka juvenile correctional facility and a school district for the provision
19 of special education services by such state institution shall be counted in
20 making computations under this section.

21 Sec. 8. Section 3 of 2005 House Bill No. 2247 is hereby amended to
22 read as follows: Sec. 3. ~~(a) In order to assist the legislature in the gathering~~
23 ~~of information which is necessary for the legislature's consideration when~~
24 ~~meeting its constitutional duties to: (1) Provide for intellectual, educa-~~
25 ~~tional, vocational and scientific improvement in public schools established~~
26 ~~and maintained by the state, and (2) make suitable provision for the fi-~~
27 ~~nance of educational interests of the state, the division of post audit shall~~
28 ~~conduct a professional cost study analysis to determine the costs of deliv-~~
29 ~~ering the kindergarten and grades one through 12 curriculum, related~~
30 ~~services and other programs mandated by state statute in accredited~~
31 ~~schools. Subject to the provisions of subsection (b), the cost analysis study~~
32 ~~shall be conducted as directed by the legislative post audit committee.~~

33 ~~—(b) Any study conducted pursuant to subsection (a) shall include:~~

34 ~~—(1) A determination of the services or programs required by state stat-~~
35 ~~ute to be provided by school districts. Such review shall include high~~
36 ~~school graduation requirements, admissions requirements established by~~
37 ~~the state board of regents pursuant to K.S.A. 76-716, and amendments~~
38 ~~thereto, state scholarship requirements established by the state board of~~
39 ~~regents and courses of instruction at various grade levels required by state~~
40 ~~statute.~~

41 ~~—(2) A study of the actual costs incurred in a sample of school districts~~
42 ~~to provide reasonable estimates of the costs of providing services and~~
43 ~~programs required by state statute to be provided by school districts for~~

- 1 regular elementary and secondary education, including instruction, ad-
2 ministration, support staff, supplies, equipment and building costs.
- 3 ~~—(3) A study of the actual costs incurred in a sample of school districts~~
4 ~~to provide reasonable estimates of the costs of providing services and~~
5 ~~programs required by state statute to be provided by school districts for~~
6 ~~specialized education services including, but not limited to, special edu-~~
7 ~~cation and related services, bilingual education and at-risk programs.~~
- 8 ~~—(4) A study of the factors which may contribute to the variations in~~
9 ~~costs incurred by school districts of various sizes and in various regions~~
10 ~~of the state when providing services or programs required by state statute~~
11 ~~to be provided by school districts. Such study shall include the adminis-~~
12 ~~trative costs of providing such services and programs.~~
- 13 ~~—(5) An analysis in a sample of districts as determined by the legislative~~
14 ~~post auditor showing such things as:~~
- 15 ~~—(A) The percent of the estimated cost of providing services and pro-~~
16 ~~grams required by state statute that could have been funded by the var-~~
17 ~~ious types of state aid the districts received in the most recently completed~~
18 ~~school year, as well as the percent funded by the district's local option~~
19 ~~budget;~~
- 20 ~~—(B) the percent of district funding that is spent on instruction;~~
- 21 ~~—(C) the percent of district funding that is spent on central administra-~~
22 ~~tion; and~~
- 23 ~~—(D) the percent of district funding that is spent on support services.~~
- 24 ~~—(6) A review of relevant studies that assess whether there is a correla-~~
25 ~~tion between amounts spent on education and student performance.~~
- 26 ~~—(7) A review to determine whether students who are counted as a basis~~
27 ~~for computing funding for specialized educational services are actually~~
28 ~~receiving those services.~~
- 29 ~~—(8) Any additional reviews or analyses the legislative post auditor con-~~
30 ~~siders relevant to the legislature's decisions regarding the cost of funding~~
31 ~~services or programs required by state statute to be provided by school~~
32 ~~districts.~~
- 33 *(a) The purpose of this section is to assist the legislature in the gathering*
34 *of information which is necessary for the legislature's consideration when*
35 *meeting its constitutional duties to: (1) Provide for intellectual, educa-*
36 *tional, vocational and scientific improvement in public schools established*
37 *and maintained by the state; and (2) make suitable provision for the fi-*
38 *nance of educational interests of the state. The division of post audit shall*
39 *conduct a professional cost study analysis to estimate the costs of provid-*
40 *ing programs and services required by law.*
- 41 *(b) As used in this section, "law" means any: (1) State statute; or (2)*
42 *rules and regulations or standards relating to student performance out-*
43 *comes adopted by the state board which are in effect on July 1, 2005.*

- 1 (c) *The cost study analysis shall be based upon data available through*
2 *school year 2004-2005. Subject to the provisions of subsection (d), the cost*
3 *study analysis shall be conducted as directed by the legislative post audit*
4 *committee.*
- 5 (d) *Any cost study analysis conducted pursuant to this section shall*
6 *include:*
- 7 (1) *A determination of the services or programs required by law to be*
8 *provided by school districts and a review of the high school graduation*
9 *requirements and the school performance accreditation system, pupil as-*
10 *essments and other requirements of K.S.A. 72-6439, and amendments*
11 *thereto.*
- 12 (2) *A review of the admissions requirements established by the state*
13 *board of regents pursuant to K.S.A. 76-716, and amendments thereto,*
14 *state scholarship requirements established by the state board of regents.*
- 15 (3) *A study of the actual costs incurred in a sample of school districts*
16 *to provide reasonable estimates of the costs for regular elementary and*
17 *secondary education as required by law, including instruction, adminis-*
18 *tration, support staff, supplies, equipment and building costs.*
- 19 (4) *A study of the actual costs incurred in a sample of school districts*
20 *to provide reasonable estimates of the costs for specialized education serv-*
21 *ices as required by law including, but not limited to, special education*
22 *and related services, bilingual education and at-risk programs.*
- 23 (5) *A study of the factors which may contribute to the variations in*
24 *costs incurred by school districts of various sizes and in various regions*
25 *of the state when providing services or programs as required by law. Such*
26 *study shall include all administrative costs of providing program and serv-*
27 *ices as required by law.*
- 28 (6) *An analysis in a sample of districts as determined by the legislative*
29 *post auditor showing such things as:*
- 30 (A) *The percent of the estimated costs of providing programs and serv-*
31 *ices as required by law that could have been funded by the various types*
32 *of state aid the districts received in the most recently completed school*
33 *year, as well as the percent funded by the district's local option budget;*
34 (B) *the percent of district funding that is spent on instruction;*
35 (C) *the percent of district funding that is spent on administration in-*
36 *cluding central administration; and*
37 (D) *the percent of district funding that is spent on support services.*
- 38 (7) *A review of relevant studies that assess whether there is a correlation*
39 *between amounts spent on education and student performance.*
- 40 (8) *A review to determine whether students who are counted as a basis*
41 *for computing funding for specialized educational services are actually*
42 *receiving those services.*
- 43 (9) *Any additional reviews or analyses the legislative post auditor con-*

1 *siders relevant to the legislature's decisions regarding the cost of funding*
2 *services or programs required by law.*

3 *(e) In conducting such cost analysis study, historical data and expend-*
4 *itures may be used to estimate future reasonable and actual costs so long*
5 *as any examination of historical data and expenditures corrects any rec-*
6 *ognized inadequacy of such data or expenditure through a reliable method*
7 *of extrapolation. The cost study analysis shall incorporate these require-*
8 *ments and any report to the legislature must demonstrate how the incor-*
9 *poration was accomplished.*

10 ~~(f)~~ *(f) In conducting such cost analysis study and subject to the limi-*
11 *tations of the budget of the division and appropriations therefor, the leg-*
12 *islative post auditor may enter into contracts ~~for~~ with consultants as the*
13 *post auditor deems necessary ~~with consultants as needed.~~*

14 *(g) In conducting such cost study analysis, the legislative post auditor*
15 *shall have the authority to access all books, accounts, records, files, doc-*
16 *uments and correspondence, confidential or otherwise, as authorized in*
17 *conducting an audit under the legislative post audit act.*

18 ~~(h)~~ *(h) Following the completion of such cost analysis study, the leg-*
19 *islative post auditor shall submit a detailed report thereon to the legisla-*
20 *ture on or before the first day of the 2006 legislative session. If additional*
21 *time is needed to provide the most accurate information relating to any*
22 *area of requested study, the legislative post auditor shall so report to the*
23 *legislature, explaining the reasons for the need for additional time and*
24 *providing a reasonable time frame for completion of that aspect of the*
25 *study. In that event, the legislative post auditor shall submit a report on*
26 *that portion of the study which has been completed before the start of*
27 *the 2006 legislative session and the balance of such report shall be sub-*
28 *mitted within the time frame established by the legislative post auditor*
29 *when requesting additional time.*

30 ~~(i)~~ *(i) For any agency required to be audited under K.S.A. 74-7283 et*
31 *seq., and amendments thereto, in time to be reviewed and evaluated*
32 *during the 2006, 2007 or 2008 regular session of the legislature, such*
33 *review and evaluation shall be moved forward one year.*

34 ~~(j)~~ *(j) The provisions of this section shall be part of and supplemental*
35 *to the legislative post audit act.*

36 *Sec. 9. K.S.A. 2004 Supp. 72-6407, as amended by section 16 of 2005*
37 *House Bill No. 43, is hereby amended to read as follows: 72-6407. (a) (1)*
38 *“Pupil” means any person who is regularly enrolled in a district and at-*
39 *tending kindergarten or any of the grades one through 12 maintained by*
40 *the district or who is regularly enrolled in a district and attending kin-*
41 *dergarten or any of the grades one through 12 in another district in ac-*
42 *cordance with an agreement entered into under authority of K.S.A. 72-*
43 *8233, and amendments thereto, or who is regularly enrolled in a district*

1 and attending special education services provided for preschool-aged ex-
2 ceptional children by the district.

3 (2) Except as otherwise provided in paragraph (3) of this subsection, a
4 pupil in attendance full time shall be counted as one pupil. A pupil in
5 attendance part time shall be counted as that proportion of one pupil (to
6 the nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance.
7 A pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil. A pupil en-
8 rolled in and attending an institution of postsecondary education which
9 is authorized under the laws of this state to award academic degrees shall
10 be counted as one pupil if the pupil's postsecondary education enrollment
11 and attendance together with the pupil's attendance in either of the
12 grades 11 or 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted
13 as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of
14 the pupil's postsecondary education attendance and attendance in grade
15 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in
16 and attending an area vocational school, area vocational-technical school
17 or approved vocational education program shall be counted as one pupil
18 if the pupil's vocational education enrollment and attendance together
19 with the pupil's attendance in any of grades nine through 12 is at least $\frac{5}{6}$
20 time, otherwise the pupil shall be counted as that proportion of one pupil
21 (to the nearest $\frac{1}{10}$) that the total time of the pupil's vocational education
22 attendance and attendance in any of grades nine through 12 bears to full-
23 time attendance. A pupil enrolled in a district and attending special ed-
24 ucation and related services, except special education and related services
25 for preschool-aged exceptional children, provided for by the district shall
26 be counted as one pupil. A pupil enrolled in a district and attending
27 special education and related services for preschool-aged exceptional chil-
28 dren provided for by the district shall be counted as $\frac{1}{2}$ pupil. A preschool-
29 aged at-risk pupil enrolled in a district and receiving services under an
30 approved at-risk pupil assistance plan maintained by the district shall be
31 counted as $\frac{1}{2}$ pupil. A pupil in the custody of the secretary of social and
32 rehabilitation services and enrolled in unified school district No. 259,
33 Sedgwick county, Kansas, but housed, maintained, and receiving educa-
34 tional services at the Judge James V. Riddel Boys Ranch, shall be counted
35 as two pupils.

36 (3) A pupil residing at the Flint Hills job corps center shall not be
37 counted. A pupil confined in and receiving educational services provided
38 for by a district at a juvenile detention facility shall not be counted. A
39 pupil enrolled in a district but housed, maintained, and receiving edu-
40 cational services at a state institution shall not be counted. A pupil en-
41 rolled in a virtual school in a district but who is not a resident of the state
42 of Kansas shall not be counted.

43 (b) "Preschool-aged exceptional children" means exceptional children,

1 except gifted children, who have attained the age of three years but are
2 under the age of eligibility for attendance at kindergarten.

3 (c) "At-risk pupils" means pupils who are eligible for free meals under
4 the national school lunch act and who are enrolled in a district which
5 maintains an approved at-risk pupil assistance plan.

6 (d) "Preschool-aged at-risk pupil" means an at-risk pupil who has at-
7 tained the age of four years, is under the age of eligibility for attendance
8 at kindergarten, and has been selected by the state board in accordance
9 with guidelines consonant with guidelines governing the selection of pu-
10 pils for participation in head start programs.

11 (e) "Enrollment" means: (1) (A) Subject to the provisions of paragraph
12 (1)(B), for districts scheduling the school days or school hours of the
13 school term on a trimestral or quarterly basis, the number of pupils reg-
14 ularly enrolled in the district on September 20 plus the number of pupils
15 regularly enrolled in the district on February 20 less the number of pupils
16 regularly enrolled on February 20 who were counted in the enrollment
17 of the district on September 20; and for districts not specified in this
18 paragraph (1), the number of pupils regularly enrolled in the district on
19 September 20; (B) a pupil who is a foreign exchange student shall not be
20 counted unless such student is regularly enrolled in the district on Sep-
21 tember 20 and attending kindergarten or any of the grades one through
22 12 maintained by the district for at least one semester or two quarters or
23 the equivalent thereof;

24 (2) if enrollment in a district in any school year has decreased from
25 enrollment in the preceding school year, enrollment of the district in the
26 current school year means whichever is the greater of (A) enrollment in
27 the preceding school year minus enrollment in such school year of pre-
28 school-aged at-risk pupils, if any such pupils were enrolled, plus enroll-
29 ment in the current school year of preschool-aged at-risk pupils, if any
30 such pupils are enrolled, or (B) the sum of enrollment in the current
31 school year of preschool-aged at-risk pupils, if any such pupils are enrolled
32 and the average (mean) of the sum of (i) enrollment of the district in the
33 current school year minus enrollment in such school year of preschool-
34 aged at-risk pupils, if any such pupils are enrolled and (ii) enrollment in
35 the preceding school year minus enrollment in such school year of pre-
36 school-aged at-risk pupils, if any such pupils were enrolled and (iii) en-
37 rollment in the school year next preceding the preceding school year
38 minus enrollment in such school year of preschool-aged at-risk pupils, if
39 any such pupils were enrolled; or

40 (3) the number of pupils as determined under K.S.A. 72-6447 or sec-
41 tion 2 of 2005 House Bill No. 2059, and amendments thereto.

42 (f) "Adjusted enrollment" means enrollment adjusted by adding at-risk
43 pupil weighting, program weighting, low enrollment weighting, if any,

- 1 ~~extraordinary correlation weighting, if any~~, declining enrollment weight-
2 ing, if any, school facilities weighting, if any, ancillary school facilities
3 weighting, if any, cost of living weighting, if any, special education and
4 related services weighting, and transportation weighting to enrollment.
- 5 (g) “At-risk pupil weighting” means an addend component assigned to
6 enrollment of districts on the basis of enrollment of at-risk pupils.
- 7 (h) “Program weighting” means an addend component assigned to en-
8 rollment of districts on the basis of pupil attendance in educational pro-
9 grams which differ in cost from regular educational programs.
- 10 (i) “Low enrollment weighting” means an addend component assigned
11 to enrollment of districts having under ~~1,725~~ 1,659 enrollment on the
12 basis of costs attributable to maintenance of educational programs by such
13 districts in comparison with costs attributable to maintenance of educa-
14 tional programs by districts having ~~1,725~~ 1,659 or over enrollment.
- 15 (j) “School facilities weighting” means an addend component assigned
16 to enrollment of districts on the basis of costs attributable to commencing
17 operation of new school facilities.
- 18 (k) “Transportation weighting” means an addend component assigned
19 to enrollment of districts on the basis of costs attributable to the provision
20 or furnishing of transportation.
- 21 (l) “Cost of living weighting” means an addend component assigned to
22 enrollment of districts to which the provisions of section 12 of 2005 *Senate*
23 *Bill No. 43*, and amendments thereto, apply on the basis of costs attrib-
24 utable to the extraordinary cost of living in the district.
- 25 (m) “Ancillary school facilities weighting” means an addend component
26 assigned to enrollment of districts to which the provisions of K.S.A. 72-
27 6441, and amendments thereto, apply on the basis of costs attributable
28 to commencing operation of new school facilities. Ancillary school facil-
29 ities weighting may be assigned to enrollment of a district only if the
30 district has levied a tax under authority of K.S.A. 72-6441, and amend-
31 ments thereto, and remitted the proceeds from such tax to the state trea-
32 surer. Ancillary school facilities weighting is in addition to assignment of
33 school facilities weighting to enrollment of any district eligible for such
34 weighting.
- 35 (n) “Juvenile detention facility” means: (1) Any secure public or private
36 facility which is used for the lawful custody of accused or adjudicated
37 juvenile offenders and which shall not be a jail;
- 38 (2) any level VI treatment facility licensed by the Kansas department
39 of health and environment which is a psychiatric residential treatment
40 facility for individuals under the age of 21 which conforms with the reg-
41 ulations of the centers for medicare/medicaid services and the joint com-
42 mission on accreditation of health care organizations governing such fa-
43 cilities; and

1 (3) the Forbes Juvenile Attention Facility, the Sappa Valley Youth
2 Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clar-
3 ence M. Kelley Youth Center, the Clarence M. Kelley Transitional Living
4 Center, Trego County Secure Care Center, St. Francis Academy at At-
5 chison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina,
6 St. Francis Center at Salina, King's Achievement Center, and Liberty
7 Juvenile Services and Treatment.

8 (o) "Special education and related services weighting" means an add-
9 dend component assigned to enrollment of districts on the basis of costs
10 attributable to provision of special education and related services for pu-
11 pils determined to be exceptional children.

12 (p) "Virtual school" means any kindergarten or grades one through 12
13 course offered for credit that uses distance-learning technologies which
14 predominantly use internet-based methods to deliver instruction and for
15 which the course content is available on an "anytime, anyplace" basis, but
16 the instruction occurs asynchronously with the teacher and pupil in sep-
17 arate locations, not necessarily located within a local education agency.

18 (q) ~~Extraordinary~~ Declining enrollment weighting" means an addend
19 component assigned to enrollment of districts to which the provisions of
20 section ~~18~~ 18, and amendments thereto, apply on the basis of reduced
21 revenues attributable to the declining enrollment of the district.

22 (r) "*Correlation weighting*" means an addend component assigned to
23 enrollment of districts having 1,659 or over enrollment on the basis of
24 costs attributable to maintenance of educational programs by such dis-
25 tricts as a correlate to low enrollment weighting assigned to enrollment
26 of districts having under 1,659 enrollment.

27 Sec. 10. K.S.A. 72-6410, as amended by section 14 of 2005 House Bill
28 No. 2247, is hereby amended to read as follows: 72-6410. (a) "State fi-
29 nancial aid" means an amount equal to the product obtained by multi-
30 plying base state aid per pupil by the adjusted enrollment of a district.

31 (b) "Base state aid per pupil" means an amount of state financial aid
32 per pupil. Subject to the other provisions of this subsection, the amount
33 of base state aid per pupil is ~~\$4,222~~ \$4,261. The amount of base state aid
34 per pupil is subject to reduction commensurate with any reduction under
35 K.S.A. 75-6704, and amendments thereto, in the amount of the approp-
36 riation from the state general fund for general state aid. If the amount
37 of appropriations for general state aid is insufficient to pay in full the
38 amount each district is entitled to receive for any school year, the amount
39 of base state aid per pupil for such school year is subject to reduction
40 commensurate with the amount of the insufficiency.

41 (c) "Local effort" means the sum of an amount equal to the proceeds
42 from the tax levied under authority of K.S.A. 72-6431, and amendments
43 thereto, and an amount equal to any unexpended and unencumbered

1 balance remaining in the general fund of the district, except amounts
2 received by the district and authorized to be expended for the purposes
3 specified in K.S.A. 72-6430, and amendments thereto, and an amount
4 equal to any unexpended and unencumbered balances remaining in the
5 program weighted funds of the district, except any amount in the voca-
6 tional education fund of the district if the district is operating an area
7 vocational school, and an amount equal to any remaining proceeds from
8 taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amend-
9 ments thereto, prior to the repeal of such statutory sections, and an
10 amount equal to the amount deposited in the general fund in the current
11 school year from amounts received in such year by the district under the
12 provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto,
13 and an amount equal to the amount deposited in the general fund in the
14 current school year from amounts received in such year by the district
15 pursuant to contracts made and entered into under authority of K.S.A.
16 72-6757, and amendments thereto, and an amount equal to the amount
17 credited to the general fund in the current school year from amounts
18 distributed in such year to the district under the provisions of articles 17
19 and 34 of chapter 12 of Kansas Statutes Annotated and under the pro-
20 visions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated,
21 and an amount equal to the amount of payments received by the district
22 under the provisions of K.S.A. 72-979, and amendments thereto, and an
23 amount equal to the amount of a grant, if any, received by the district
24 under the provisions of K.S.A. 72-983, and amendments thereto, and an
25 amount equal to 70% of the federal impact aid of the district.

26 (d) "Federal impact aid" means an amount equal to the federally qual-
27 ified percentage of the amount of moneys a district receives in the current
28 school year under the provisions of title I of public law 874 and congress-
29 sional appropriations therefor, excluding amounts received for assistance
30 in cases of major disaster and amounts received under the low-rent hous-
31 ing program. The amount of federal impact aid defined herein as an
32 amount equal to the federally qualified percentage of the amount of mon-
33 eys provided for the district under title I of public law 874 shall be de-
34 termined by the state board in accordance with terms and conditions
35 imposed under the provisions of the public law and rules and regulations
36 thereunder.

37 Sec. 11. K.S.A. 72-6412, as amended by section 15 of 2005 House Bill
38 No. 2247, is hereby amended to read as follows: 72-6412. (a) A low en-
39 rollment weighting factor shall be assigned to each school district as pro-
40 vided by this section.

41 (b) For districts with enrollment of ~~1,725~~ 1,659 or more, the low en-
42 rollment weighting factor shall be 0.

43 (c) For districts with enrollment of less than 100, the low enrollment

1 weighting factor shall be equal to the low enrollment weighting factor of
2 a district with enrollment of 100.

3 (d) For districts with enrollment of less than ~~1,725~~ 1,659 and more
4 than 99, the low enrollment weighting factor shall be determined by the
5 state board as follows:

6 (1) Determine the low enrollment weighting factor for such districts
7 for school year 2004-2005;

8 (2) multiply the low enrollment weighting factor of each district deter-
9 mined under paragraph (1) by 3,863;

10 (3) add 3,863 to the product obtained under paragraph (2);

11 (4) divide the product obtained under paragraph (3) by 4,107; and

12 (5) subtract 1 from the product obtained under paragraph (4). The
13 difference shall be the low enrollment weighting factor for school year
14 2005-2006 and each school year thereafter.

15 Sec. 12. K.S.A. 72-6414, as amended by section 17 of 2005 House Bill
16 No. 2247, is hereby amended to read as follows: 72-6414. (a) The at-risk
17 pupil weighting of each district shall be determined by the state board
18 by multiplying the number of at-risk pupils included in enrollment of the
19 district by ~~145~~ .197. The product is the at-risk pupil weighting of the
20 district.

21 (b) Except as provided in subsection (d), of the amount a district re-
22 ceives from the at-risk pupil weighting, an amount produced by a pupil
23 weighting of .01 shall be used by the district for achieving mastery of
24 basic reading skills by completion of the third grade in accordance with
25 standards and outcomes of mastery identified by the state board under
26 K.S.A. 72-7534, and amendments thereto.

27 (c) A district shall include such information in its at-risk pupil assistance
28 plan as the state board may require regarding the district's remediation
29 strategies and the results thereof in achieving the third grade reading
30 standards and outcomes of mastery identified by the state board. The
31 reporting requirements shall include information documenting remedi-
32 ation strategies and improvement made by pupils who performed below
33 the expected standard on the second grade diagnostic reading test pre-
34 scribed by the state board.

35 (d) A district whose pupils substantially achieve the state board stan-
36 dards and outcomes of mastery of reading skills upon completion of third
37 grade may be released, upon request, by the state board from the require-
38 ments of subsection (b).

39 Sec. 13. K.S.A. 72-6426 is hereby amended to read as follows: 72-6426.

40 (a) There is hereby established in every district a fund which shall be
41 called the contingency reserve fund. Such fund shall consist of all moneys
42 deposited therein or transferred thereto according to law. The fund shall
43 be maintained for payment of expenses of a district attributable to finan-

1 cial contingencies as determined by the board. Except as otherwise pro-
2 vided in subsection (b), at no time in any school year shall the amount
3 maintained in the fund exceed an amount equal to 4% of the general fund
4 budget of the district for the school year.

5 (b) (1) In any school year, if the amount in the contingency reserve
6 fund of a district is in excess of the amount authorized under subsection
7 (a) to be maintained in the fund, and if such excess amount is the result
8 of a reduction in the general fund budget of the district for the school
9 year because of a decrease in enrollment, the district may maintain the
10 excess amount in the fund until depletion of such excess amount by ex-
11 penditure from the fund for the purposes thereof.

12 (2) *Except as provided in subsection (b)(1), at no time in school year*
13 *2005-2006, shall the amount maintained in the fund exceed an amount*
14 *equal to 6% of the supplemental general fund budget of the district for*
15 *such school year.*

16 Sec. 14, K.S.A. 2004 Supp. 72-6434, as amended by section 24 of 2005
17 House Bill No. 2247, is hereby amended to read as follows: 72-6434. (a)
18 ~~Subject to the limitations of subsection (b)~~ In each school year, each
19 district that has adopted a local option budget is eligible for entitlement
20 to an amount of supplemental general state aid. Entitlement of a district
21 to supplemental general state aid shall be determined by the state board
22 as provided in this subsection *and in accordance with appropriations for*
23 *supplemental general state aid.* The state board shall:

24 (1) Determine the amount of the assessed valuation per pupil in the
25 preceding school year of each district in the state;

26 (2) rank the districts from low to high on the basis of the amounts of
27 assessed valuation per pupil determined under (1);

28 (3) identify the amount of the assessed valuation per pupil located ~~at~~
29 ~~the 75th~~ *at the 82nd* percentile of the amounts ranked under (2) *in ac-*
30 *cordance with appropriations for general state aid;*

31 (4) divide the assessed valuation per pupil of the district in the preced-
32 ing school year by the amount identified under (3);

33 (5) subtract the ratio obtained under (4) from 1.0. If the resulting ratio
34 equals or exceeds 1.0, the eligibility of the district for entitlement to
35 supplemental general state aid shall lapse. If the resulting ratio is less than
36 1.0, the district is entitled to receive supplemental general state aid in an
37 amount which shall be determined by the state board by multiplying the
38 amount of the local option budget of the district by such ratio. The prod-
39 uct is the amount of supplemental general state aid the district is entitled
40 to receive for the school year.

41 (b) ~~For school year 2005-2006, districts shall not be paid supplemental~~
42 ~~general state aid for that portion of the local option budget in excess of~~
43 ~~the state prescribed percentage in effect prior to the effective date of this~~

1 ~~act.~~

2 ~~—(c)~~ If the amount of appropriations for supplemental general state aid
3 is less than the amount each district is entitled to receive for the school
4 year, the state board shall prorate the amount appropriated among the
5 districts in proportion to the amount each district is entitled to receive.

6 ~~(c)~~ (c) The state board of education shall prescribe the dates upon
7 which the distribution of payments of supplemental general state aid to
8 school districts shall be due. Payments of supplemental general state aid
9 shall be distributed to districts on the dates prescribed by the state board.
10 The state board shall certify to the director of accounts and reports the
11 amount due each district, and the director of accounts and reports shall
12 draw a warrant on the state treasurer payable to the treasurer of the
13 district. Upon receipt of the warrant, the treasurer of the district shall
14 credit the amount thereof to the supplemental general fund of the district
15 to be used for the purposes of such fund.

16 ~~(c)~~ (d) If any amount of supplemental general state aid that is due to
17 be paid during the month of June of a school year pursuant to the other
18 provisions of this section is not paid on or before June 30 of such school
19 year, then such payment shall be paid on or after the ensuing July 1, as
20 soon as moneys are available therefor. Any payment of supplemental gen-
21 eral state aid that is due to be paid during the month of June of a school
22 year and that is paid to school districts on or after the ensuing July 1 shall
23 be recorded and accounted for by school districts as a receipt for the
24 school year ending on the preceding June 30.

25 Sec. 15. K.S.A. 79-1801 is hereby amended to read as follows: 79-1801.

26 (a) *Except as provided by subsection (b)*, each year the governing body
27 of any city, the trustees of any township, the board of education of any
28 school district and the governing bodies of all other taxing subdivisions
29 shall certify, on or before August 25, to the proper county clerk the
30 amount of ad valorem tax to be levied. Thereupon, the county clerk shall
31 place the tax upon the tax roll of the county, in the manner prescribed
32 by law, and the tax shall be collected by the county treasurer. The county
33 treasurer shall distribute the proceeds of the taxes levied by each taxing
34 subdivision in the manner provided by K.S.A. 12-1678a, and amendments
35 thereto.

36 (b) *In 2005, the board of education of any school district shall certify,*
37 *on or before September 7, to the proper county clerk the amount of ad*
38 *valorem tax to be levied.*

39 New Sec. 16. (a) It is the public policy goal of the state of Kansas that
40 at least 65% of the moneys appropriated, distributed or otherwise pro-
41 vided by the state to school districts shall be expended in the classroom
42 or for instruction.

43 (b) All moneys attributable to the increase in the amount of base state

1 aid per pupil under the provisions of this act in school year 2005-2006
2 shall be expended in the classroom or for instruction.

3 (c) The amount of moneys expended per pupil in the classroom or for
4 instruction in school year 2005-2006, shall not be less than the amount
5 of moneys expended per pupil for such purposes in school year 2004-
6 2005, plus \$39 per pupil.

7 (d) As used in this section, "instruction" means the activities dealing
8 directly with the interaction between teachers and students and may be
9 provided in a school classroom, in another location such as a home or
10 hospital, and in other learning situations such as those involving cocur-
11 ricular activities. Instruction also may be provided through the internet,
12 television, radio, computer, multimedia telephone, correspondence that
13 is delivered inside or outside the classroom and other teacher-student
14 settings or through other approved medium. Instruction also includes the
15 activities of aides or classroom assistants of any type including, but not
16 limited to, clerks, graders and teaching machines which assist in the in-
17 structional process.

18 New Sec. 17. No court of this state, nor any master or other person or
19 persons appointed by a court of this state to hear or determine a cause
20 or controversy or to make or enforce any order or remedy ordered by a
21 court pursuant to K.S.A. 60-253, and amendments thereto, or any other
22 provision of law, nor a judicial panel appointed pursuant to the provisions
23 of section 22 of 2005 Senate Bill No. 43, and amendments thereto, shall
24 have authority in the case of *Montoy v. State of Kansas*, No. 04-92032-S
25 or any other case involving a violation of Article 6 of the Kansas Consti-
26 tution to make or enforce any order or remedy that would result in the
27 closure of public schools or otherwise enjoin the use of all statutes related
28 to the distribution of funds for public education.

29 New Sec. 18. (a) As used in this section:

30 (1) "School district" or "district" means a school district which: (A) Has
31 a declining enrollment; and (B) for school year 2005-2006, has adopted
32 a local option budget in an amount which equals at least 25%; or (C) for
33 school year 2006-2007 and each school year thereafter, has adopted a
34 local option budget in an amount which equals the state prescribed per-
35 centage at the time the district applies to the state board of tax appeals
36 for authority to make a levy pursuant to this section.

37 (2) "Declining enrollment" means an enrollment which has declined
38 in amount from that of the preceding school year.

39 (b) (1) A school district may levy an ad valorem tax on the taxable
40 tangible property of the district each year for a period of time not to
41 exceed two years in an amount not to exceed the amount authorized by
42 the state board of tax appeals under this subsection for the purpose of
43 financing the costs incurred by the state that are directly attributable to

1 assignment of extraordinary declining enrollment weighting to enrollment
2 of the district. The state board of tax appeals may authorize the district
3 to make a levy which will produce an amount that is not greater than the
4 amount of revenues lost as a result of the declining enrollment of the
5 district. Such amount shall not exceed 5% of the general fund budget of
6 the district in the school year in which the district applies to the state
7 board of tax appeals for authority to make a levy pursuant to this section.

8 (2) The board of tax appeals shall certify to the state board of education
9 the amount authorized to be produced by the levy of a tax under this
10 section.

11 (3) The state board shall prescribe guidelines for the data that school
12 districts shall include in cases before the state board of tax appeals pur-
13 suant to this section.

14 (c) A district may levy the tax authorized pursuant to this section for a
15 period of time not to exceed two years unless authority to make such levy
16 is renewed by the state board of tax appeals. The state board of tax appeals
17 may renew the authority to make such levy for periods of time not to
18 exceed two years.

19 (d) There is hereby established in every district a fund which shall be
20 called the declining enrollment fund. Such fund shall consist of all moneys
21 deposited therein or transferred thereto according to law. The proceeds
22 from the tax levied by a district under authority of this section shall be
23 credited to the declining enrollment fund of the district. The proceeds
24 from the tax levied by a district credited to the declining enrollment fund
25 shall be remitted to the state treasurer in accordance with the provisions
26 of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
27 remittance, the state treasurer shall deposit the entire amount in the state
28 treasury to the credit of the state school district finance fund.

29 The state board shall provide to the state board of tax appeals such
30 school data and information as the state board of tax appeals may request
31 or as the state board determines necessary.

32 New Sec. 19. (a) In each school year, each district that imposes a de-
33 clining enrollment levy pursuant to section 18, and amendments thereto,
34 is eligible for entitlement to an amount of declining enrollment state aid.
35 Entitlement of a district to such state aid shall be determined by the state
36 board as provided in this subsection. The state board shall:

37 (1) Determine the amount of the assessed valuation per pupil in the
38 preceding school year of each district in the state;

39 (2) rank the districts from low to high on the basis of the amounts of
40 assessed valuation per pupil determined under (1);

41 (3) identify the amount of the assessed valuation per pupil located at
42 the 75th percentile of the amounts ranked under (2);

43 (4) divide the assessed valuation per pupil of the district in the preced-

1 ing school year by the amount identified under (3);
 2 (5) subtract the ratio obtained under (4) from 1.0. If the resulting ratio
 3 equals or exceeds 1.0, the eligibility of the district for entitlement to
 4 declining enrollment state aid shall lapse. If the resulting ratio is less than
 5 1.0, the district is entitled to receive declining enrollment state aid in an
 6 amount which shall be determined by the state board by multiplying the
 7 amount the district is obligated to pay under subsection (b) of section 18,
 8 and amendments thereto, by such ratio. The product is the amount of
 9 declining enrollment state aid the district is entitled to receive for the
 10 school year.

11 (b) If the amount of appropriations for declining enrollment state aid
 12 is less than the amount each district is entitled to receive for the school
 13 year, the state board shall prorate the amount appropriated among the
 14 districts in proportion to the amount each district is entitled to receive.

15 (c) The state board of education shall prescribe the dates upon which
 16 the distribution of payments of declining enrollment state aid to school
 17 districts shall be due. Payments of such state aid shall be distributed to
 18 districts on the dates prescribed by the state board. The state board shall
 19 certify to the director of accounts and reports the amount due each dis-
 20 trict, and the director of accounts and reports shall draw a warrant on the
 21 state treasurer payable to the treasurer of the district. Upon receipt of
 22 the warrant, the treasurer of the district shall credit the amount thereof
 23 to the declining enrollment fund of the district to be used for the purposes
 24 of such fund.

25 (d) If any amount of declining enrollment state aid that is due to be
 26 paid during the month of June of a school year pursuant to the other
 27 provisions of this section is not paid on or before June 30 of such school
 28 year, then such payment shall be paid on or after the ensuing July 1, as
 29 soon as moneys are available therefor. Any payment of declining enroll-
 30 ment state aid that is due to be paid during the month of June of a school
 31 year and that is paid to school districts on or after the ensuing July 1 shall
 32 be recorded and accounted for by school districts as a receipt for the
 33 school year ending on the preceding June 30.

34 Sec. 20.

35 DEPARTMENT OF EDUCATION

36 (a) There is appropriated for the above agency from the state general
 37 fund for the fiscal year or years specified, the following:

38 General state aid

39 For the fiscal year ending June 30, 2006.....	\$82,500,000
40 Supplemental general state aid	
41 For the fiscal year ending June 30, 2006.....	\$43,600,000
42 Special education services aid	
43 For the fiscal year ending June 30, 2006.....	\$15,800,000

1 Capital outlay state aid

2 For the fiscal year ending June 30, 2006..... \$18,000,000

3 (b) If the provisions of 2005 House Bill No. 2247 and 2005 Senate Bill
4 No. 43 regarding the increased local option budget (LOB) authority over
5 25%, which were stayed by the order of the Kansas supreme court in the
6 supplemental opinion issued on June 3, 2005, in the case of Montoy, *et*
7 *al.*, v. Kansas, case No. 92,032, are not released from such stay ordered
8 by the Kansas supreme court in that case and such release is not effective
9 prior to September 1, 2005, then, (1) on September 1, 2005, the director
10 of accounts and reports shall transfer \$6,000,000 from the \$43,600,000
11 appropriated for the department of education for the fiscal year ending
12 June 30, 2006, by subsection (a) of this section from the state general
13 fund in the supplemental general state aid account to the special educa-
14 tion services aid account of the state general fund of the department of
15 education and, (2) on September 1, 2005, upon such transfer of
16 \$6,000,000 to the special education services aid account of the state gen-
17 eral fund for fiscal year 2006, (A) such \$6,000,000 is hereby appropriated
18 for the department of education from the state general fund for special
19 education services aid for the fiscal year ending June 30, 2006, and (B)
20 such \$6,000,000 is hereby lapsed from the \$43,600,000 appropriated for
21 the department of education for the fiscal year ending June 30, 2006, by
22 subsection (a) of this section from the state general fund in the supple-
23 mental general state aid account.

24 Sec. 21. K.S.A. 46-1222, 46-1223, 46-1224, 72-6410, as amended by
25 section 14 of 2005 House Bill No. 2247, 72-6412, as amended by section
26 15 of 2005 House Bill No. 2247, 72-6414, as amended by section 17 of
27 2005 House Bill No. 2247, 72-6426, 79-1801 and section 3 of 2005 House
28 Bill No. 2247 and section 13 of 2005 Senate Bill No. 43, and K.S.A. 2004
29 Supp. 72-978, as amended by section 10 of 2005 House Bill No. 2247,
30 72-6407, as amended by section 16 of 2005 Senate Bill No. 43, and 72-
31 6434, as amended by section 24 of 2005 House Bill No. 2247, are hereby
32 repealed.

33 Sec. 22. This act shall take effect and be in force from and after its
34 publication in the Kansas register.