

SPECIAL SESSION

Journal of the House

EIGHTH DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Wednesday, June 29, 2005, 11:00 a.m.

The House met pursuant to adjournment with Speaker pro tem Merrick in the chair.
The roll was called with 123 members present.
Rep. Showalter was excused on verified illness.
Rep. Bethell was excused on excused absence by the Speaker.
Present later: Rep. Bethell.

Prayer by Chaplain Chamberlain:

Almighty God, we praise and honor your holy name and acknowledge you as our sovereign God. Hear us today as we pray from the prayer book of our Armed Forces and as we think about their service and ours, their sacrifice and ours, their responsibilities and ours:

Lord “deepen, we beseech you, our appreciation for the opportunities that face us in this troubled time. Forgive us that so often we ask for comfort and ease. Teach us the high meanings of hardship and adversity. Make us worthy of the fathers and mothers who were before us, and send us out grateful that you have not called us to a finished world, but into an earth unfinished that we might bear a hand with you in its completion.”* Amen.

(from *The Book of Worship for United States Forces, p.736, The Armed Forces Chaplain’s Board, 1974.)

The Pledge of Allegiance was led by Rep. Garcia.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to committee as indicated:

Select Committee on School Finance: **HB 2017, HB 2018.**

On motion of Rep. McLeland, the House recessed until 4:00 p.m.

LATE AFTERNOON SESSION

The House met pursuant to recess with Speaker Mays in the chair.

On motion of Rep. Aurand, the House recessed until 7:00 p.m.

EVENING SESSION

The House met pursuant to recess with Speaker Mays in the chair.

On motion of Rep. Aurand, the House resolved into Committee of the Whole, with Rep. Dahl in the chair.

COMMITTEE OF THE WHOLE

On motion of Rep. Dahl, Committee of the Whole report, as follows, was adopted:

Recommended that **HCR 5005**, **HCR 5003** be passed over and retain a place on the calendar.

Roll call was demanded on motion of Rep. Brunk to amend **H. Sub. for SB 3**, as amended by House Committee of the Whole on June 26, 2005, on page 43, in line 25, by striking “is-”; by striking all in lines 26 and 27 and inserting “approval of the same concurrent resolution amending section 24 of article 2 of the constitution of the state of Kansas by both the Senate and House of Representatives of the Kansas legislature.”;

On roll call, the vote was: Yeas 66; Nays 57; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aurand, Beamer, Bethell, Brown, Brunk, Burgess, Carlson, Carter, Craft, Dahl, DeCastro, Decker, Edmonds, Faber, Flower, Freeborn, George, Goico, Gordon, Grange, Hayzlett, C. Holmes, M. Holmes, Horst, Humerickhouse, Hutchins, Huy, E. Johnson, Kelley, Kelsey, Kiegerl, Kilpatrick, Kinzer, Knox, Krehbiel, Landwehr, Mast, Mays, McCreary, McLeland, Merrick, F. Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O’Neal, Oharah, Olson, Otto, Peck, Pilcher-Cook, Powell, Powers, Roth, Schwab, Schwartz, Shultz, Siegfried, Vickrey, Watkins, Weber, Wilk, Yoder.

Nays: Ballard, Burroughs, Carlin, Colloton, Cox, Crow, Davis, Dillmore, Faust-Goudeau, Feuerborn, Flaharty, Flora, Garcia, Gatewood, Grant, Hawk, Henderson, Henry, Hill, Holland, Huff, Huntington, Jack, D. Johnson, Kirk, Kuether, Lane, Larkin, Light, Loganbill, Long, Loyd, Mah, McKinney, Menghini, M. Miller, O’Malley, Owens, Pauls, Peterson, Phelps, Pottorff, Ruff, Ruiz, Sawyer, B. Sharp, S. Sharp, Sloan, Storm, Svaty, Swenson, Thull, Treaster, Ward, Williams, Winn, Yonally.

Present but not voting: None.

Absent or not voting: Huebert, Showalter.

The motion of Rep. Brunk prevailed.

Also, on motion of Rep. Decker, **H. Sub. for SB 3** be amended, as amended by House Committee of the Whole on June 26, 2005, on page 1, by striking all in lines 37 through 43;

On page 2, by striking all in lines 1 through 15; in line 16, by striking “New Sec. 4.” and inserting “New Section 1.”;

By renumbering the remaining sections accordingly;

On page 3, by striking all in lines 12 through 30;

By renumbering the remaining sections accordingly;

On page 6, in line 16, by striking “9” and inserting “5”; in line 33, by striking “9” and inserting “5”;

On page 10, preceding line 28, by inserting the following:

“(c) No person who is a member of the legislature or a firm, partnership, corporation or limited liability company of which a legislator is a member or partner shall be eligible for appointment as legislative counsel.”;

By relettering the remaining subsections accordingly;

On page 14, in line 14, by striking “9” and inserting “5”;

On page 15, in line 14, by striking “11” and inserting “7”;

On page 27, in line 21, following “superintendent” by inserting “knowingly”;

On page 28, in line 8, following the period, by inserting “Any such bonus shall be awarded in accordance with guidelines established by the state board pursuant to section 35, and amendments thereto.”; in line 34, following the period by inserting “Any such bonus shall be awarded in accordance with guidelines established by the state board pursuant to section 35, and amendments thereto.”;

On page 29, in line 26, following the period, by inserting “Any such bonus shall be awarded in accordance with guidelines established by the state board pursuant to section 35, and amendments thereto.”;

On page 30, in line 9, following the period, by inserting “Any such bonus shall be awarded in accordance with guidelines established by the state board pursuant to section 35, and amendments thereto.”;

On page 35, in line 13, by striking all following the period; by striking all in lines 14 through 18;

On page 42, in line 33, by striking “employee” and inserting “employer”;

On page 43, preceding line 6, by inserting the following:

“New Sec. 35. The state board shall adopt guidelines for awarding bonuses to teachers by school district as authorized by this act.”;

By renumbering the remaining sections accordingly;

Also on page 43, in line 7, preceding the comma, by inserting “or is stayed by court order”;

Also, on motion of Rep. Neufeld, **H. Sub. for SB 3** be amended, as amended by House Committee of the Whole on June 26, 2005, on page 2, in line 26, by striking “\$97” and inserting “\$84”;

On page 6, by striking all in lines 15 through 43;

On page 7, by striking all in lines 1 through 15;

By renumbering the remaining sections accordingly;

On page 13, in line 35, following “any,” by inserting “correlation weighting, if any,”;

On page 14, in line 3, by striking “1,725” and inserting “1,671”; in line 6, by striking “1,725” and inserting “1,671”;

On page 15, in line 14, by striking “11” and inserting “10”; following line 15, by inserting the following:

“(r) “Correlation weighting” means an addend component assigned to enrollment of districts having 1,671 or over enrollment on the basis of costs attributable to maintenance of educational programs by such districts as a correlate to low enrollment weighting assigned to enrollment of districts having under 1,671 enrollment.”;

Also on page 15, in line 32, by striking “subsection (b)” and inserting “paragraph (1) of this subsection”;

On page 39, in line 16, by striking “90%” and inserting “85%”;

On page 41, in line 14, by striking all following “is”; and inserting “\$4,306. The amount”;

On page 42, in line 28, by striking “\$53,400,000” and inserting “\$71,200,000”; in line 30, by striking “\$4,600,000” and inserting “\$4,800,000”; by striking all in lines 31 and 32; in line 33, by striking “employee” and inserting “employer”; in line 34, by striking “\$3,400,000” and inserting “\$2,500,000”; by striking all in lines 35 and 36; in line 38, by striking “\$7,800,000”; and inserting “\$7,500,000”;

On page 43, preceding line 6, by inserting the following:

“Sec. 36. K.S.A. 72-6412, as amended by section 15 of 2005 House Bill No. 2247, is hereby amended to read as follows: 72-6412. (a) A low enrollment weighting factor shall be assigned to each school district as provided by this section.

(b) For districts with enrollment of ~~1,725~~ 1,671 or more, the low enrollment weighting factor shall be 0.

(c) For districts with enrollment of less than 100, the low enrollment weighting factor shall be equal to the low enrollment weighting factor of a district with enrollment of 100.

(d) For districts with enrollment of less than ~~1,725~~ 1,671 and more than 99, the low enrollment weighting factor shall be determined by the state board as follows:

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

(2) multiply the low enrollment weighting factor of each district determined under paragraph (1) by 3,863;

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

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

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

New Sec. 37. The correlation weighting of each district with 1,671 or over enrollment shall be determined by the state board as follows:

(a) Determine the schedule amount for a district with 1,671 enrollment as derived from the linear transition under (d) of K.S.A. 72-6412, and amendments thereto, and subtract the amount determined under (c) of K.S.A. 72-6412, and amendments thereto, from the schedule amount so determined;

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

By renumbering the remaining sections accordingly;

Also on page 43, in line 11, preceding “72-6421” by inserting “72-6412, as amended by section 15 of 2005 House Bill No. 2247.”;

On page 1, in the title, in line 21, preceding “72-6421” by inserting “72-6412, as amended by section 15 of 2005 House Bill No. 2247.”;

Also, on further motion of Rep. Neufeld, **H. Sub. for SB 3** be amended, as amended by House Committee of the Whole on June 26, 2005, on page 43, before line 9, by inserting the following:

“Sec. 36.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2006, the following:

Special state aid \$33,000,000

Provided, That no expenditures shall be made from the special state aid account for fiscal year 2006 except upon approval by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except that such approval also may be given while the legislature is in session, acting on or before March 1, 2006, and acting after reviewing the report of the cost study analysis conducted by the division of post audit pursuant to section 3 of 2005 House Bill No. 2247, and amendments thereto.”;

And by renumbering sections accordingly;

On page 1, in the title, in line 18, before “amending” by inserting “making and concerning appropriations for the fiscal year ending June 30, 2006, for the department of education;”

Also, on motion of Rep. Landwehr, **H. Sub. for SB 3** be amended, as amended by House Committee of the Whole on June 26, 2005, on page 38, following line 17, by inserting:

“New Sec. 35. No officer or employee of the state or federal government or any political or taxing subdivision or agency thereof may expend public moneys or use any public property or equipment to make or enforce any order or remedy ordered by a court or other officer or entity in the case of *Montoy v. State of Kansas*, No. 04-92032-S or any other case alleging a violation of article 6 of the Kansas Constitution to make or enforce any order or remedy that would result in the closure of public schools or otherwise enjoin the use of all statutes related to the distribution of funds for public education.”;

By renumbering the remaining sections accordingly;

Also, on motion of Rep. Mast to amend **H. Sub. for SB 3**, the motion did not prevail. Also, on motion of Rep. Weber to amend, the motion did not prevail. Also, on motion of Rep. Knox to amend, the motion was withdrawn.

Also, roll call was demanded on motion of Rep. M. Holmes to amend **H. Sub. for SB 3**, as amended by House Committee of the Whole on June 26, 2005, on page 3, by striking all in lines 38 through 41;

By renumbering the remaining sections accordingly;

On roll call, the vote was: Yeas 47; Nays 72; Present but not voting: 0; Absent or not voting: 6.

Yeas: Aurand, Beamer, Bethell, Carlson, Carter, Edmonds, Faber, Feuerborn, Flower, Gatewood, George, Grant, Hayzlett, Henry, C. Holmes, M. Holmes, Huebert, Hutchins, Jack, D. Johnson, E. Johnson, Kilpatrick, Knox, Krehbiel, Larkin, Light, Loyd, Mast, Mays, McCreary, McKinney, Menghini, Merrick, Jim Morrison, Myers, Neufeld, Oharah, Olson, Otto, Powell, Powers, Schwartz, Shultz, Svaty, Treaster, Weber, Williams.

Nays: Ballard, Brown, Brunk, Burgess, Burroughs, Carlin, Colloton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Faust-Goudeau, Flaharty, Freeborn, Garcia, Goico, Gordon, Grange, Hawk, Henderson, Hill, Holland, Horst, Huff, Humerickhouse, Huntington, Huy, Kelley, Kelsey, Kiegerl, Kinzer, Kirk, Kuether, Landwehr, Mah, McLeland, F. Miller, M. Miller, Judy Morrison, Newton, Novascone, O'Malley, O'Neal, Owens, Pauls, Peck, Peterson, Phelps, Pilcher-Cook, Pottorff, Roth, Ruff, Ruiz, Sawyer, Schwab, B. Sharp, S. Sharp, Siegfried, Sloan, Storm, Swenson, Thull, Vickrey, Ward, Watkins, Wilk, Yoder, Yonally.

Present but not voting: None.

Absent or not voting: Flora, Lane, Loganbill, Long, Showalter, Winn.

The motion of Rep. M. Holmes did not prevail.

Also, roll call was demanded on motion of Rep. Larkin to amend **H. Sub. for SB 3**, as amended by House Committee of the Whole on June 29, 2005, on page 1, by striking all in the bill after the enacting clause and inserting the following:

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

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

- (1) One member appointed by the president of the senate;
- (2) one member appointed by the minority leader of the senate;
- (3) one member appointed by the speaker of the house of representatives;
- (4) one member appointed by the minority leader of the house of representatives;
- (5) the commissioner of education or a designee thereof; and
- (6) a member appointed by the governor who shall be the chairperson of the council. Such person shall be selected from two nominations submitted to the governor by the president of the senate and two nominations submitted by the speaker of the house of representatives.

(b) Members shall be selected with special reference to training, experience or expertise in serving at-risk children. No members of the legislature may be appointed to the council.

(c) All members of the council shall serve at the pleasure of the appointing authority.

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

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

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

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

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

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

- (1) Identify those conditions or circumstances which contribute to making a student at-risk for not succeeding in school;
- (2) develop and recommend programs and services which meet the needs of at-risk students;
- (3) develop and recommend programs and services which help close the achievement gap;
- (4) develop and recommend tools to assess and evaluate the effectiveness of at-risk programs; and
- (5) recommend funding alternatives for at-risk programs.

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

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

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

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

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

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

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

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

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

(4) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval below the amount of the median AVPP. The state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district, except that the state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

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

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

(c) The state board of education shall certify to the director of accounts and reports the entitlements of school districts determined under the provisions of subsection (b), and an

amount equal thereto shall be transferred by the director from the state general fund to the school district capital outlay state aid fund for distribution to school districts.

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

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

(b) No person shall be eligible for appointment as legislative counsel unless: (1) Such person has been admitted to practice law in Kansas for not less than five years prior to appointment; and (2) such person is admitted to practice in the federal court. In addition to the foregoing qualifications, in considering a person for appointment as legislative counsel the legislative coordinating council shall investigate such person's experience in legal research, trial and appellate practice and related areas in order that such person shall possess the experience and judgment deemed necessary to fulfill the duties and responsibilities of the office. The legislative coordinating council shall further make such investigation of a person considered for appointment as will ensure that such person is of high professional standing.

(c) The provisions of the contract entered into by the legislative coordinating council and the legislative counsel shall provide that the legislative counsel may be removed from the position and the contract terminated by a vote of five members of the legislative coordinating council taken at any regular meeting of the council. The legislative counsel shall receive compensation fixed by the legislative coordinating council in accordance with the contract. The contract shall provide for such other matters as the parties to the contract deem appropriate.

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

(e) The legislative counsel shall represent the legislature, or either house thereof, in any school finance litigation or other cause or matter as directed by the legislative coordinating council. In cases of quo warranto and mandamus the legislative counsel shall have the same powers and standing in all courts of this state as any county attorney or district attorney has in such attorney's county or in the supreme court and as the attorney general has in any court. When the legislature is in session, either house thereof by its resolution, or both houses by concurrent resolution may authorize the legislative coordinating council to direct the legislative counsel to bring or participate in any cause or action by representing the legislature or either house thereof or the legislative coordinating council in any court of this state or of the United States. When the legislature is not in session, the legislative coordinating council may direct the legislative counsel to bring or participate in any cause or action by representing the legislature or either house thereof or the legislative coordinating council in any court of this state or of the United States in accordance with directions of the legislative coordinating council.

(f) The legislative counsel shall render unofficial advisory opinions upon such legal questions submitted by any member or any standing or special committee of the legislature, all in accordance with policies to be established by the legislative coordinating council. Upon direction of the legislative coordinating council, the legislative counsel shall act as counsel to special committees of the legislature and shall provide investigative assistance, conduct examination of witnesses and participate in committee hearings and deliberations as deemed necessary by the committee chairpersons.

(g) The legislative counsel shall perform such other duties as are directed by the legislative coordinating council.

Sec. 7. K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005 House Bill No. 2247, is hereby amended to read as follows: 72-978. (a) Each year, the state board of education shall determine the amount of state aid for the provision of special education and related services each school district shall receive for the ensuing school year. The amount of such state aid shall be computed by the state board as provided in this section. The state board shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

— (2) A study of the actual costs incurred in a sample of school districts to provide reasonable estimates of the costs of providing services and programs required by state statute to be provided by school districts for regular elementary and secondary education, including instruction, administration, support staff, supplies, equipment and building costs.

~~—(3) A study of the actual costs incurred in a sample of school districts to provide reasonable estimates of the costs of providing services and programs required by state statute to be provided by school districts for specialized education services including, but not limited to, special education and related services, bilingual education and at-risk programs.~~

~~—(4) A study of the factors which may contribute to the variations in costs incurred by school districts of various sizes and in various regions of the state when providing services or programs required by state statute to be provided by school districts. Such study shall include the administrative costs of providing such services and programs.~~

~~—(5) An analysis in a sample of districts as determined by the legislative post auditor showing such things as:~~

~~—(A) The percent of the estimated cost of providing services and programs required by state statute that could have been funded by the various types of state aid the districts received in the most recently completed school year, as well as the percent funded by the district's local option budget;~~

~~—(B) the percent of district funding that is spent on instruction;~~

~~—(C) the percent of district funding that is spent on central administration, and~~

~~—(D) the percent of district funding that is spent on support services.~~

~~—(6) A review of relevant studies that assess whether there is a correlation between amounts spent on education and student performance.~~

~~—(7) A review to determine whether students who are counted as a basis for computing funding for specialized educational services are actually receiving those services.~~

~~—(8) Any additional reviews or analyses the legislative post auditor considers relevant to the legislature's decisions regarding the cost of funding services or programs required by state statute to be provided by school districts.~~

(a) The purpose of this section is to assist the legislature in the gathering of information which is necessary for the legislature's consideration when meeting its constitutional duties to: (1) Provide for intellectual, educational, vocational and scientific improvement in public schools established and maintained by the state; and (2) make suitable provision for the finance of educational interests of the state. The division of post audit shall conduct a professional cost study analysis to estimate the costs of providing programs and services required by law.

(b) As used in this section, "law" means any: (1) State statute; or (2) rules and regulations or standards relating to student performance outcomes adopted by the state board which are in effect on July 1, 2005.

(c) The cost study analysis shall be based upon data available through school year 2004-2005. Subject to the provisions of subsection (d), the cost study analysis shall be conducted as directed by the legislative post audit committee.

(d) Any cost study analysis conducted pursuant to this section shall include:

(1) A determination of the services or programs required by law to be provided by school districts and a review of the high school graduation requirements and the school performance accreditation system, pupil assessments and other requirements of K.S.A. 72-6439, and amendments thereto.

(2) A review of the admissions requirements established by the state board of regents pursuant to K.S.A. 76-716, and amendments thereto, state scholarship requirements established by the state board of regents.

(3) A study of the actual costs incurred in a sample of school districts to provide reasonable estimates of the costs for regular elementary and secondary education as required by law, including instruction, administration, support staff, supplies, equipment and building costs.

(4) A study of the actual costs incurred in a sample of school districts to provide reasonable estimates of the costs for specialized education services as required by law including, but not limited to, special education and related services, bilingual education and at-risk programs.

(5) A study of the factors which may contribute to the variations in costs incurred by school districts of various sizes and in various regions of the state when providing services or programs as required by law. Such study shall include all administrative costs of providing program and services as required by law.

(6) *An analysis in a sample of districts as determined by the legislative post auditor showing such things as:*

(A) *The percent of the estimated costs of providing programs and services as required by law that could have been funded by the various types of state aid the districts received in the most recently completed school year, as well as the percent funded by the district's local option budget;*

(B) *the percent of district funding that is spent on instruction;*

(C) *the percent of district funding that is spent on administration including central administration; and*

(D) *the percent of district funding that is spent on support services.*

(7) *A review of relevant studies that assess whether there is a correlation between amounts spent on education and student performance.*

(8) *A review to determine whether students who are counted as a basis for computing funding for specialized educational services are actually receiving those services.*

(9) *Any additional reviews or analyses the legislative post auditor considers relevant to the legislature's decisions regarding the cost of funding services or programs required by law.*

(e) *In conducting such cost analysis study, historical data and expenditures may be used to estimate future reasonable and actual costs so long as any examination of historical data and expenditures corrects any recognized inadequacy of such data or expenditure through a reliable method of extrapolation. The cost study analysis shall incorporate these requirements and any report to the legislature must demonstrate how the incorporation was accomplished.*

(f) *In conducting such cost analysis study and subject to the limitations of the budget of the division and appropriations therefor, the legislative post auditor may enter into contracts ~~for~~ with consultants as the post auditor deems necessary ~~with consultants as needed.~~*

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

(h) *Following the completion of such cost analysis study, the legislative post auditor shall submit a detailed report thereon to the legislature on or before the first day of the 2006 legislative session. If additional time is needed to provide the most accurate information relating to any area of requested study, the legislative post auditor shall so report to the legislature, explaining the reasons for the need for additional time and providing a reasonable time frame for completion of that aspect of the study. In that event, the legislative post auditor shall submit a report on that portion of the study which has been completed before the start of the 2006 legislative session and the balance of such report shall be submitted within the time frame established by the legislative post auditor when requesting additional time.*

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

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

Sec. 9. K.S.A. 2004 Supp. 72-6407, as amended by section 16 of 2005 House Bill No. 43, is hereby amended to read as follows: 72-6407. (a) (1) "Pupil" means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district.

(2) Except as otherwise provided in paragraph (3) of this subsection, a pupil in attendance full time shall be counted as one pupil. A pupil in attendance part time shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance. A pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil. A pupil en-

rolled in and attending an institution of postsecondary education which is authorized under the laws of this state to award academic degrees shall be counted as one pupil if the pupil's postsecondary education enrollment and attendance together with the pupil's attendance in either of the grades 11 or 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's postsecondary education attendance and attendance in grade 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in and attending an area vocational school, area vocational-technical school or approved vocational education program shall be counted as one pupil if the pupil's vocational education enrollment and attendance together with the pupil's attendance in any of grades nine through 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's vocational education attendance and attendance in any of grades nine through 12 bears to full-time attendance. A pupil enrolled in a district and attending special education and related services, except special education and related services for preschool-aged exceptional children, provided for by the district shall be counted as one pupil. A pupil enrolled in a district and attending special education and related services for preschool-aged exceptional children provided for by the district shall be counted as $\frac{1}{2}$ pupil. A preschool-aged at-risk pupil enrolled in a district and receiving services under an approved at-risk pupil assistance plan maintained by the district shall be counted as $\frac{1}{2}$ pupil. A pupil in the custody of the secretary of social and rehabilitation services and enrolled in unified school district No. 259, Sedgwick county, Kansas, but housed, maintained, and receiving educational services at the Judge James V. Riddel Boys Ranch, shall be counted as two pupils.

(3) A pupil residing at the Flint Hills job corps center shall not be counted. A pupil confined in and receiving educational services provided for by a district at a juvenile detention facility shall not be counted. A pupil enrolled in a district but housed, maintained, and receiving educational services at a state institution shall not be counted. A pupil enrolled in a virtual school in a district but who is not a resident of the state of Kansas shall not be counted.

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

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

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

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

(2) if enrollment in a district in any school year has decreased from enrollment in the preceding school year, enrollment of the district in the current school year means whichever is the greater of (A) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled, or (B) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled and the average (mean) of the sum of (i) enrollment of the district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled and (ii) enrollment in the preceding school

year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled and (iii) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled; or

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

(f) "Adjusted enrollment" means enrollment adjusted by adding at-risk pupil weighting, program weighting, low enrollment weighting, if any, ~~extraordinary correlation weighting, if any,~~ declining enrollment weighting, if any, school facilities weighting, if any, ancillary school facilities weighting, if any, cost of living weighting, if any, special education and related services weighting, and transportation weighting to enrollment.

(g) "At-risk pupil weighting" means an addend component assigned to enrollment of districts on the basis of enrollment of at-risk pupils.

(h) "Program weighting" means an addend component assigned to enrollment of districts on the basis of pupil attendance in educational programs which differ in cost from regular educational programs.

(i) "Low enrollment weighting" means an addend component assigned to enrollment of districts having under ~~1,725~~ 1,659 enrollment on the basis of costs attributable to maintenance of educational programs by such districts in comparison with costs attributable to maintenance of educational programs by districts having ~~1,725~~ 1,659 or over enrollment.

(j) "School facilities weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to commencing operation of new school facilities.

(k) "Transportation weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to the provision or furnishing of transportation.

(l) "Cost of living weighting" means an addend component assigned to enrollment of districts to which the provisions of section 12 of 2005 Senate Bill No. 43, and amendments thereto, apply on the basis of costs attributable to the extraordinary cost of living in the district.

(m) "Ancillary school facilities weighting" means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 72-6441, and amendments thereto, apply on the basis of costs attributable to commencing operation of new school facilities. Ancillary school facilities weighting may be assigned to enrollment of a district only if the district has levied a tax under authority of K.S.A. 72-6441, and amendments thereto, and remitted the proceeds from such tax to the state treasurer. Ancillary school facilities weighting is in addition to assignment of school facilities weighting to enrollment of any district eligible for such weighting.

(n) "Juvenile detention facility" means: (1) Any secure public or private facility which is used for the lawful custody of accused or adjudicated juvenile offenders and which shall not be a jail;

(2) any level VI treatment facility licensed by the Kansas department of health and environment which is a psychiatric residential treatment facility for individuals under the age of 21 which conforms with the regulations of the centers for medicare/medicaid services and the joint commission on accreditation of health care organizations governing such facilities; and

(3) the Forbes Juvenile Attention Facility, the Sappa Valley Youth Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clarence M. Kelley Youth Center, the Clarence M. Kelley Transitional Living Center, Trego County Secure Care Center, St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina, St. Francis Center at Salina, King's Achievement Center, and Liberty Juvenile Services and Treatment.

(o) "Special education and related services weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to provision of special education and related services for pupils determined to be exceptional children.

(p) "Virtual school" means any kindergarten or grades one through 12 course offered for credit that uses distance-learning technologies which predominantly use internet-based methods to deliver instruction and for which the course content is available on an "anytime,

anyplace” basis, but the instruction occurs asynchronously with the teacher and pupil in separate locations, not necessarily located within a local education agency.

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

(r) “*Correlation weighting*” means an addend component assigned to enrollment of districts having 1,659 or over enrollment on the basis of costs attributable to maintenance of educational programs by such districts as a correlate to low enrollment weighting assigned to enrollment of districts having under 1,659 enrollment.

Sec. 10. K.S.A. 72-6410, as amended by section 14 of 2005 House Bill No. 2247, is hereby amended to read as follows: 72-6410. (a) “State financial aid” means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

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

(c) “Local effort” means the sum of an amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431, and amendments thereto, and an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K.S.A. 72-6430, and amendments thereto, and an amount equal to any unexpended and unencumbered balances remaining in the program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area vocational school, and an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to the repeal of such statutory sections, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto, and an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 17 and 34 of chapter 12 of Kansas Statutes Annotated and under the provisions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, and an amount equal to the amount of payments received by the district under the provisions of K.S.A. 72-979, and amendments thereto, and an amount equal to the amount of a grant, if any, received by the district under the provisions of K.S.A. 72-983, and amendments thereto, and an amount equal to 70% of the federal impact aid of the district.

(d) “Federal impact aid” means an amount equal to the federally qualified percentage of the amount of moneys a district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid defined herein as an amount equal to the federally qualified percentage of the amount of moneys provided for the district under title I of public law 874 shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.

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

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

(c) For districts with enrollment of less than 100, the low enrollment weighting factor shall be equal to the low enrollment weighting factor of a district with enrollment of 100.

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

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

(2) multiply the low enrollment weighting factor of each district determined under paragraph (1) by 3,863;

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

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

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

Sec. 12. K.S.A. 72-6414, as amended by section 17 of 2005 House Bill No. 2247, is hereby amended to read as follows: 72-6414. (a) The at-risk pupil weighting of each district shall be determined by the state board by multiplying the number of at-risk pupils included in enrollment of the district by ~~1.45~~ .197. The product is the at-risk pupil weighting of the district.

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

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

(d) A district whose pupils substantially achieve the state board standards and outcomes of mastery of reading skills upon completion of third grade may be released, upon request, by the state board from the requirements of subsection (b).

Sec. 13. K.S.A. 72-6426 is hereby amended to read as follows: 72-6426. (a) There is hereby established in every district a fund which shall be called the contingency reserve fund. Such fund shall consist of all moneys deposited therein or transferred thereto according to law. The fund shall be maintained for payment of expenses of a district attributable to financial contingencies as determined by the board. Except as otherwise provided in subsection (b), at no time in any school year shall the amount maintained in the fund exceed an amount equal to 4% of the general fund budget of the district for the school year.

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

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

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

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

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

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

(4) divide the assessed valuation per pupil of the district in the preceding school year by the amount identified under (3);

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

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

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

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

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

Sec. 15. K.S.A. 79-1801 is hereby amended to read as follows: 79-1801. *(a) Except as provided by subsection (b), each year the governing body of any city, the trustees of any township, the board of education of any school district and the governing bodies of all other taxing subdivisions shall certify, on or before August 25, to the proper county clerk the amount of ad valorem tax to be levied. Thereupon, the county clerk shall place the tax upon the tax roll of the county, in the manner prescribed by law, and the tax shall be collected by the county treasurer. The county treasurer shall distribute the proceeds of the taxes levied by each taxing subdivision in the manner provided by K.S.A. 12-1678a, and amendments thereto.*

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

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

(b) All moneys attributable to the increase in the amount of base state aid per pupil under the provisions of this act in school year 2005-2006 shall be expended in the classroom or for instruction.

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

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

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

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

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

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

(b) (1) A school district may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state board of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of extraordinary declining enrollment weighting to enrollment of the district. The state board of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the amount of revenues lost as a result of the declining enrollment of the district. Such amount shall not exceed 5% of the general fund budget of the district in the school year in which the district applies to the state board of tax appeals for authority to make a levy pursuant to this section.

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

(3) The state board shall prescribe guidelines for the data that school districts shall include in cases before the state board of tax appeals pursuant to this section.

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

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

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

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

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

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

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

(4) divide the assessed valuation per pupil of the district in the preceding school year by the amount identified under (3);

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

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

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

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

Sec. 20. K.S.A. 46-1222, 46-1223, 46-1224, 72-6410, as amended by section 14 of 2005 House Bill No. 2247, 72-6412, as amended by section 15 of 2005 House Bill No. 2247, 72-6414, as amended by section 17 of 2005 House Bill No. 2247, 72-6426, 79-1801 and section 3 of 2005 House Bill No. 2247 and section 13 of 2005 Senate Bill No. 43, and K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005 House Bill No. 2247, 72-6407, as amended by section 16 of 2005 Senate Bill No. 43, and 72-6434, as amended by section 24 of 2005 House Bill No. 2247, are hereby repealed.

Sec. 21. This act shall take effect and be in force from and after its publication in the Kansas register.”;

On page 1, in the title, by striking all in lines 9 through 22 and inserting the following: “AN ACT concerning schools and school districts; relating to school finance; relating to the powers and duties of the legislature, courts, state board of education and school districts in relation thereto; relating to litigation in relation thereto; amending K.S.A. 72-6410, as amended by section 14 of 2005 House Bill No. 2247, 72-6412, as amended by section 15 of 2005 House Bill No. 2247, 72-6414, as amended by section 17 of 2005 House Bill No. 2247, 72-6426, 79-1801 and section 3 of 2005 House Bill No. 2247, and K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005 House Bill No. 2247, 72-6407, as amended by section 16 of 2005 Senate Bill No. 43, and 72-6434, as amended by section

24 of 2005 House Bill No. 2247, and repealing the existing sections; also repealing K.S.A. 46-1222, 46-1223, 46-1224 and section 13 of 2005 Senate Bill No. 43.”;

On roll call, the vote was: Yeas 59; Nays 65; Present but not voting: 0; Absent or not voting: 1.

Yeas: Ballard, Burroughs, Carlin, Colloton, Cox, Craft, Crow, Davis, Dillmore, Faust-Goudeau, Feuerborn, Flaharty, Flora, Garcia, Gatewood, Grant, Hawk, Henderson, Henry, Hill, Holland, Horst, Huff, Huntington, Jack, D. Johnson, Kirk, Kuether, Lane, Larkin, Light, Loganbill, Long, Loyd, Mah, McKinney, Menghini, M. Miller, O’Malley, Owens, Pauls, Peterson, Phelps, Pottorff, Ruff, Ruiz, Sawyer, B. Sharp, S. Sharp, Sloan, Storm, Svaty, Swenson, Thull, Treaster, Ward, Williams, Winn, Yonally.

Nays: Aurand, Beamer, Bethell, Brown, Brunk, Burgess, Carlson, Carter, Dahl, DeCastro, Decker, Edmonds, Faber, Flower, Freeborn, George, Goico, Gordon, Grange, Hayzlett, C. Holmes, M. Holmes, Huebert, Humerickhouse, Hutchins, Huy, E. Johnson, Kelley, Kelsey, Kiegerl, Kilpatrick, Kinzer, Knox, Krehbiel, Landwehr, Mast, Mays, McCreary, McLeland, Merrick, F. Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O’Neal, Oharah, Olson, Otto, Peck, Pilcher-Cook, Powell, Powers, Roth, Schwab, Schwartz, Shultz, Siegfried, Vickrey, Watkins, Weber, Wilk, Yoder.

Present but not voting: None.

Absent or not voting: Showalter.

The motion of Rep. Larkin did not prevail; and **H. Sub. for SB 3** be passed as amended.

REPORT ON ENROLLED RESOLUTIONS

HR 6007 reported correctly enrolled and properly signed on June 29, 2005.

On motion of Rep. Aurand, the House adjourned until 10:30 a.m., Thursday, June 30, 2005.

JANET E. JONES, *Chief Clerk.*

CHARLENE SWANSON, *Journal Clerk.*

