

Journal of the Senate

FIFTY-FIFTH DAY

SENATE CHAMBER, TOPEKA, KANSAS
Thursday, March 30, 2006—9:30 a.m.

The Senate was called to order by President Stephen Morris.
The roll was called with forty senators present.
President Morris introduced as guest chaplain, Monsignor Mike Mullen, St. Patrick's Catholic Church, Kansas City, Kansas, who delivered the invocation:

Let us pray. The Book of Ecclesiastes in the Bible tells us there is a time to reflect, and a time to act. We gather at the beginning of this Senate session aware that both reflection and action are part of the public commission to serve the common good of our people. Today, Lord, we ask that you inspire our thoughts and open our hearts to experience your presence and wisdom. We beg that you send us compassion and courage so that all we do will promote what is right, what best serves all the people of our State, and what will relieve the sufferings of the poor among us.

We are mindful that we carry out our duties today in the presence of visitors, especially seventh grade youth from St. Patrick School, KCK, and youth from other communities. May our service set a good example of leadership and inspire our youth to see themselves as devoting their talents to the good of others, now and as adults.

May we always keep before us the golden rule, that we do for others what we would have them do to ourselves, that we protect human life from conception to natural death, welcome the immigrant, and assure that every citizen, rich and poor, is accorded human dignity. God our Father you give us authority among our people. May we be witnesses to your goodness and mercy, this we pray through Jesus Christ, Our Lord, and in the Holy Spirit.
Amen

POINT OF PERSONAL PRIVILEGE

Senator Gilstrap rose on a Point of Personal Privilege to introduce students from St. Patrick's Elementary Seventh Grade Class from Kansas City, Kansas, who were visiting the Senate.

REFERRAL OF APPOINTMENTS

The following appointment made by the Kansas Technology Enterprise Corporation and submitted to the senate for confirmation, was referred to Committee as indicated:

*By Kansas Technology Enterprise Corporation:
Board Member for the Kansas Bioscience Authority*

Dr. Raymond W. Smilor, effective upon the date of confirmation by the Senate to serve a four year term ending March 15, 2010.

(Commerce)

MESSAGE FROM THE GOVERNOR

SB 40; Sub SB 264; SB 330, SB 355, SB 362, SB 371, SB 394 approved on March 29, 2006.

MESSAGE FROM THE HOUSE

Announcing, the House not adopts the Conference Committee report to agree to disagree on **HB 2576** and the bill remains in conference.

The House announces the appointment of Representatives O'Neal, Kinzer and Pauls to replace Representatives Hayzlett, Faber and Long as conferees on **HB 2122**.

The House announces the appointment of Representative Pottorff to replace Representative Landwehr; Representative Landwehr to replace Representative Neufeld and Representative Sawyer to replace Representative Feuerborn as conferees on **House Substitute for SB 475**.

The House accedes to the request of the Senate for a conference on **Substitute SB 323** and has appointed Representatives Edmonds, Siegfried and Burroughs as conferees on the part of the House.

The House accedes to the request of the Senate for a conference on **House Substitute for SB 431** and has appointed Representatives O'Neal, Kinzer and Pauls as conferees on the part of the House.

The House accedes to the request of the Senate for a conference on **House Substitute for SB 522** and has appointed Representatives Shultz, Carter and Dillmore as conferees on the part of the House.

The House accedes to the request of the Senate for a conference on **Substitute SB 539** and has appointed Representatives Shultz, Carter and Dillmore as conferees on the part of the House.

The House accedes to the request of the Senate for a conference on **SB 547** and has appointed Representatives Shultz, Carter and Dillmore as conferees on the part of the House.

Rejection of **SB 448**.

INTRODUCTION OF ORIGINAL MOTIONS AND SENATE RESOLUTIONS

Senator Morris introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1833

A RESOLUTION congratulating and commending Major General Thomas Romig.

WHEREAS, Major General Thomas Romig, the 36th Judge Advocate General of the United States Army, has completed a distinguished 34-year career serving this nation and the legal profession, particularly during operations in support of the global war on terrorism and Operation Iraqi Freedom; and

WHEREAS, United States Senator Pat Roberts recognized and paid tribute to Major General Romig on June 14, 2005, in the Congressional Record of the United States Senate. As the Judge Advocate General from October 1, 2001, to October 1, 2005, General Romig served as the chief military legal officer for the United States Army and as legal advisor to the Chief of Staff of the Army and to the Secretary of the Army. Since the tragedy of September 11, 2001, he has been at the forefront of the most pressing issues affecting our nation and the military today. Our nation, the Army and the Judge Advocate General's Corps have benefited immeasurably from his leadership; and

WHEREAS, General Romig was born in 1948 in Manhattan, Kansas, and graduated from Manhattan High School and Kansas State University. He was commissioned through the Reserve Officers Training Corps program and entered active duty in October 1971. Graduating from the Infantry Officer Basic and Airborne Courses, he started a distinguished career that included selection to the funded legal education program at Santa Clara Law School, service as a prosecutor with the 2nd Armored Division, Staff Judge Advocate 32nd Army Air Defense Command, Staff Judge Advocate United States Army V Corps, and eventually as Assistant Judge Advocate General for both Civil Law and Litigation, and for Military Law and Operations; and

WHEREAS, General Romig has attained the pinnacle of his profession to be selected to serve in the top Army legal pentagon position four years ago when the attacks on September 11, 2001, stunned the nation and the world. As a soldier, he was foremost among those who insisted that we respect the rule of law in dealing with the difficult situations following September 11. In countless meetings, he displayed the courage of his convictions and never remained silent when he had a duty to speak. As a soldier and a lawyer, he will be remembered as the soldier's advocate at a time that our Army was undergoing an unprecedented transformation of historic dimensions: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That we congratulate and commend Major General Thomas Romig, a native son of the great state of Kansas, for his distinguished and meritorious service to this nation and its people as the 36th Judge Advocate General of the United States Army; and

Be it further resolved: That the Secretary of the Senate provide an enrolled copy of this resolution to Major General Thomas Romig, 6805 Old Stone Fence Road, Fairfax Station, VA 22039.

On emergency motion of Senator Morris **SR 1823** was adopted unanimously.

PRESIDENT MORRIS' REMARKS

It is an honor to stand in recognition and tribute to this distinguished Kansan, Major General Thomas J. Romig.

In the course of the reading of the resolution, you will hear of Major General Romig's rise through the ranks to the lofty post of Judge Advocate General of the US Army. The resolution sets out Major General Romig's numerous accomplishments and richly earned honors. His is a story of success, both military and personal.

But I would like to point out something a little closer to home. When our country was confronted by one of the greatest evils in its history - the terror attacks of 9/11 - we answered that tragedy by confronting terrorists on their own ground. We suddenly had military men and women in combat, and in supporting roles throughout the areas of conflict. It was imperative for the chief military legal officer for the Army, the legal advisor to the Army Chief of Staff and the Secretary of the Army, to be of the very highest caliber.

What was needed was an individual who understood the military - and the realities of war. We needed someone committed to honoring the rule of law. Someone willing to speak with conviction when the US was right. Someone with the courage to speak out when we did not meet the lofty standards we set for ourselves. What was needed was a person of uncommon valor.

And the nation turned to a Kansan.

Major General Thomas Romig embodies all that is best about Kansas and her citizens. He was born and raised in Manhattan. He is a product of Manhattan public schools and of Kansas State University. Major General Romig is a shining example of the core values and work ethic instilled by his family and his teachers. He is a man who took his natural gifts - his intellect, instincts, and strength of character - and honed them through education and military training.

He unselfishly offered all of his considerable abilities in service to our country at a time of dire crisis. His excellence in the performance of his duties and his unwavering belief in our country and its laws reflect well on all of us.

Major General Romig, welcome home. We thank you for your meritorious service, we honor you for your years of service, and we wish you the very best in every future endeavor.

Major General Romig was introduced and welcomed with a standing ovation. Accompanying him were his wife, Pam; mother, Ruth Swart; sister, Margaret Janulis; brother-in-law and sister-in-law, Mike and Diane Shilling; and uncle, Pete Lufburrow, a decorated WWII veteran.

Senator Emler introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1834

A RESOLUTION congratulating and commending the Lindsborg
Emergency Medical Service.

WHEREAS, The Lindsborg Emergency Medical Service is completing 40 years of service to the community and surrounding areas on April 1. Initially known as the Lindsborg Volunteer Ambulance Company, the organization commenced meeting in February 1966 at the Nelson Science Building Lecture Hall on the Bethany College campus with Dr. Albert Zimmer being named as the head of the volunteer group; and

WHEREAS, Membership in the organization was open to all male residents of Lindsborg over 21 years of age. The volunteers would serve in teams with at least 14 teams being needed for efficient operation. Training sessions for drivers and attendants commenced March 3rd in the Hahn Physical Education Building; and

WHEREAS, Since at that time it was common for emergency patients to be transported to the hospital by mortuary services, the Anderson Funeral Home of Lindsborg sold its ambulance and related equipment to the city of Lindsborg for one dollar. The first ambulance run was on April 4th and by the end of the year the service had made 93 trips. By comparison, during the same period in 2001, the Lindsborg Emergency Medical Service made 284 trips of an emergency nature. Whereas as late as 1981 the cost of an ambulance run was only \$27.50, the charge in 2005 was \$250 for nonemergency service and over \$300 for an emergency trip; and

WHEREAS, Over time this organization matured and evolved. The first emergency medical technician class was organized in the fall of 1978 and graduated during February 1979. The name of the organization was changed to the Lindsborg Volunteer Ambulance Corps in the early 1970's and the service became a city department in 1988. At this time the current name of Lindsborg Emergency Medical Service was adopted. Dr. Zimmer served as the organization's director from 1966 to 1968, Cy Westman from 1968 to 1979, Jay Scott Emler from 1979 to 1985, Dr. Barney Hurlbut from 1985 to 1986, Joanne Mitchell from 1987 to 1995, Amy Fitzgerald from 1995 to 2000 and Daryl Johnson from 2000 to the present time; and

WHEREAS, The selfless efforts of those involved over the years demonstrates the best in American life—citizen volunteers giving of their time and talents to provide a needed service for their community: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That we congratulate and commend the Lindsborg Emergency Medical Service upon its 40th year of service to the community and recognize the selfless service of those who have been involved in this community service.

On emergency motion of Senator Emler **SR 1834** was adopted unanimously.

COMMITTEE OF THE WHOLE

On motion of Senator D. Schmidt, the Senate resolved itself into Committee of the Whole for consideration of bills on the calendar under the heading of General Orders with Senator Brungardt in the chair.

Sub HB 2986 be amended by motion of Senator Apple, as amended by House Committee of the Whole, on page 30, by striking all in lines 24 through 43;

By striking all on pages 31 through 43;

By renumbering sections;

On page 44, by striking all in lines 1 through 9; in line 10, by striking "46-1131,,"; in line 12, by striking "72-6433,,";

In the title, in line 14, by striking "46-1131,,"; in line 15, by striking "72-6433,"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 27, Nays 11, Present and Passing 2, Absent or Not Voting 0.

Yeas: Apple, Barnett, Barone, Betts, Brownlee, Bruce, Donovan, Francisco, Goodwin, Huelskamp, Journey, Kelly, Lee, McGinn, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Schmidt D, Schmidt V, Schodorf, Taddiken, Teichman, Umbarger, Wagle.

Nays: Allen, Brungardt, Emler, Gilstrap, Hensley, Jordan, Morris, Reitz, Vratil, Wilson, Wysong.

Present and Passing: Haley, Steineger.

The motion carried and the amendment was adopted.

The following amendments offered to **Sub HB 2986** were rejected:

Senator Barnett moved to **Sub HB 2986**, as amended by House Committee of the Whole, on page 1, following line 21, by inserting:

“New Section 1. (a) It is the intent of this act to aid in the fulfillment of the goals established by the legislature in meeting its constitutional duties to provide for intellectual, educational, vocational and scientific improvement in public schools established and maintained by the state and to make suitable provision for the finance of the educational interests of the state.

(b) It is the public policy goal of the legislature to provide an opportunity for all pupils of the state of Kansas to meet the student proficiency standards established by the state board of education.

Sec. 2. K.S.A. 2005 Supp. 72-6410 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) (1) “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 \$4,257.~~ of paragraph (2) of this subsection, the amount of base state aid per pupil is:

(A) \$4,297 for school years 2005-2006 and 2006-2007;

(B) \$4,376 for school year 2007-2008;

(C) \$4,497 for school year 2008-2009; and

(D) \$4,618 for school year 2009-2010 and each school year thereafter.

(2) 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 re-

ceived 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. 3. K.S.A. 2005 Supp. 72-6413 is hereby amended to read as follows: 72-6413. The program weighting of each district shall be determined by the state board as follows:

(a) Compute full time equivalent enrollment in programs of bilingual education and multiply the computed enrollment by ~~.395~~ *.482 in school year 2006-2007 and each school year thereafter;*

(b) compute full time equivalent enrollment in approved vocational education programs and multiply the computed enrollment by 0.5;

(c) add the products obtained under (a) and (b). The sum is the program weighting of the district.

Sec. 4. K.S.A. 2005 Supp. 72-6414 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 *.193 in school year 2005-2006, by .225 in school year 2006-2007, by .267 in school year 2007-2008, by .307 in school year 2008-2009 and by .347 in school year 2009-2010 and each school year thereafter.* 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. 5.

DEPARTMENT OF EDUCATION

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

General state aid	
For the fiscal year ending June 30, 2007.....	\$46,000,000
For the fiscal year ending June 30, 2008.....	\$115,000,000
For the fiscal year ending June 30, 2009.....	\$207,000,000
For the fiscal year ending June 30, 2010.....	\$299,000,000
Supplemental general state aid	
For the fiscal year ending June 30, 2007.....	\$4,000,000
For the fiscal year ending June 30, 2008.....	\$10,000,000
For the fiscal year ending June 30, 2009.....	\$18,000,000
For the fiscal year ending June 30, 2010.....	\$26,000,000

Sec. 6. K.S.A. 2005 Supp. 72-6410, 72-6413 and 72-6414 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.”;

Also on page 1, by striking all in lines 22 through 43;

By striking all on pages 2 through 44;

In the title, by striking all in lines 10 through 19 and inserting:

“AN ACT concerning school districts; relating to school finance; amending K.S.A. 2005 Supp. 72-6410, 72-6413 and 72-6414 and repealing the existing sections.”

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 17, Nays 20, Present and Passing 3, Absent or Not Voting 0.

Yeas: Apple, Barnett, Brownlee, Bruce, Donovan, Huelskamp, Jordan, Journey, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Taddiken, Wagle, Wilson.

Nays: Allen, Barone, Betts, Brungardt, Emler, Francisco, Gilstrap, Goodwin, Hensley, Kelly, Morris, Reitz, Schmidt D, Schmidt V, Schodorf, Steineger, Teichman, Umbarger, Vratil, Wysong.

Present and Passing: Haley, Lee, McGinn.

The motion failed and the amendment was rejected.

Senator Brownlee moved to amend **Sub HB 2986**, as amended by House Committee of the Whole, on page 1, by striking all in lines 22 through 43;

By striking all on pages 2 through 44 and inserting the following:

"New Section 1. (a) For the purposes of determining the total amount of state moneys paid to school districts, all moneys appropriated by the state for the following services, programs or purposes shall be deemed to be state moneys for educational and support services for school districts:

- (1) Educable deaf-blind and severely handicapped children's programs aid;
 - (2) parent education;
 - (3) KPERS - employer contributions;
 - (4) school district juvenile detention facilities and Flint Hills job corp center grants;
 - (5) school food assistance;
 - (6) governor's teaching excellence scholarships and awards;
 - (7) discretionary grants;
 - (8) mentor teacher program grants;
 - (9) professional development aid;
 - (10) teacher service scholarships;
 - (11) special education teacher service scholarships;
 - (12) ESOL grants awarded pursuant to section 4, and amendments thereto;
 - (13) vocational education grants awarded pursuant to section 5, and amendments thereto;
- and
- (14) any other moneys appropriated by the state for distribution to school districts.
- (b) The provisions of this section shall not apply to federal moneys appropriated by the state.

New Sec. 2. Whenever the state board of education determines that a school has failed either to meet the accreditation requirements established by rules and regulations or standards adopted by the state board or provide the curriculum required by state law, the state board shall so notify the school district in which the school is located. Such notice shall specify the accreditation requirements that the school has failed to meet and the curriculum that the school has failed to provide. Upon receipt of such notice, the board of education of such district shall reallocate the resources of the district to remedy all deficiencies identified by the state board. The reallocation of resources shall be made on the basis of benchmarks of highly resource-efficient districts as identified in Phase III of the Kansas Education Resource Management Study conducted by Standard and Poors (March 2006).

New Sec. 3. (a) The density at-risk pupil weighting of each school district shall be determined by the state board by multiplying the number of at-risk pupils included in enrollment of the district by .048. The product is the density at-risk pupil weighting of the district.

(b) As used in this section, "school district" means any school district which had an enrollment in the preceding school year of (1) at least 50% at-risk pupils or (2) at least 35.1% at-risk pupils with an enrollment density of at least 212.1 pupils per square mile.

(c) Any amount of moneys received by a district from the density at-risk weighting shall be expended first on at-risk programs for the grade-levels of the district which had the lowest proficiency scores on the mathematics and reading state assessments in the preceding school year.

New Sec. 4. (a) The board of education of any school district may reimburse any teacher employed by the school district for the direct costs incurred by such teacher in attaining full endorsement as an ESOL teacher.

(b) Subject to the limitations of appropriations therefor, each school year any school district which has reimbursed teachers as authorized by subsection (a) is eligible to receive a grant of state moneys in an amount to be determined by the state board.

(c) In order to be eligible for a grant under this section, the board of education of the school district shall submit to the state board an application for a grant and shall certify the amount expended on such reimbursements. The application and certification shall be prepared in such form and manner as required by the state board and shall be submitted at a time to be determined and specified by the state board.

(d) Each school district which is awarded a grant under this section shall make such periodic and special reports to the state board as it may request.

(e) All moneys received by a school district under authority of this section shall be deposited in the general fund of the school district and shall be considered reimbursement of the district for the purpose of the school district finance and quality performance act. To the extent that grant moneys have been awarded to the district, the board of education of any district which has been awarded a grant pursuant to this section shall reimburse teachers employed by the school district for the direct costs incurred by such teacher in attaining full endorsement as an ESOL teacher.

(f) The state board shall establish standards and criteria for reviewing, evaluating and approving applications for grants submitted pursuant to this section. All grants shall be awarded by the state board in accordance with the standards and criteria established by the state board. The state board shall approve applications of school districts for grants, determine the amount of grants and be responsible for payment of grants to school districts. When awarding grants pursuant to this section, the state board shall give priority to those districts with the greatest need for teachers with an ESOL endorsement. If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state moneys in proportion to the amount each school district is determined to be eligible to receive.

(g) Nothing in this section shall be construed as prohibiting districts from reimbursing teachers for such direct costs from other moneys of the district.

(h) As used in this section:

(1) "ESOL" means English for speakers of other languages.

(2) "Direct costs" means the costs of books, fees, tuition or other charges for courses necessary to attain full endorsement as an ESOL teacher.

New Sec. 5. (a) Subject to the limitations of appropriations therefor, any school district which desires to establish a vocational education program may submit an application for a grant of moneys in an amount to be determined by the state board for the purpose of paying the costs of establishing a vocational education program, any operating expenses related thereto and the cost of acquiring equipment therefor.

(b) In order to be eligible for a grant under this section, the board of education of the school district shall submit to the state board an application for a grant. The application shall be prepared in such form and manner as required by the state board and shall be submitted at a time to be determined and specified by the state board.

(c) The state board shall establish standards and criteria for reviewing, evaluating and approving applications for grants submitted pursuant to this section. All grants shall be awarded by the state board in accordance with the standards and criteria established by the state board. The state board shall determine the amount of grants and be responsible for payment of grants to school districts. If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state moneys in proportion to the amount each school district is determined to be eligible to receive.

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

New Sec. 6. In order to achieve uniform reporting of expenditures by school districts in school district budgets, districts shall report expenditures in the manner required by the state board.

New Sec. 7. In order to provide for the regional cost differences among the school districts in the state, the state board shall make recommendations to the governor for adjustments in the amount of state aid paid to districts. In determining any such adjustment, the board shall use data from the national center for educational statistics, the cost study analysis of elementary and secondary education in Kansas: Estimating the costs of K-12 Education (January 2006) reported by the legislative division of post audit, other studies conducted by the legislative division of post audit, studies conducted by the board or other sources the board deems appropriate. The state board shall file such recommendations, if any, as part of the budget estimate required by K.S.A. 75-3717, and amendments thereto.

New Sec. 8. It is the public policy of the state of Kansas that neither the legislature nor school districts shall be required to pay any costs attributable to meeting requirements of federal law or rules and regulations or standards adopted by the state board in conformance with such federal law unless funding to comply with such federal law, rules and regulations or standards is provided by the federal government in an amount deemed adequate by the legislature.

New Sec. 9. In any civil action in law or equity in which a legislative enactment of this state is alleged to violate the provisions of article 6 of the Kansas constitution, the supreme court shall have appellate jurisdiction only.

New Sec. 10. In any civil action in law or equity in which a legislative enactment is alleged to violate the provisions of article 6 of the Kansas constitution, the district court shall be the exclusive court of original jurisdiction.

New Sec. 11. The nonproficient pupil weighting of each district shall be determined by the state board as follows:

(a) (1) For school year 2006-2007, determine the number of pupils who were not eligible for free meals under the national school lunch act and who took the mathematics or reading state assessments in school year 2004-2005 and (2) for school year 2007-2008 and each school year thereafter, determine the number of pupils who were not eligible for free meals under the national school lunch act and who took the mathematics or reading state assessments in the preceding school year;

(b) (1) for school year 2006-2007, determine the number of all pupils who scored below proficiency on either the mathematics or reading state assessments in school year 2004-2005 and (2) for school year 2007-2008 and each school year thereafter, determine the number of pupils who scored below proficiency on either the mathematics or reading state assessments in the preceding school year;

(c) divide the number determined under paragraph (b) by the number determined under paragraph (a);

(d) subtract the number of pupils who are eligible for free meals under the national school lunch act from the enrollment of the district;

(e) multiply the difference determined under paragraph (d) by the dividend determined under paragraph (c); and

(f) multiply the product determined under paragraph (e) by .029. The product is the nonproficient pupil weighting of the district.

New Sec. 12. (a) There is hereby established in every district a fund which shall be called the nonproficient pupil education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district directly attributable to providing assistance or programs to nonproficient pupils shall be paid from the nonproficient pupil education fund.

(b) Any balance remaining in the nonproficient pupil education fund at the end of the budget year shall be carried forward into the nonproficient pupil education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the nonproficient pupil education fund, and the amount expended therefrom shall be included in the annual budget for the infor-

mation of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to such fund.

New Sec. 13. As used in sections 14 through 18, and amendments thereto:

(a) "Academy" means an academy established pursuant to section 17, and amendments thereto.

(b) "At-risk" pupil means a pupil having one or more of the characteristics established by the state board which places such pupil at risk of failure in school.

(c) "Program" means the at-risk pupil academy program established by section 14, and amendments thereto.

(d) "School district" means U.S.D. No. 259, U.S.D. No. 457, U.S.D. No. 500 and U.S.D. No. 501.

(e) "State educational institution" means a state educational institution as defined by K.S.A. 76-711, and amendments thereto, which has been designated by the state board to administer the provisions of this act and to provide oversight of academies.

New Sec. 14. (a) Subject to the limitations of appropriations therefor, there is hereby established the at-risk pupil academy program. Such program shall be administered by the state educational institution designated by the state board pursuant to section 15, and amendments thereto.

(b) The program shall expire on June 30, 2009.

New Sec. 15. (a) The state board shall designate a state educational institution to administer the program and to provide oversight of academies established pursuant to section 17, and amendments thereto.

(b) The state educational institution shall establish the curriculum for academies. The curriculum shall be age-appropriate and culturally relevant to the student population of the academies. The curriculum shall provide a student-friendly educational environment that is personalized, character-based and computer-integrated. Teachers and administrators of the academies shall meet the same qualifications of teachers and administrators of public schools in the district and shall be selected on the basis of their professionalism and dedication to the success of each student attending the academy.

(c) The state educational institution and school district in which such academy is located may enter into agreements under which the district provides facilities and services to such academy. The state educational institution also may enter into agreements with other public or private entities for the provision of such facilities or services.

(d) Academies shall meet or exceed the accreditation standards adopted by the state board. Students attending an academy shall be required to take the state assessments in the same manner as students attending public schools in the district.

New Sec. 16. The state board shall adopt rules and regulations deemed necessary for the implementation of the program. The state board may adopt any rules and regulations recommended by the state educational institution.

New Sec. 17. (a) On or before July 1, 2007, there shall be established in each school district a middle school at-risk academy and a high school at-risk academy. Attendance at each academy shall be limited to no more than 100 students. The parent or guardian of any student who is an at-risk pupil and who desires to attend an academy shall submit an application in the manner and form required by the state educational institution. The application shall be accompanied by any information required by the state educational institution.

(b) In order to provide a fair method of selecting students, the state educational institution shall establish a lottery system for the selection of students when the number of applications exceeds the number of openings at an academy. The state educational institution shall establish the deadline for the submission of applications and a procedure for the notification of applicants of the acceptance or nonacceptance for attendance at an academy.

New Sec. 18. On or before September 1, 2006, the state educational institution shall report its progress on the implementation of the program to the legislative educational planning committee. The state board shall submit other reports as requested by the chairperson of the legislative educational planning committee. On or before September 1 in 2007, 2008 and 2009, the state educational institution shall make an annual report on the program to the legislative educational planning committee. On or before the first day of the

legislative session in 2008 and 2009, the legislative educational planning committee shall prepare and submit to the legislature a report on the program and any recommendations relating thereto.

New Sec. 19. On or before January 1, 2007, the state board shall design an administration reorganization plan for school districts. On or before the first day of the 2007 legislative session, the state board shall submit such plan to the legislature for consideration thereby.

New Sec. 20. (a) As used in this section:

(1) "School district" or "district" means a school district which has an extraordinary declining enrollment.

(2) "Extraordinary declining enrollment" means an enrollment which has declined during the preceding three school years at a rate of at least 5% per year or by at least 50 pupils per year.

(3) "Joint committee" means the joint committee on state building construction.

(b) The board of education of any school district shall not authorize the issuance of any bonds for the construction of a new building without having first advised and consulted with the joint committee. Prior to the date of the hearing of the joint committee at which the board is scheduled to appear, the board shall submit any information requested by the joint committee. Following such hearing, the committee shall make a recommendation on the advisability of the proposed issuance of bonds. A copy of the committee's recommendation shall be provided to the school district and to the state board of education within 15 days of the date of the hearing.

(c) If the joint committee recommends against the issuance of any bonds for the construction of a new building and if the district proceeds to issue bonds for such construction, the district shall not be entitled to, and shall not receive, state aid for such bonds under K.S.A. 75-2319, and amendments thereto unless approved by the state board.

(d) The provisions of this section shall not apply to any district which is not entitled to state aid under K.S.A. 75-2319, and amendments thereto.

Sec. 21. K.S.A. 2005 Supp. 72-6405 is hereby amended to read as follows: 72-6405. (a) K.S.A. 72-6405 through 72-6440 ~~and~~, the provisions of chapter 152 ~~and~~, sections 1 through 18 of chapter 194 of the 2005 session laws of Kansas *and sections 1 through 20*, and amendments thereto, shall be known and may be cited as the school district finance and quality performance act.

~~(b) The provisions of the school district finance and quality performance act are severable. If any provision of that act is held to be invalid or unconstitutional, it shall be presumed conclusively that the legislature would have enacted the remainder of such act without such invalid or unconstitutional provision.~~

(b) The provisions of this act shall not be severable. If any provision of this act is held to be invalid or unconstitutional, the entire act shall be null and void.

(c) It is the intent of this act to give school districts the greatest flexibility possible in the expenditure of moneys received by districts to carry out their duties under section 4 of article 6 of the constitution of the state of Kansas to maintain, develop and operate local public schools and to attain the public policy goal of the legislature to provide an opportunity for all pupils of the state of Kansas to meet standards established by the state board of education. It also is the intent of this act to require greater accountability from school districts in the expenditure of such moneys.

Sec. 22. K.S.A. 2005 Supp. 72-6407 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 pupil. A pupil enrolled 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 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 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 K.S.A. 2005 Supp. 72-6448, and amendments thereto.

(f) "Adjusted enrollment" means enrollment adjusted by adding at-risk pupil weighting, program weighting, low enrollment weighting, if any, ~~correlation density at-risk weighting, if any, nonproficient pupil weighting, if any, high enrollment~~ 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 ~~1,662~~ 1,632 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 ~~1,662~~ 1,632 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 K.S.A. 2005 Supp. 72-6449, and amendments thereto, apply on the basis of costs attributable to the 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) “Declining enrollment weighting” means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 2005 Supp. 72-6451, and amendments thereto, apply on the basis of reduced revenues attributable to the declining enrollment of the district.

(r) “~~Correlation weighting~~ *High enrollment weighting*” means an addend component assigned to enrollment of districts having ~~1,662~~ 1,632 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 ~~1,662~~ 1,632 enrollment.

(s) “*Density at-risk pupil weighting*” means an addend component assigned to enrollment of districts to which the provisions of section 3, and amendments thereto, apply.

(t) “*Nonproficient pupil*” means a pupil who is not eligible for free meals under the national school lunch act and who has scored less than proficient on the mathematics or reading state assessment during the preceding school year and who is enrolled in a district which maintains an approved proficiency assistance plan.

(u) “*Nonproficient pupil weighting*” means an addend component assigned to enrollment of districts on the basis of enrollment of nonproficient pupils.

Sec. 23. K.S.A. 2005 Supp. 72-6409 is hereby amended to read as follows: 72-6409. (a) “General fund” means the fund of a district from which operating expenses are paid and in which is deposited the proceeds from the tax levied under K.S.A. 72-6431, and amendments thereto, all amounts of general state aid under this act, payments under K.S.A. 72-7105a, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program, and such other moneys as are provided by law.

(b) “Operating expenses” means the total expenditures and lawful transfers from the general fund of a district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 72-6430, and amendments thereto.

(c) “General fund budget” means the amount budgeted for operating expenses in the general fund of a district.

(d) “Budget per pupil” means the general fund budget of a district divided by the enrollment of the district.

(e) “Program weighted fund” means and includes the following funds of a district: Vocational education fund, *preschool-aged at-risk fund*, *nonproficient pupil education fund* and bilingual education fund.

(f) “Categorical fund” means and includes the following funds of a district: Special education fund, food service fund, driver training fund, adult education fund, adult supplementary education fund, area vocational school fund, professional development fund, parent education program fund, summer program fund, extraordinary school program fund, and educational excellence grant program fund.

Sec. 24. K.S.A. 2005 Supp. 72-6410 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 ~~\$4,257~~ \$4,307. 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. 25. K.S.A. 2005 Supp. 72-6412 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 ~~1,662~~ 1,632 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 ~~1,662~~ 1,632, 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. 26. K.S.A. 2005 Supp. 72-6413 is hereby amended to read as follows: 72-6413. The program weighting of each district shall be determined by the state board as follows:

(a) Compute full time equivalent enrollment in programs of bilingual education and multiply the computed enrollment by .395;

(b) compute full time equivalent enrollment in approved vocational education programs and multiply the computed enrollment by ~~0.5~~ .62;

(c) add the products obtained under (a) and (b). The sum is the program weighting of the district.

Sec. 27. K.S.A. 2005 Supp. 72-6414 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 ~~1.93~~ .27. 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. 28. K.S.A. 2005 Supp. 72-6414a is hereby amended to read as follows: 72-6414a. (a) There is hereby established in every district a fund which shall be called the at-risk education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. ~~Notwithstanding any other provision of law, all moneys received by the district from whatever source for at-risk assistance plans or programs shall be credited to the at-risk education fund established by this section.~~ The expenses of a district directly attributable to providing at-risk assistance or programs shall be paid from the at-risk education fund.

(b) Any balance remaining in the at-risk education fund at the end of the budget year shall be carried forward into the at-risk education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the at-risk education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

(c) Each year the board of education of each school district shall prepare and submit to the state board a report on the at-risk program or assistance provided by the district. Such report shall include information specifying the number of pupils who were served or provided assistance, the type of service provided, the research upon which the district relied in determining that a need for service or assistance existed, the results of providing such service or assistance and any other information required by the state board.

(d) In order to achieve uniform reporting of the number of at-risk pupils provided service or assistance by school districts in at-risk programs, districts shall report the number of at-risk pupils served or assisted in the manner required by the state board.

Sec. 29. K.S.A. 2005 Supp. 72-6414b is hereby amended to read as follows: 72-6414b. (a) There is hereby established in every district a fund which shall be called the preschool-aged at-risk education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. ~~Notwithstanding any other provision of law, all moneys received by the district from whatever source for preschool-aged at-risk assistance plans or programs shall be credited to the preschool-aged at-risk education fund established by this section.~~ The expenses of a district directly attributable to providing preschool-aged at-risk assistance or programs shall be paid from the preschool-aged at-risk education fund.

(b) Any balance remaining in the preschool-aged at-risk education fund at the end of the budget year shall be carried forward into the preschool-aged at-risk education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the preschool-aged at-risk education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

(c) Each year the board of education of each school district shall prepare and submit to the state board a report on the preschool-aged at-risk program or assistance provided by

the district. Such report shall include information specifying the number of pupils who were served or provided assistance, the type of service provided, the research upon which the district relied in determining that a need for service or assistance existed, the results of providing such service or assistance and any other information required by the state board.

Sec. 30. K.S.A. 2005 Supp. 72-6421 is hereby amended to read as follows: 72-6421. (a) There is hereby established in every district a fund which shall be called the vocational education fund. ~~All moneys received by a district for any course or program authorized and approved under the provisions of article 44 of chapter 72 of Kansas Statutes Annotated, except for courses and programs conducted in an area vocational school, shall be credited to the vocational education fund. All moneys received by the district from tuition, fees or charges or from any other source for vocational education courses or programs, except for courses and programs conducted in an area vocational school, shall be credited to the vocational education fund. The expenses of a district directly attributable to vocational education~~ *Only those expenses of a district directly attributable to vocational education courses offered at grade-levels 10, 11 or 12 for which the course-content is comparable to the course-content of vocational educational courses offered at an area vocational-technical school, technical college or other postsecondary educational institution as defined by K.S.A. 74-3201b, and amendments thereto, shall be paid from the vocational education fund. Nothing in this section shall be construed as prohibiting a district from paying from the vocational education fund the expenses attributable to vocational courses for any pupil who is in grade level nine if such course meets the requirements of this section.*

(b) Obligations of a district pursuant to lawful agreements made under K.S.A. 72-4421, and amendments thereto, shall be paid from the vocational education fund established by this section. If any such agreement expresses an obligation of a district in terms of a mill levy, such obligation shall be construed to mean an amount equal to that which would be produced by the levy.

(c) Any balance remaining in the vocational education fund at the end of the budget year shall be carried forward into the vocational education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the vocational education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

(d) Each year the board of education of each school district shall prepare and submit to the state board a report on the vocational education program and courses provided by the district. Such report shall include information specifying the number of pupils who were enrolled in the vocational education program and in each vocational education course offered by the district, an itemization of the cost of each vocational education course provided by the district, the research upon which the district relied in determining that a need for the course or program existed, the results of providing such course or program and any other information required by the state board.

Sec. 31. K.S.A. 2005 Supp. 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~~ 2006-2007, shall the amount maintained in the fund exceed an amount equal to 6% of the general fund budget of the district for such school year.

Sec. 32. K.S.A. 2005 Supp. 72-6434 is hereby amended to read as follows: 72-6434. (a) 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. 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 81.2 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 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) 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 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.

(e) Amounts received as supplemental general state aid shall be used to meet the requirements under the school performance accreditation system adopted by the state board, to provide programs and services required by law and to improve student performance.

Sec. 33. K.S.A. 2005 Supp. 72-6442b is hereby amended to read as follows: 72-6442b. The ~~correlation~~ high enrollment weighting of each district with ~~1,662~~ 1,632, or over enrollment shall be determined by the state board as follows:

(a) Determine the schedule amount for a district with ~~1,662~~ 1,632 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~~ high enrollment weighting of the district.

Sec. 34. K.S.A. 2005 Supp. 72-6449 is hereby amended to read as follows: 72-6449. (a) As used in this section, "school district" or "district" means a school district authorized to make a levy under this section.

(b) The board of education of any district may levy a tax on the taxable tangible property within the district for the purpose of financing the costs incurred by the state that are attributable directly to assignment of the cost of living weighting to the enrollment of the district. There is hereby established in every school district a fund which shall be called the cost of living fund, which fund shall consist of all moneys deposited therein or transferred thereto in accordance with law. All moneys derived from a tax imposed pursuant to this section shall be credited to the cost of living fund. The proceeds from the tax levied by a district credited to the cost of living 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.

(c) The state board of education shall determine whether a district may levy a tax under this section as follows:

(1) Determine the statewide average appraised value of single family residences for the calendar year preceding the current school year;

(2) multiply the amount determined under (1) by 1.25;

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

(4) subtract the amount determined under (2) from the amount determined under (3). If the amount determined for the district under (4) is a positive number and the district is authorized to adopt and has adopted a local option budget in an amount equal to the state prescribed percentage in the current school year, the district qualifies for assignment of cost of living weighting and may levy a tax on the taxable tangible property of the district for the purpose of financing the costs that are attributable directly to assignment of the cost of living weighting to enrollment of the district.

(d) Except as provided by subsection (e), no tax may be levied under this section unless the board of education adopts a resolution authorizing such a tax levy and publishes the resolution at least once in a newspaper having general circulation in the district. Except as provided by subsection (e), the resolution shall be published in substantial compliance with the following form:

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

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to levy an ad valorem tax in an amount not to exceed the amount necessary to finance the costs attributable directly to the assignment of cost of living weighting to the enrollment of the district. The ad valorem tax authorized by this resolution may be levied unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after the publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether the levy of such a tax shall be authorized in accordance with the provisions of this resolution to the electors of the school district at the next general election of the school district, as is specified by the board of education of the school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____, _____ County, Kansas, on the _____ day of _____, (year)_____.

Clerk of the board of education.

All of the blanks in the resolution shall be filled. If no petition as specified above is filed in accordance with the provisions of the resolution, the resolution authorizing the ad valorem

tax levy shall become effective. If a petition is filed as provided in the resolution, the board may notify the county election officer to submit the question of whether such tax levy shall be authorized. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and of no force and effect and no like resolution shall be adopted by the board within the nine months following publication of the resolution. If a majority of the votes cast in an election conducted pursuant to this provision are in favor of the resolution, such resolution shall be effective on the date of such election. If a majority of the votes cast are not in favor of the resolution, the resolution shall be deemed of no effect and no like resolution shall be adopted by the board within the nine months following such election.

~~(c) Any resolution adopted pursuant to this section for school year 2005-2006 shall not be subject to the provisions of subsection (d) relating to publication, protest or election.~~

(e) In each school year, each district that imposes a cost of living levy shall be provided cost of living state aid in an amount 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 81.2 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 district is not entitled to receive cost of living state aid. If the resulting ratio is less than 1.0, the district is entitled to receive cost of living state aid in an amount the district is obligated to pay under subsection (b) by such ratio. The product is the amount of cost of living state aid the district is entitled to receive for the school year;

(6) if the amount of appropriations for cost of living 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 of each district is entitled to receive;

(7) the state board shall prescribe the dates upon which the distribution of payment of cost of living 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 school district and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of each district. Upon receipt of the warrant, the treasurer of the district shall credit the amount thereof to the cost of living fund of the district to be used for the purposes of such fund;

(8) if any amount of cost of living 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 cost of living 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. 35. K.S.A. 2005 Supp. 72-8204c is hereby amended to read as follows: 72-8204c. (a) Each year the board of education of a school district shall ~~prepare a budget and a summary of the proposed budget. Such budget~~ conduct a needs-assessment of each attendance center in the district. The needs-assessment shall be prepared in the manner and on forms prescribed by the state board. Based upon such needs-assessment, the board shall prepare a budget for each attendance center and the school district. The board also shall prepare a summary of the budget for the school district. The budgets and summary shall be in the form prescribed by the director pursuant to K.S.A. 79-2926, and amendments thereto.

(b) The ~~budget budgets~~ and the summary of the proposed budget shall be on file at the administrative offices of the school district. Copies of such ~~budget budgets~~ and summary shall be available upon request.

(c) The notice required to be published by K.S.A. 79-2929, and amendments thereto, shall include a statement that the ~~budget budgets~~ and the summary of the proposed budget is on file at the administrative offices of the district and that copies of such ~~budget budgets~~ and summary are available upon request.

Sec. 36. K.S.A. 2005 Supp. 72-8814 is hereby amended to read as follows: 72-8814. (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 for~~ 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 for~~ capital outlay state aid ~~fund~~ in the school year.

~~(b)~~ The state board 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 (a) for payment of capital outlay state aid fund for distribution to school districts in accordance with the provisions of appropriation acts.~~

~~(c)~~ Payments ~~from the school district for~~ 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 of capital outlay state aid~~, 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.

Sec. 37. K.S.A. 2005 Supp. 72-9509 is hereby amended to read as follows: 72-9509. (a) There is hereby established in every school district a fund which shall be called the "bilingual

education fund,² which fund shall consist of all moneys deposited therein or transferred thereto according to law. ~~Notwithstanding any other provision of law, all moneys received by the school district from whatever source for bilingual education programs established under this act shall be credited to the fund established by this section.~~ The expenses of a district directly attributable to such bilingual education programs shall be paid from the bilingual education fund.

(b) Any balance remaining in the bilingual education fund at the end of the budget year shall be carried forward into the bilingual education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the bilingual education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

(c) *Each year the board of education of each school district shall prepare and submit to the state board a report on the bilingual education program and assistance provided by the district. Such report shall include information specifying the number of pupils who were served or provided assistance, the type of service provided, the research upon which the district relied in determining that a need for service or assistance existed, the results of providing such service or assistance and any other information required by the state board.*

Sec. 38. K.S.A. 2005 Supp. 79-2926 is hereby amended to read as follows: 79-2926. (a) Subject to the provisions of subsection (b), the director of accounts and reports shall prepare and prescribe forms for the annual budgets of all taxing subdivisions or municipalities of the state. Such forms shall show the information required by this act necessary and proper to disclose complete information as to the financial condition of such taxing subdivision or municipality, and the receipts and expenditures thereof, both past and anticipated.

(b) (1) ~~From and after July 1, 2004 and~~ Based upon recommendations by the state department of education, the director shall prepare and prescribe forms for the annual budget and a summary of the proposed budget of school districts. The state department of education shall make such recommendations ~~after considering~~ *taking into consideration* the best practices and standards established by the government finance officers association and the association of school business officials *and recommendations of the legislative division of post audit.*

(2) (A) The school district budget form shall include a separate table outlining the aggregate amount of expenditures for salaries and wages for the following categories:

- (i) Certified and noncertified administrators;
- (ii) persons employed full-time as teachers;
- (iii) other certified employees who are not employed full-time as teachers;
- (iv) classified employees;
- (v) other positions designated by the state department of education; and
- (vi) substitutes and other temporary employees.

(B) The school district budget form shall show the number of full-time employee positions specified in paragraph (A) of this subsection and the average salaries or wages for such positions.

(C) The school district budget form shall show any other information recommended by the state department of education.

(3) The summary of the proposed budget form shall include:

- (A) An overview of the proposed budget of the school district and the budgetary process;
- (B) a summary of the changes in the proposed budget from the previous budget year;
- (C) a summary of the estimated expenditures to be made and revenues to be received in the ensuing budget year and the sources of such revenue;
- (D) the internet website address for school building report cards compiled by the state department of education; and
- (E) any other information specified by the state department of education.

(4) Nothing in this subsection (b) shall be construed as limiting the authority of school districts to develop and provide material or information in addition to that required by the state department of education.

(5) The state department of education shall provide technical advice and assistance to school districts to insure compliance with the provisions of this section.

(c) All such budget and tax levy forms shall be printed by the division of printing in such quantity as required by the director. The director shall deliver the forms for school districts to the clerk of the board of education of each school district. The forms for all other taxing subdivisions or municipalities of the state shall be delivered by the director to the county clerk of each county, who shall deliver the same to the presiding officer of the governing body of the respective taxing subdivisions or municipalities within the county.

Sec. 39. K.S.A. 2005 Supp. 79-2927a is hereby amended to read as follows: 79-2927a. (a) When preparing the budget for a school district, the board of education of the district shall budget to expend only the amount estimated to be spent from each fund of the school district. *The budget of the school district shall be based upon the needs-assessment required by K.S.A. 72-8204c, and amendments thereto.*

(b) Except as provided by this subsection, any unexpended moneys remaining in a fund of a school district at the end of the budget year may be carried forward into such fund for succeeding budget years. The provisions of this subsection shall not apply to the general fund or the supplemental general fund of the school district.

(c) Whenever unexpended moneys in a school district fund are carried forward into such fund for the succeeding budget year, the budget of the school district shall reflect the ending balance in such fund which the school district estimates will be carried forward to the succeeding budget year.

(d) If the board of education determines it is necessary to expend moneys which had been budgeted to be carried forward into the next succeeding budget year, the board shall amend its previously adopted budget. Any amended budget shall be subject to the same publication, notice and public hearing requirements as is required by K.S.A. 79-2929, and amendments thereto, for the adoption of the original budget.

Sec. 40. K.S.A. 2005 Supp. 72-6405, 72-6407, 72-6409, 72-6410, 72-6412, 72-6413, 72-6414, 72-6414a, 72-6414b, 72-6421, 72-6426, 72-6434, 72-6442b, 72-6449, 72-8204c, 72-8814, 72-9509, 75-2320, 79-2926 and 79-2927a are hereby repealed.

Sec. 41. This act shall take effect and be in force from and after its publication in the statute book.”;

In the title, by striking all in lines 10 through 19 and inserting “AN ACT concerning school districts and the powers and duties thereof; relating to the state board of education and the powers and duties thereof; relating to school finance; amending K.S.A. 2005 Supp. 72-6405, 72-6407, 72-6409, 72-6410, 72-6412, 72-6413, 72-6414, 72-6414a, 72-6414b, 72-6421, 72-6426, 72-6434, 72-6442b, 72-6449, 72-8204c, 72-8814, 72-9509, 79-2926 and 79-2927a and repealing the existing sections; also repealing K.S.A. 2005 Supp. 75-2320.”

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 17, Nays 23, Present and Passing 0, Absent or Not Voting 0.

Yeas: Apple, Barnett, Brownlee, Bruce, Donovan, Huelskamp, Jordan, Journey, McGinn, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Wagle, Wilson.

Nays: Allen, Barone, Betts, Brungardt, Emler, Francisco, Gilstrap, Goodwin, Haley, Hensley, Kelly, Lee, Morris, Reitz, Schmidt D, Schmidt V, Schodorf, Steineger, Taddiken, Teichman, Umbarger, Vratil, Wysong.

The motion failed and the amendment was rejected.

Also, rose and reported progress (See Committee of the Whole, afternoon session).

REPORTS OF STANDING COMMITTEES

Committee on **Commerce** recommends **HB 3004**, as amended by House Committee of the Whole, be amended on page 1, in line 29, before the period, by inserting “, except that on and after the effective date of this act until July 1, 2007, an applicant for admission to take the initial examination in this state as required in K.S.A. 1-302, and amendments thereto, must submit evidence satisfactory to the board of accountancy or to the examination service that the applicant has successfully completed course work consisting of at least 150 semester hours with a concentration in accounting from a college or university recognized by the board, whether or not the course work was offered at the physical campus of the

college or university, and that the applicant is the holder of a baccalaureate or higher academic degree"; by striking all in lines 41 and 42;

On page 2, by striking all in lines 3 through 13; and the bill be passed as amended.

MESSAGE FROM THE HOUSE

Announcing passage of **HB 2894**.

Adoption of **HCR 5042, HCR 5044**

Also, passage of **SB 47**, as amended by **House Substitute for SB 47; SB 51**, as amended by **House Substitute for SB 51; SB 85**, as amended by **House Substitute for Substitute SB 85; SB 243**, as amended by **House Substitute for SB 243; SB 297**, as amended; **SB 396**, as amended by **House Substitute for SB 396; SB 421**, as amended, **SB 549**, as amended; **SB 577**; as amended by **House Substitute for SB 577; SB 578**, as amended.

Also, adoption of **SCR 1618**, as amended, **SCR 1619**, as amended.

The House concurs in Senate amendments to **HB 2285** and requests the Senate to return the bill.

The House concurs in Senate amendments to **Senate Substitute for HB 2649** and requests the Senate to return the bill.

The House concurs in Senate amendments to **HB 2833** and requests the Senate to return the bill.

The House concurs in Senate amendments to **HB 2874** and requests the Senate to return the bill.

Rejection of **House Substitute for SB 1**.

INTRODUCTION OF HOUSE BILLS AND CONCURRENT RESOLUTIONS

HB 2894; HCR 5042, HCR 5044 were thereupon introduced and read by title.

On motion of Senator D. Schmidt, the Senate recessed until 2:30 p.m.

AFTERNOON SESSION

The Senate met pursuant to recess with President Morris in the chair.

POINT OF PERSONAL PRIVILEGE

Senator Barnett rose on a Point of Personal Privilege to introduce Cassie Wagaman, Jessie Brooks, Gene Farr, Heidi Eck, Jennifer Hitt, Sarah Walsh, Jeremy Cook, Mary Benton, Jeung-Eun Lee, Enedina Diehl, Lori Yocum, and Andrea Smith, students representing the Emporia State Newman Division of Nursing.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was introduced and read by title:

SB 596. An act concerning schools; relating to accreditation; amending K.S.A. 2005 Supp. 72-6439 and repealing the existing section, by Committee on Ways and Means.

MESSAGE FROM THE GOVERNOR

SB 470, SB 495, SB 550, SB 554, SB 558 approved on March 30, 2006.

MESSAGE FROM THE HOUSE

Announcing, the House adopts the conference committee report on **House Substitute for SB 35**.

The House adopts the conference committee report on **Substitute SB 253**.

The House adopts the conference committee report on **SB 336**.

The House adopts the conference committee report on **SB 344**.

The House adopts the conference committee report on **SB 350**.

The House adopts the conference committee report on **SB 388**.

The House adopts the conference committee report on **HB 2592**.

The House adopts the conference committee report on **Substitute HB 2513**.

The House adopts the conference committee report on **HB 2590**.
 The House adopts the conference committee report on **HB 2709**.
 The House adopts the conference committee report on **HB 2752**.
 The House adopts the conference committee report on **HB 2798**.
 The House adopts the conference committee report on **HB 2899**.

COMMITTEE OF THE WHOLE

The Senate returned to Committee of the Whole for consideration of bills on the calendar under the heading of General Orders with Senator Brungardt in the chair.

On motion of Senator Brungardt the morning report and the following afternoon report were adopted:

Resuming consideration of **Sub HB 2986**, as amended by Senator Apple during the morning session, Senator Schodorf amended **Sub HB 2986**, as amended by House Committee of the Whole, on page 2, by striking all in lines 25 through 43;

On page 3, by striking all in lines 1 through 7; following line 7, by inserting:

“The density at-risk pupil weighting of each school district shall be determined by the state board as follows:

(a) Except as provided by subsection (d), if the district has an enrollment of less than 40% at-risk pupils, the state board shall multiply the number of at-risk pupils by 0. The product is the density at-risk pupil weighting of the district.

(b) Except as provided by subsection (d), if the district has an enrollment of at least 40% but less than 50% at-risk pupils, the state board shall multiply the number of at-risk pupils by .04 in school year 2006-2007, .05 in school year 2007-2008 and by .06 in school year 2008-2009 and each school year thereafter. The product is the density at-risk pupil weighting of the district.

(c) Except as provided by subsection (d), if the district has an enrollment of 50% or more at-risk pupils, the state board shall multiply the number of at-risk pupils by .08 in school year 2006-2007, .09 in school year 2007-2008 and by .10 in school year 2008-2009 and each school year thereafter. The product is the density at-risk pupil weighting of the district.

(d) If the district has an enrollment of at least 35.1% at-risk pupils and an enrollment density of at least 212.1 pupils per square mile, the state board shall multiply the number of at-risk pupils by .08 in school year 2006-2007, .09 in school year 2007-2008 and by .10 in school year 2008-2009 and each school year thereafter. The product is the density at-risk pupil weighting of the district.”

Senator Francisco amended **Sub HB 2986**, on page 25, lines 12-14, by striking all words in those lines and by striking “The board shall” on line 16, and **Sub HB 2986** be passed as amended.

A motion by Senator Hensley to amend **Sub HB 2986** failed and the following amendment was rejected: as amended by Senate Committee of the Whole, on motion of Senator Apple on page 44, following line 9, by inserting:

“Sec. 30. K.S.A. 2005 Supp. 46-1131 is hereby amended to read as follows: 46-1131. ~~(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.~~

(a) For the purpose of determining whether the legislature has appropriated sufficient moneys to meet its constitutional duty to make suitable provision for the finance of educational interests of the state, in school year 2008-2009 and each three school years thereafter, the division of legislative 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; and (2) rules and regulations or standards relating to student performance outcomes adopted by the state board.

(c) The cost study analysis shall be based upon data available through *the current* 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.
- (c) The division also shall conduct a professional cost study analysis considering the same factors specified in subsection (d), except that such cost study analysis shall consider only those curriculum, related services and programs mandated by state statute.
- (d) 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.
- (e) 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 with consultants as the post auditor deems necessary.
- (f) 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.
- (g) 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 following the completion of each such cost analysis study, the legislative post auditor shall submit a detailed report thereon. 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.

~~(j) 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.~~

~~(k) (h) The provisions of this section shall be part of and supplemental to the legislative post audit act.~~

Sec. 31. K.S.A. 2005 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a) (1) The board of any district may adopt a local option budget in each school year in an amount not to exceed an amount equal to the district prescribed percentage of the amount of state financial aid determined for the district in the school year. As used in this section, "district prescribed percentage" means:

(A) For any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year, in the 2001-02 school year and in each school year thereafter, a percentage that is equal to 80% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year;

(B) for any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

(C) for any district that was not authorized to adopt a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

(D) for any district to which the provisions of K.S.A. 72-6444, and amendments thereto, applied in the 1997-98 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year because an increase in the amount budgeted by the district in its local option budget as authorized by a resolution adopted under the provisions of subsection (b) causes the actual amount per pupil budgeted by the district in the preceding school year as determined for the district under provision (1) of subsection (a) of K.S.A. 72-6444, and amendments thereto, to equal or exceed the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year if the resolution authorized the district to increase its local option budget on a continuous and permanent basis. If the resolution that authorized the district to increase its local option budget specified a definite period of time for which the district would retain its authority to increase the local option budget and such authority lapses at the conclusion of such period and is not renewed, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution unless the loss of the percentage of increase that was authorized by the resolution would cause the actual amount per pupil budgeted by the district to be less than the average amount per pupil of general fund budgets

and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, in which case, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution plus a percentage which shall be computed for the district by the state board in accordance with the provisions of K.S.A. 72-6444, and amendments thereto, except that, in making the determination of the actual amount per pupil budgeted by the district in the preceding school year, the state board shall exclude the percentage of increase that was authorized by the resolution.

(2) (A) Subject to the provisions of subpart (B), the adoption of a local option budget under authority of this subsection shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

(B) In lieu of utilizing the authority granted by subpart (A) for adoption of a local option budget, the board of a district may pass a resolution authorizing adoption of such a budget and publish such resolution once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. _____,

_____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year for a period of time not to exceed _____ years in an amount not to exceed _____% of the amount of state financial aid determined for the current school year. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

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

Clerk of the board of education.

All of the blanks in the resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in either of the blanks. The percentage specified in the resolution shall not exceed the district prescribed percentage. The resolution shall be published once in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board may adopt a local option budget. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution. If any district is authorized to adopt a local option budget under this subpart, but the board of such district chooses, in any school year, not to adopt such a budget or chooses, in any school year, to adopt such budget in an amount less than the amount of the district prescribed percentage of the amount of state financial aid in any school year, such board of education may so choose. If the board of any district refrains from adopting a local option budget in any one or more school years or refrains from budgeting the total amount au-

thorized for any one or more school years, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget, nor shall the amount authorized to be budgeted in any succeeding school year be increased by such refrainment. Whenever an initial resolution has been adopted under this subpart, and such resolution specified a lesser percentage than the district prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and subject to the same conditions, and shall be authorized to increase the percentage as specified in any such subsequent resolution for the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions is not in excess of the district prescribed percentage in any school year. The board of any district that has been authorized to adopt a local option budget under this subpart and levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew its authority to adopt a local option budget in the manner specified in this subpart or may utilize the authority granted by subpart (A). As used in this subpart, the term "authorized to adopt a local option budget" means that a district has adopted a resolution under this subpart, has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the adoption of a local option budget was approved.

(3) The provisions of this subsection are subject to the provisions of subsections (b) and (c).

(b) The provisions of this subsection (b) shall be subject to the provisions of K.S.A. 72-6433a, and amendments thereto.

(1) The board of any district that adopts a local option budget under subsection (a) may increase the amount of such budget in each school year in an amount which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage of the amount of state financial aid determined for the district in the school year if the board of the district determines that an increase in such budget would be in the best interests of the district.

(2) No district may increase a local option budget under authority of this subsection until: (A) A resolution authorizing such an increase is passed by the board and published once in a newspaper having general circulation in the district; or (B) the question of whether the board shall be authorized to increase the local option budget has been submitted to and approved by the qualified electors of the district at a special election called for the purpose. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto, for the noticing, calling and holding of elections upon the question of issuing bonds under the general bond law. The notice of such election shall state the purpose for and time of the election, and the ballot shall be designed with the question of whether the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year. If a majority of the qualified electors voting at the election approve authorization of the board to increase the local option budget, the board shall have such authority. If a majority of the qualified electors voting at the election are opposed to authorization of the board to increase the local option budget, the board shall not have such authority and no like question shall be submitted to the qualified electors of the district within the nine months following the election.

(3) (A) Subject to the provisions of subpart (B), a resolution authorizing an increase in the local option budget of a district shall state that the board of education of the district shall be authorized to increase the local option budget of the district in each school year in an amount not to exceed _____% of the amount of state financial aid determined for the current school year and that the percentage of increase may be reduced so that the sum of the percentage of the amount of state financial aid budgeted under subsection (a) and the

percentage of increase specified in the resolution does not exceed the state prescribed percentage in any school year. The blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in the blank. The resolution shall specify a definite period of time for which the board shall be authorized to increase the local option budget and such period of time shall be expressed by the specific number of school years for which the board shall retain its authority to increase the local option budget. No word shall be used to express the number of years for which the board shall be authorized to increase the local option budget.

(B) In lieu of the requirements of subpart (A) and at the discretion of the board, a resolution authorizing an increase in the local option budget of a district may state that the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year.

(4) A resolution authorizing an increase in the local option budget of a district shall state that the amount of the local option budget may be increased as authorized by the resolution unless a petition in opposition to such increase, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication. If no petition is filed in accordance with the provisions of the resolution, the board is authorized to increase the local option budget of the district. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether the board shall be authorized to increase the local option budget of the district. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

(5) The requirements of provision (2) do not apply to any district that is continuously and permanently authorized to increase the local option budget of the district. An increase in the amount of a local option budget by such a district shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

(6) If any district is authorized to increase a local option budget, but the board of such district chooses, in any school year, not to adopt or increase such budget or chooses, in any school year, to adopt or increase such budget in an amount less than the amount authorized, such board of education may so choose. If the board of any district refrains from adopting or increasing a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the amount authorized to be budgeted in any succeeding school year shall not be increased by such refrainment, nor shall the authority of the district to increase its local option budget be extended by such refrainment beyond the period of time specified in the resolution authorizing an increase in the local option budget if the resolution specified such a period of time.

(7) Whenever an initial resolution has been adopted under this subsection, and such resolution specified a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) is less than the state prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and shall be authorized to increase the percentage as specified in any such subsequent resolution. If the initial resolution specified a definite period of time for which the district is authorized to increase its local option budget, the authority to increase such budget by the percentage specified in any subsequent resolution shall be limited to the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions together with the percentage of the amount of state financial aid budgeted under subsection (a) is not in excess of the state prescribed percentage in any school year.

(8) (A) Subject to the provisions of subpart (B), the board of any district that has adopted a local option budget under subsection (a), has been authorized to increase such budget under a resolution which specified a definite period of time for retention of such authori-

zation, and has levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew the authority to increase the local option budget subject to the conditions and in the manner specified in provisions (2) and (3) of this subsection.

(B) The provisions of subpart (A) do not apply to the board of any district that is continuously and permanently authorized to increase the local option budget of the district.

(9) As used in this subsection:

(A) "Authorized to increase a local option budget" means either that a district has held a special election under provision (2)(B) by which authority of the board to increase a local option budget was approved, or that a district has adopted a resolution under provision (2)(A), has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the authority of the board to increase a local option budget was approved.

~~(B) "State prescribed percentage" means 27% for school year 2005-2006, 29% for school year 2006-2007 and 30% for school year 2007-2008 and each school year thereafter.~~

~~(B) Except as provided by paragraph (C), "state prescribed percentage" means 30% for school year 2006-2007 and 33% for school year 2007-2008 and each school year thereafter.~~

~~(C) In school year 2010-2011 and each school year thereafter, "state prescribed percentage" means that percentage deemed appropriate by the board of education of each school district. The provisions of this section shall apply only in school years in which it is determined by law that (i) the legislature has appropriated sufficient moneys to meet its constitutional duty to make suitable provision for the finance of educational interests of the state and (ii) such moneys are distributed to school districts so that the districts' costs of providing programs and services are funded. Such determination shall be based upon the cost study analyses required by K.S.A. 2005 Supp. 46-1131, and amendments thereto.~~

(c) To the extent the provisions of the foregoing subsections conflict with this subsection, this subsection shall control. Any district that is authorized to adopt a local option budget in the 1997-98 school year under a resolution which authorized the adoption of such budget in accordance with the provisions of this section prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

(d) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitation imposed under provision (3), amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to the general fund of the district or to any program weighted fund or categorical fund of the district.

(3) Amounts in the supplemental general fund may not be expended nor transferred to the general fund of the district for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

(4) Any unexpended and unencumbered cash balance remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be disposed of as provided in this subsection. If the district did not receive supplemental general state aid in the school year and the board of the district determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If the board of such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, transferred or expended the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance

remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the district for the school year and multiply the total amount of the cash balance remaining in the supplemental general fund by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district. The amount remaining in the supplemental general fund may be maintained in such fund or transferred to the general fund of the district.

(c) ~~To the extent the provisions of the foregoing section conflict with this subsection, this subsection shall control. Any district that adopted or was authorized to adopt a local option budget for school year 2004-2005 in an amount equal to 25% may adopt a local option budget for school year 2005-2006 in an amount not to exceed the state prescribed percentage in effect on July 1, 2005, by adoption of a resolution. Such resolution shall not be subject to the provisions of this section relating to publication, protest or election.”;~~

By renumbering sections;

Also on page 44, in line 10, following “Supp.” by inserting “46-1131.”; in line 12, following “72-6426,” by inserting “72-6433.”;

In the title, in line 14, following “Supp.” by inserting “46-1131.”; in line 15, following “72-6426,” by inserting “72-6433.”

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 12, Nays 25, Present and Passing 2, Absent or Not Voting 1.

Yeas: Allen, Brungardt, Francisco, Goodwin, Hensley, Kelly, McGinn, Morris, Reitz, Schmidt V, Vratil, Wysong.

Nays: Apple, Barnett, Barone, Betts, Brownlee, Bruce, Donovan, Emler, Gilstrap, Huel-skamp, Jordan, Journey, Lee, O’Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Schmidt D, Schodorf, Taddiken, Umbarger, Wagle, Wilson.

Present and Passing: Haley, Steineger.

Absent or Not Voting: Teichman.

The motion failed and the amendment was rejected.

FINAL ACTION OF BILLS AND CONCURRENT RESOLUTIONS

On motion of Senator D. Schmidt an emergency was declared by a $\frac{2}{3}$ constitutional majority, and **Sub HB 2986** was advanced to Final Action and roll call.

Sub HB 2986, An act concerning school districts and the powers and duties thereof; relating to the state board of education and the powers and duties thereof; relating to school finance; providing for an early high school graduation incentive program; amending K.S.A. 2005 Supp. 72-6405, 72-6407, 72-6409, 72-6410, 72-6412, 72-6414, 72-6414a, 72-6414b, 72-6421, 72-6426, 72-6434, 72-6442b, 72-64c01, 72-64c04, 72-8204c, 72-8814, 72-9509, 79-2926 and 79-2927a and repealing the existing sections; also repealing K.S.A. 2005 Supp. 72-6449, 72-64b01, 72-64b02, 72-64b03, 72-64b04, 72-64c02 and 75-2320.

On roll call, the vote was: Yeas 14, Nays 25, Present and Passing 1, Absent or Not Voting 0.

Yeas: Barone, Betts, Brungardt, Francisco, Gilstrap, Goodwin, Haley, Hensley, Morris, Reitz, Schmidt V, Schodorf, Steineger, Teichman.

Nays: Allen, Apple, Barnett, Brownlee, Bruce, Donovan, Emler, Huelskamp, Jordan, Journey, Kelly, McGinn, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Schmidt D, Taddiken, Umbarger, Vratil, Wagle, Wilson, Wysong.

Present and Passing: Lee.

A constitutional majority having failed to vote in favor of the bill, **Sub HB 2986** did not pass.

ORIGINAL MOTION

Having voted on the prevailing side in Final Action on **Sub HB 2986**, Senator Huelskamp moved the Senate reconsider its adverse action on **Sub HB 2986**. The motion failed.

COMMITTEE OF THE WHOLE

On motion of Senator D. Schmidt, the Senate resolved itself into Committee of the Whole for consideration of bills on the calendar under the heading of General Orders with Senator Brungardt in the chair.

On motion of Senator Brungardt the following report was adopted:

Recommended **SB 501** be amended by motion of Senator Barnett, on page 3, following line 32, by inserting:

“New Sec. 5. (a) Amounts a school district receives from the at-risk pupil weighting may be expended by school districts to pay for the costs of providing full-day kindergarten to any pupil enrolled in the district whether or not such pupil is an at-risk pupil.

(b) Nothing in this section shall be construed as requiring school districts to provide full-day kindergarten nor as requiring any pupil to attend full-day kindergarten.”;

By renumbering sections

Senator Barnett again moved to amend **SB 501**, on page 1, in line 31, by striking “\$4,297” and inserting “\$4,288”;

On page 2, by striking all in lines 39 through 43;

On page 3, by striking all in lines 1 through 6; following line 6 by inserting:

“New Sec. 3. (a) The high at-risk pupil weighting of each school district shall be determined by the state board by multiplying the number of at-risk pupils included in enrollment of the district by .045. The product is the high at-risk pupil weighting of the district.

(b) As used in this section, “school district” means any of the five school districts having the highest percentage of at-risk pupil enrollment in the preceding school year as determined by the state board.”;

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 20, Nays 17, Present and Passing 2, Absent or Not Voting 1.

Yeas: Apple, Barnett, Brownlee, Bruce, Donovan, Huelskamp, Jordan, Journey, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Reitz, Schmidt D, Taddiken, Teichman, Wagle, Wilson.

Nays: Allen, Barone, Betts, Brungardt, Emler, Francisco, Gilstrap, Goodwin, Hensley, Kelly, Lee, Morris, Schmidt V, Schodorf, Umbarger, Vratil, Wysong.

Present and Passing: Haley, Steineger.

Absent or Not Voting: McGinn.

The motion carried and the amendment was adopted.

Senator Brownlee amended **SB 501**, on page 4, following line 3, by inserting:

“New Sec. 6. The Kansas state high school activities association and its member high schools, and administrators, principals, coaches, teachers and others affiliated with such association and member high schools, shall not adopt any rules and regulations or interpret any existing rule and regulation in any manner which would prohibit a student athlete from training with any Kansas state high school league-sponsored sport or competition while the student athlete is participating in nonschool swimming athletic training or diving athletic training, or both, during the high school sport season and throughout the year if:

(a) The nonschool swimming athletic training or diving athletic training, or both, is under the jurisdiction of and sanctioned by the national governing body of the sport, U.S.A. Swimming, Inc., or U.S.A. Diving, Inc.; and

(b) the student athlete meets the reasonable and ordinary school-established requirements for participation in the student athlete's high school swimming program or diving program, or both.”;

By renumbering the remaining sections accordingly;

In the title, in line 9, before the first “school” by inserting “schools and”; also in line 9, before “amending”, by inserting “powers and duties of the Kansas state high school activities association;”, and **SB 501** be passed as amended.

The following amendment offered by Senator Hensley was rejected: on page 1, following line 13, by inserting:

“New Section 1. (a) For the purposes of determining the total amount of state moneys paid to school districts, all moneys appropriated by the state for the following services, programs or purposes shall be deemed to be state moneys for educational and support services for school districts:

- (1) Educable deaf-blind and severely handicapped children's programs aid;
- (2) parent education;
- (3) KPERS - employer contributions;
- (4) school district juvenile detention facilities and Flint Hills job corp center grants;
- (5) school food assistance;
- (6) governor's teaching excellence scholarships and awards;
- (7) discretionary grants;
- (8) mentor teacher program grants;
- (9) professional development aid;
- (10) teacher service scholarships;
- (11) special education teacher service scholarships;
- (12) ESOL grants awarded pursuant to section 4, and amendments thereto;
- (13) vocational education grants awarded pursuant to section 5, and amendments thereto;

and

- (14) any other moneys appropriated by the state for distribution to school districts.
- (b) The provisions of this section shall not apply to federal moneys appropriated by the state.

New Sec. 2. Whenever the state board of education determines that a school has failed either to meet the accreditation requirements established by rules and regulations or standards adopted by the state board or provide the curriculum required by state law, the state board shall so notify the school district in which the school is located. Such notice shall specify the accreditation requirements that the school has failed to meet and the curriculum that the school has failed to provide. Upon receipt of such notice, the board of education of such district shall reallocate the resources of the district to remedy all deficiencies identified by the state board. The reallocation of resources shall be made on the basis of benchmarks of highly resource-efficient districts as identified in Phase III of the Kansas Education Resource Management Study conducted by Standard and Poors (March 2006).

New Sec. 3. The density at-risk pupil weighting of each school district shall be determined by the state board as follows:

(a) Except as provided by subsection (d), if the district has an enrollment of less than 40% at-risk pupils, the state board shall multiply the number of at-risk pupils by 0. The product is the density at-risk pupil weighting of the district.

(b) Except as provided by subsection (d), if the district has an enrollment of at least 40% but less than 50% at-risk pupils, the state board shall multiply the number of at-risk pupils by .04 in school year 2006-2007, .05 in school year 2007-2008 and by .06 in school year 2008-2009 and each school year thereafter. The product is the density at-risk pupil weighting of the district.

(c) Except as provided by subsection (d), if the district has an enrollment of 50% or more at-risk pupils, the state board shall multiply the number of at-risk pupils by .08 in school year 2006-2007, .09 in school year 2007-2008 and by .10 in school year 2008-2009 and each school year thereafter. The product is the density at-risk pupil weighting of the district.

(d) If the district has an enrollment of at least 35.1% at-risk pupils and an enrollment density of at least 212.1 pupils per square mile, the state board shall multiply the number of at-risk pupils by .08 in school year 2006-2007, .09 in school year 2007-2008 and by .10

in school year 2008-2009 and each school year thereafter. The product is the density at-risk pupil weighting of the district.

New Sec. 4. (a) The board of education of any school district may reimburse any teacher employed by the school district for the direct costs incurred by such teacher in attaining full endorsement as an ESOL teacher.

(b) Subject to the limitations of appropriations therefor, each school year any school district which has reimbursed teachers as authorized by subsection (a) is eligible to receive a grant of state moneys in an amount to be determined by the state board.

(c) In order to be eligible for a grant under this section, the board of education of the school district shall submit to the state board an application for a grant and shall certify the amount expended on such reimbursements. The application and certification shall be prepared in such form and manner as required by the state board and shall be submitted at a time to be determined and specified by the state board.

(d) Each school district which is awarded a grant under this section shall make such periodic and special reports to the state board as it may request.

(e) All moneys received by a school district under authority of this section shall be deposited in the general fund of the school district and shall be considered reimbursement of the district for the purpose of the school district finance and quality performance act. To the extent that grant moneys have been awarded to the district, the board of education of any district which has been awarded a grant pursuant to this section shall reimburse teachers employed by the school district for the direct costs incurred by such teacher in attaining full endorsement as an ESOL teacher.

(f) The state board shall establish standards and criteria for reviewing, evaluating and approving applications for grants submitted pursuant to this section. All grants shall be awarded by the state board in accordance with the standards and criteria established by the state board. The state board shall approve applications of school districts for grants, determine the amount of grants and be responsible for payment of grants to school districts. When awarding grants pursuant to this section, the state board shall give priority to those districts with the greatest need for teachers with an ESOL endorsement. If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state moneys in proportion to the amount each school district is determined to be eligible to receive.

(g) Nothing in this section shall be construed as prohibiting districts from reimbursing teachers for such direct costs from other moneys of the district.

(h) As used in this section:

(1) "ESOL" means English for speakers of other languages.

(2) "Direct costs" means the costs of books, fees, tuition or other charges for courses necessary to attain full endorsement as an ESOL teacher.

New Sec. 5. (a) Subject to the limitations of appropriations therefor, any school district which desires to establish a vocational education program may submit an application for a grant of moneys in an amount to be determined by the state board for the purpose of paying the costs of establishing a vocational education program, any operating expenses related thereto and the cost of acquiring equipment therefor.

(b) In order to be eligible for a grant under this section, the board of education of the school district shall submit to the state board an application for a grant. The application shall be prepared in such form and manner as required by the state board and shall be submitted at a time to be determined and specified by the state board.

(c) The state board shall establish standards and criteria for reviewing, evaluating and approving applications for grants submitted pursuant to this section. All grants shall be awarded by the state board in accordance with the standards and criteria established by the state board. The state board shall determine the amount of grants and be responsible for payment of grants to school districts. If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state

moneys in proportion to the amount each school district is determined to be eligible to receive.

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

New Sec. 6. In order to achieve uniform reporting of expenditures by school districts in school district budgets, districts shall report expenditures in the manner required by the state board.

New Sec. 7. (a) It is the public policy of the state of Kansas that neither the legislature nor school districts shall be required to pay any costs attributable to meeting requirements of federal law or rules and regulations or standards adopted by the state board in conformance with such federal law unless funding to comply with such federal law, rules and regulations or standards is provided by the federal government in an amount deemed adequate by the legislature.

(b) The provisions of this section shall not apply to the individuals with disabilities education act (IDEA) or any rules and regulations adopted pursuant thereto.

New Sec. 8. (a) As used in this section:

(1) "School district" or "district" means a school district which has an extraordinary declining enrollment.

(2) "Extraordinary declining enrollment" means an enrollment which has declined during the preceding three school years at a rate of at least 5% per year or by at least 50 pupils per year.

(3) "Joint committee" means the joint committee on state building construction.

(b) The board of education of any school district shall not authorize the issuance of any bonds for the construction of a new building without having first advised and consulted with the joint committee. Prior to the date of the hearing of the joint committee at which the board is scheduled to appear, the board shall submit any information requested by the joint committee. Following such hearing, the committee shall make a recommendation on the advisability of the proposed issuance of bonds. A copy of the committee's recommendation shall be provided to the school district and to the state board of education within 15 days of the date of the hearing.

(c) If the joint committee recommends against the issuance of any bonds for the construction of a new building and if the district proceeds to issue bonds for such construction, the district shall not be entitled to, and shall not receive, state aid for such bonds under K.S.A. 75-2319, and amendments thereto unless approved by the state board.

(d) The provisions of this section shall not apply to any district which is not entitled to state aid under K.S.A. 75-2319, and amendments thereto.

New Sec. 9. On or before the first day of each legislative session, the state board of education shall submit to the legislature an annual report which shows in detail the improvement in student proficiency which is attributable to the increase in state aid appropriated by the legislature during the preceding legislative session.

New Sec. 10. (a) The state board of education shall establish an early high school graduation incentive program in accordance with this act and may adopt rules and regulations deemed necessary for such program.

(b) Pupils attending public schools in this state shall be eligible for a \$1,000 incentive bonus for graduating from high school one year earlier than the usual graduation time, as determined in accordance with rules and regulations of the state board of education.

(c) Pupils that receive an incentive bonus pursuant to subsection (b) also shall be eligible to receive a one-time, one-year tuition scholarship, not to exceed \$3,000, for attending a Kansas technical college or Kansas vocational education school, as defined by K.S.A. 74-3201b, and amendments thereto, in accordance with rules and regulations of the state board of education.

(d) The award of incentive bonuses and scholarships pursuant to this act shall be subject to and dependent upon annual legislative appropriations therefor and shall be subject to legislative change. If appropriations are insufficient to fully fund incentive bonuses and scholarships pursuant to this act, the state board of education may prorate the amounts thereof.

Sec. 11. K.S.A. 2005 Supp. 72-6405 is hereby amended to read as follows: 72-6405. (a) K.S.A. 72-6405 through 72-6440 ~~and~~, the provisions of chapter 152 ~~and~~, sections 1 through 18 of chapter 194 of the 2005 session laws of Kansas *and sections 1 through 9*, and amendments thereto, shall be known and may be cited as the school district finance and quality performance act.

~~(b) The provisions of the school district finance and quality performance act are severable. If any provision of that act is held to be invalid or unconstitutional, it shall be presumed conclusively that the legislature would have enacted the remainder of such act without such invalid or unconstitutional provision.~~

(b) The provisions of the school district finance and quality performance act are severable. If any provision of that act is held to be invalid or unconstitutional, it shall be presumed conclusively that the legislature would have enacted the remainder of such act without such invalid or unconstitutional provision.

(c) It is the intent of this act to give school districts the greatest flexibility possible in the expenditure of moneys received by districts to carry out their duties under section 4 of article 6 of the constitution of the state of Kansas to maintain, develop and operate local public schools and to attain the public policy goal of the legislature to provide an opportunity for all pupils of the state of Kansas to meet standards established by the state board of education. It also is the intent of this act to require greater accountability from school districts in the expenditure of such moneys.

Sec. 12. K.S.A. 2005 Supp. 72-6407 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 ~~.65~~ *pupil in school year 2006-2007, as .80 pupil in school year 2007-2008 and as one pupil in school year 2008-2009 and each school year thereafter.* A pupil enrolled 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 $\frac{3}{5}$ 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 $\frac{3}{5}$ 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 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 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 deten-

tion 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 K.S.A. 2005 Supp. 72-6448, and amendments thereto.

(f) "Adjusted enrollment" means enrollment adjusted by adding at-risk pupil weighting, program weighting, low enrollment weighting, if any, ~~correlation density at-risk weighting~~, if any, *high enrollment* 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 ~~1,662~~ 1,632 enrollment *in school year 2006-2007, under 1,602 enrollment in school year 2007-2008 and under 1,572 in school year 2008-2009 and each school year thereafter* 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 ~~1,662~~ 1,632 or over enrollment *in school year 2006-2007, 1,602*

or over enrollment in school year 2007-2008 and 1,572 or over enrollment in school year 2008-2009 and each school year thereafter.

(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 K.S.A. 2005 Supp. 72-6449, and amendments thereto, apply on the basis of costs attributable to the cost of living in the district.~~

~~(m)~~ (l) "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.

~~(m)~~ (m) "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.

~~(n)~~ (n) "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.

~~(o)~~ (o) "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.

~~(p)~~ (p) "Declining enrollment weighting" means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 2005 Supp. 72-6451, and amendments thereto, apply on the basis of reduced revenues attributable to the declining enrollment of the district.

~~(q)~~ (q) ~~"Correlation weighting~~ *High enrollment weighting*" means an addend component assigned to enrollment of districts having ~~1,662~~ 1,632 or over enrollment *in school year 2006-2007, 1,602 or over enrollment in school year 2007-2008 and 1,572 or over enrollment in school year 2008-2009 and each school year thereafter* 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 ~~1,662~~ 1,632 enrollment.

(r) "Density at-risk pupil weighting" means an addend component assigned to enrollment of districts to which the provisions of section 3, and amendments thereto, apply.

Sec. 13. K.S.A. 2005 Supp. 72-6409 is hereby amended to read as follows: 72-6409. (a) "General fund" means the fund of a district from which operating expenses are paid and in which is deposited the proceeds from the tax levied under K.S.A. 72-6431, and amendments thereto, all amounts of general state aid under this act, payments under K.S.A. 72-7105a, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster

and amounts received under the low-rent housing program, and such other moneys as are provided by law.

(b) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 72-6430, and amendments thereto.

(c) "General fund budget" means the amount budgeted for operating expenses in the general fund of a district.

(d) "Budget per pupil" means the general fund budget of a district divided by the enrollment of the district.

(e) "Program weighted fund" means and includes the following funds of a district: Vocational education fund, *preschool-aged at-risk fund*, and bilingual education fund.

(f) "Categorical fund" means and includes the following funds of a district: Special education fund, food service fund, driver training fund, adult education fund, adult supplementary education fund, area vocational school fund, professional development fund, parent education program fund, summer program fund, extraordinary school program fund, and educational excellence grant program fund.

Sec. 14. K.S.A. 2005 Supp. 72-6410 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 ~~\$4,257~~ *\$4,307 in school year 2006-2007, \$4,356 in school year 2007-2008 and \$4,391 in school year 2008-2009 and each school year thereafter.* 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. 15. K.S.A. 2005 Supp. 72-6412 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 ~~1,662~~ 1,632 or more in school year 2006-2007, 1,602 or more in school year 2007-2008 and 1,572 or more in school year 2008-2009 and each school year thereafter, 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 ~~1,662~~ 1,632, in school year 2006-2007, less than 1,602 in school year 2007-2008 and less than 1,572 in school year 2008-2009 and each school year thereafter 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. 16. K.S.A. 2005 Supp. 72-6414 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 ~~.193~~ .268 in school year 2006-2007, .368 in school year 2007-2008 and .482 in school year 2008-2009 and each school year thereafter. 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. 17. K.S.A. 2005 Supp. 72-6414a is hereby amended to read as follows: 72-6414a. (a) There is hereby established in every district a fund which shall be called the at-risk education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. ~~Notwithstanding any other provision of law, all moneys received by the district from whatever source for at-risk assistance plans or programs shall be credited to the at-risk education fund established by this section.~~ The expenses of a district directly attributable to providing at-risk assistance or programs shall be paid from the at-risk education fund.

(b) Any balance remaining in the at-risk education fund at the end of the budget year shall be carried forward into the at-risk education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the at-risk education fund, and the amount expended therefrom

shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

(c) In order to achieve uniform reporting of the number of at-risk pupils provided service or assistance by school districts in at-risk programs, districts shall report the number of at-risk pupils served or assisted in the manner required by the state board.

Sec. 18. K.S.A. 2005 Supp. 72-6414b is hereby amended to read as follows: 72-6414b. (a) There is hereby established in every district a fund which shall be called the preschool-aged at-risk education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. ~~Notwithstanding any other provision of law, all moneys received by the district from whatever source for preschool-aged at-risk assistance plans or programs shall be credited to the preschool-aged at-risk education fund established by this section.~~ The expenses of a district directly attributable to providing preschool-aged at-risk assistance or programs shall be paid from the preschool-aged at-risk education fund.

(b) Any balance remaining in the preschool-aged at-risk education fund at the end of the budget year shall be carried forward into the preschool-aged at-risk education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the preschool-aged at-risk education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

Sec. 19. K.S.A. 2005 Supp. 72-6421 is hereby amended to read as follows: 72-6421. (a) There is hereby established in every district a fund which shall be called the vocational education fund. ~~All moneys received by a district for any course or program authorized and approved under the provisions of article 44 of chapter 72 of Kansas Statutes Annotated, except for courses and programs conducted in an area vocational school, shall be credited to the vocational education fund. All moneys received by the district from tuition, fees or charges or from any other source for vocational education courses or programs, except for courses and programs conducted in an area vocational school, shall be credited to the vocational education fund. The expenses of a district directly attributable to vocational education shall be paid from the vocational education fund.~~ *The expenses of the district directly attributable to vocational education shall be paid from the vocational education fund.*

(b) Obligations of a district pursuant to lawful agreements made under K.S.A. 72-4421, and amendments thereto, shall be paid from the vocational education fund established by this section. If any such agreement expresses an obligation of a district in terms of a mill levy, such obligation shall be construed to mean an amount equal to that which would be produced by the levy.

(c) Any balance remaining in the vocational education fund at the end of the budget year shall be carried forward into the vocational education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the vocational education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

Sec. 20. K.S.A. 2005 Supp. 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~~ 2006-2007, shall the amount maintained in the fund exceed an amount equal to 6% of the general fund budget of the district for such school year.

Sec. 21. K.S.A. 2005 Supp. 72-6434 is hereby amended to read as follows: 72-6434. (a) 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. 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 81.2 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 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) 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 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.

(e) *Amounts received as supplemental general state aid shall be used to meet the requirements under the school performance accreditation system adopted by the state board, to provide programs and services required by law and to improve student performance.*

Sec. 22. K.S.A. 2005 Supp. 72-6442b is hereby amended to read as follows: 72-6442b. The ~~correlation~~ high enrollment weighting of each district with ~~1,662~~ 1,632, or over enrollment in school year 2006-2007, 1,602 or over enrollment in school year 2007-2008 and 1,572 or over enrollment in school year 2008-2009 and each school year thereafter shall be determined by the state board as follows:

(a) Determine the schedule amount for a district with ~~1,662~~ 1,632 enrollment in school year 2006-2007, 1,602 enrollment in school year 2007-2008 and 1,572 enrollment in school year 2008-2009 and each school year thereafter 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~~ *high enrollment* weighting of the district.

Sec. 23. K.S.A. 2005 Supp. 72-8204c is hereby amended to read as follows: 72-8204c. (a) Each year the board of education of a school district shall ~~prepare a budget and a summary of the proposed budget. Such budget~~ *conduct a needs-assessment of each attendance center in the district. The needs-assessment shall be prepared in the manner and on forms prescribed by the state board. The board shall prepare a budget and a summary of the budget for the school district. The budget and summary shall be in the form prescribed by the director pursuant to K.S.A. 79-2926, and amendments thereto.*

(b) The budget and the summary of the proposed budget shall be on file at the administrative offices of the school district. Copies of such budget and summary shall be available upon request.

(c) The notice required to be published by K.S.A. 79-2929, and amendments thereto, shall include a statement that the budget and the summary of the proposed budget is on file at the administrative offices of the district and that copies of such budget and summary are available upon request.

Sec. 24. K.S.A. 2005 Supp. 72-8814 is hereby amended to read as follows: 72-8814. (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 for 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 for capital outlay state aid fund~~ in the school year.

~~(c)~~ (b) The state board 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~~

(a) *for payment of capital outlay state aid fund for distribution to school districts in accordance with the provisions of appropriation acts.*

~~(c)~~ (c) Payments ~~from the school district for~~ 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 of capital outlay state aid~~, 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.

Sec. 25. K.S.A. 2005 Supp. 72-9509 is hereby amended to read as follows: 72-9509. (a) There is hereby established in every school district a fund which shall be called the "bilingual education fund,"² which fund shall consist of all moneys deposited therein or transferred thereto according to law. ~~Notwithstanding any other provision of law, all moneys received by the school district from whatever source for bilingual education programs established under this act shall be credited to the fund established by this section.~~ The expenses of a district directly attributable to such bilingual education programs shall be paid from the bilingual education fund.

(b) Any balance remaining in the bilingual education fund at the end of the budget year shall be carried forward into the bilingual education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the bilingual education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

Sec. 26. K.S.A. 2005 Supp. 79-2926 is hereby amended to read as follows: 79-2926. (a) Subject to the provisions of subsection (b), the director of accounts and reports shall prepare and prescribe forms for the annual budgets of all taxing subdivisions or municipalities of the state. Such forms shall show the information required by this act necessary and proper to disclose complete information as to the financial condition of such taxing subdivision or municipality, and the receipts and expenditures thereof, both past and anticipated.

(b) (1) ~~From and after July 1, 2004 and~~ Based upon recommendations by the state department of education, the director shall prepare and prescribe forms for the annual budget and a summary of the proposed budget of school districts. The state department of education shall make such recommendations ~~after considering~~ *taking into consideration* the best practices and standards established by the government finance officers association and the association of school business officials *and recommendations of the legislative division of post audit.*

(2) (A) The school district budget form shall include a separate table outlining the aggregate amount of expenditures for salaries and wages for the following categories:

- (i) Certified and noncertified administrators;
- (ii) persons employed full-time as teachers;
- (iii) other certified employees who are not employed full-time as teachers;
- (iv) classified employees;
- (v) other positions designated by the state department of education; and
- (vi) substitutes and other temporary employees.

(B) The school district budget form shall show the number of full-time employee positions specified in paragraph (A) of this subsection and the average salaries or wages for such positions.

(C) The school district budget form shall show any other information recommended by the state department of education.

(3) The summary of the proposed budget form shall include:

- (A) An overview of the proposed budget of the school district and the budgetary process;
- (B) a summary of the changes in the proposed budget from the previous budget year;
- (C) a summary of the estimated expenditures to be made and revenues to be received in the ensuing budget year and the sources of such revenue;

(D) the internet website address for school building report cards compiled by the state department of education; and

(E) any other information specified by the state department of education.

(4) Nothing in this subsection (b) shall be construed as limiting the authority of school districts to develop and provide material or information in addition to that required by the state department of education.

(5) The state department of education shall provide technical advice and assistance to school districts to insure compliance with the provisions of this section.

(c) All such budget and tax levy forms shall be printed by the division of printing in such quantity as required by the director. The director shall deliver the forms for school districts to the clerk of the board of education of each school district. The forms for all other taxing subdivisions or municipalities of the state shall be delivered by the director to the county clerk of each county, who shall deliver the same to the presiding officer of the governing body of the respective taxing subdivisions or municipalities within the county.

Sec. 27. K.S.A. 2005 Supp. 79-2927a is hereby amended to read as follows: 79-2927a. (a) When preparing the budget for a school district, the board of education of the district shall budget to expend only the amount estimated to be spent from each fund of the school district. *When preparing the budget for the school district, the board shall consider the needs-assessment required by K.S.A. 72-8204c, and amendments thereto.*

(b) Except as provided by this subsection, any unexpended moneys remaining in a fund of a school district at the end of the budget year may be carried forward into such fund for succeeding budget years. The provisions of this subsection shall not apply to the general fund or the supplemental general fund of the school district.

(c) Whenever unexpended moneys in a school district fund are carried forward into such fund for the succeeding budget year, the budget of the school district shall reflect the ending balance in such fund which the school district estimates will be carried forward to the succeeding budget year.

(d) If the board of education determines it is necessary to expend moneys which had been budgeted to be carried forward into the next succeeding budget year, the board shall amend its previously adopted budget. Any amended budget shall be subject to the same publication, notice and public hearing requirements as is required by K.S.A. 79-2929, and amendments thereto, for the adoption of the original budget.

Sec. 28. K.S.A. 2005 Supp. 72-64c01 is hereby amended to read as follows: 72-64c01. (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 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 \$35 per pupil.~~

~~(b)~~ (b) 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 media. 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.

Sec. 29. K.S.A. 2005 Supp. 72-64c04 is hereby amended to read as follows: 72-64c04. (a) For school year 2007-2008, and for each school year thereafter, the total amount of state aid, except for state aid for special education and related services, shall be increased by not less than a percentage equal to the percentage increase in the CPI (urban) during the preceding fiscal year as certified to the commissioner of education by the director of the budget and the director of the legislative research department on August 15 of each year. Such state aid shall be distributed and adjusted for weighted enrollment changes in the

manner provided by law. If there is a percentage decrease or no change in the CPI (urban) during the preceding fiscal year, the amount of state aid, excluding state aid for special education and related services, shall be no less than the amount of such aid in the preceding fiscal year.

(b) The increases in the amount of state aid attributable to the new weightings created by this act, the increases in the existing weightings and the increases in the amount of base state aid per pupil shall be deemed to satisfy the requirements of subsection (a) for school years 2006-2007, 2007-2008 and 2008-2009.

~~(b)~~ *(c) The provisions of this section shall expire on June 30, 2010.*

New Sec. 30. (a) As used in this section, "school district" or "district" means a school district which has adopted a local option budget in an amount which equals the state prescribed percentage under K.S.A. 72-6433, and amendments thereto.

(b) Except as provided in subsection (f), in school year 2010-2011 and each school year thereafter, the board of education of each school district may levy annually an ad valorem tax on the taxable tangible property of the district for the purpose of providing revenue for the local supplemental aid fund of the district and for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district.

(c) The board of education of any school district which desires to adopt a local option budget which exceeds the state prescribed percentage, may do so by adoption of a resolution stating the amount of such budget. The amount of such budget shall be expressed as a percentage of the state financial aid determined for the district in the school year. Such resolution shall be subject to publication, protest and election in the same manner provided for resolutions adopted under K.S.A. 72-6433, and amendments thereto.

(d) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district, shall be deposited in the local supplemental aid fund of the district.

(e) There is hereby created in every school district a local supplemental aid fund. The fund shall consist of amounts deposited therein or credited thereto according to law. Amounts in the local supplemental aid fund shall be expended on programs and services not mandated by state law.

(f) Any balance remaining in the local supplemental aid fund at the end of the budget year shall be carried forward into that fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the enrichment fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

(g) The provisions of this section shall apply in any school year in which it is determined by law that the legislature has appropriated sufficient moneys to meet its constitutional duty to make suitable provision for the finance of educational interests of the state. Such determination shall be based upon the cost study analysis required by K.S.A. 2005 Supp. 46-1131, and amendments thereto.

Sec. 31. K.S.A. 2005 Supp. 46-1131 is hereby amended to read as follows: 46-1131. ~~(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.~~

(a) For the purpose of determining whether the legislature has appropriated sufficient moneys to meet its constitutional duty to make suitable provision for the finance of educational interests of the state, in school year 2008-2009 and each three school years thereafter,

the division of legislative 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; and (2) rules and regulations or standards relating to student performance outcomes adopted by the state board.

(c) The cost study analysis shall be based upon data available through *the current* 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.~~

~~(c) The division also shall conduct a professional cost study analysis considering the same factors specified in subsection (d), except that such cost study analysis shall consider only those curriculum, related services and programs mandated by state statute.~~

~~(d)~~ (d) 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.

~~(e)~~ (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 with consultants as the post auditor deems necessary.

~~(f)~~ (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, con-

fidential or otherwise, as authorized in conducting an audit under the legislative post audit act.

~~(h)~~ (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 following the completion of each such cost analysis study, the legislative post auditor shall submit a detailed report thereon. 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.

~~(j)~~ (j) For any agency required to be audited under K.S.A. 74-7263 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.

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

Sec. 32. K.S.A. 2005 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a)

(1) The board of any district may adopt a local option budget in each school year in an amount not to exceed an amount equal to the district prescribed percentage of the amount of state financial aid determined for the district in the school year. As used in this section, "district prescribed percentage" means:

(A) For any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year, in the 2001-02 school year and in each school year thereafter, a percentage that is equal to 80% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year;

(B) for any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

(C) for any district that was not authorized to adopt a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

(D) for any district to which the provisions of K.S.A. 72-6444, and amendments thereto, applied in the 1997-98 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year because an increase in the amount budgeted by the district in its local option budget as authorized by a resolution adopted under the provisions of subsection (b) causes the actual amount per pupil budgeted by the district in the preceding school year as determined for the district under provision (1) of subsection (a) of K.S.A. 72-6444, and amendments thereto, to equal or exceed the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year if the resolution authorized the district to increase its local option budget on a continuous and permanent basis. If the resolution that authorized the district to increase its local option budget specified a definite period of

time for which the district would retain its authority to increase the local option budget and such authority lapses at the conclusion of such period and is not renewed, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution unless the loss of the percentage of increase that was authorized by the resolution would cause the actual amount per pupil budgeted by the district to be less than the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, in which case, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution plus a percentage which shall be computed for the district by the state board in accordance with the provisions of K.S.A. 72-6444, and amendments thereto, except that, in making the determination of the actual amount per pupil budgeted by the district in the preceding school year, the state board shall exclude the percentage of increase that was authorized by the resolution.

(2) (A) Subject to the provisions of subpart (B), the adoption of a local option budget under authority of this subsection shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

(B) In lieu of utilizing the authority granted by subpart (A) for adoption of a local option budget, the board of a district may pass a resolution authorizing adoption of such a budget and publish such resolution once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

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

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year for a period of time not to exceed _____ years in an amount not to exceed _____% of the amount of state financial aid determined for the current school year. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

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

Clerk of the board of education.

All of the blanks in the resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in either of the blanks. The percentage specified in the resolution shall not exceed the district prescribed percentage. The resolution shall be published once in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board may adopt a local option budget. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution

shall be adopted by the board within the nine months following publication of the resolution. If any district is authorized to adopt a local option budget under this subpart, but the board of such district chooses, in any school year, not to adopt such a budget or chooses, in any school year, to adopt such budget in an amount less than the amount of the district prescribed percentage of the amount of state financial aid in any school year, such board of education may so choose. If the board of any district refrains from adopting a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget, nor shall the amount authorized to be budgeted in any succeeding school year be increased by such refrainment. Whenever an initial resolution has been adopted under this subpart, and such resolution specified a lesser percentage than the district prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and subject to the same conditions, and shall be authorized to increase the percentage as specified in any such subsequent resolution for the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions is not in excess of the district prescribed percentage in any school year. The board of any district that has been authorized to adopt a local option budget under this subpart and levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew its authority to adopt a local option budget in the manner specified in this subpart or may utilize the authority granted by subpart (A). As used in this subpart, the term "authorized to adopt a local option budget" means that a district has adopted a resolution under this subpart, has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the adoption of a local option budget was approved.

(3) The provisions of this subsection are subject to the provisions of subsections (b) and (c).

(b) The provisions of this subsection (b) shall be subject to the provisions of K.S.A. 72-6433a, and amendments thereto.

(1) The board of any district that adopts a local option budget under subsection (a) may increase the amount of such budget in each school year in an amount which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage of the amount of state financial aid determined for the district in the school year if the board of the district determines that an increase in such budget would be in the best interests of the district.

(2) No district may increase a local option budget under authority of this subsection until: (A) A resolution authorizing such an increase is passed by the board and published once in a newspaper having general circulation in the district; or (B) the question of whether the board shall be authorized to increase the local option budget has been submitted to and approved by the qualified electors of the district at a special election called for the purpose. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto, for the noticing, calling and holding of elections upon the question of issuing bonds under the general bond law. The notice of such election shall state the purpose for and time of the election, and the ballot shall be designed with the question of whether the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year. If a majority of the qualified electors voting at the election approve authorization of the board to increase the local option budget, the board shall have such authority. If a majority of the qualified electors voting at the election are opposed to authorization of the board to increase the local option budget, the board shall not have such authority and no like question shall

be submitted to the qualified electors of the district within the nine months following the election.

(3) (A) Subject to the provisions of subpart (B), a resolution authorizing an increase in the local option budget of a district shall state that the board of education of the district shall be authorized to increase the local option budget of the district in each school year in an amount not to exceed _____% of the amount of state financial aid determined for the current school year and that the percentage of increase may be reduced so that the sum of the percentage of the amount of state financial aid budgeted under subsection (a) and the percentage of increase specified in the resolution does not exceed the state prescribed percentage in any school year. The blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in the blank. The resolution shall specify a definite period of time for which the board shall be authorized to increase the local option budget and such period of time shall be expressed by the specific number of school years for which the board shall retain its authority to increase the local option budget. No word shall be used to express the number of years for which the board shall be authorized to increase the local option budget.

(B) In lieu of the requirements of subpart (A) and at the discretion of the board, a resolution authorizing an increase in the local option budget of a district may state that the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year.

(4) A resolution authorizing an increase in the local option budget of a district shall state that the amount of the local option budget may be increased as authorized by the resolution unless a petition in opposition to such increase, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication. If no petition is filed in accordance with the provisions of the resolution, the board is authorized to increase the local option budget of the district. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether the board shall be authorized to increase the local option budget of the district. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

(5) The requirements of provision (2) do not apply to any district that is continuously and permanently authorized to increase the local option budget of the district. An increase in the amount of a local option budget by such a district shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

(6) If any district is authorized to increase a local option budget, but the board of such district chooses, in any school year, not to adopt or increase such budget or chooses, in any school year, to adopt or increase such budget in an amount less than the amount authorized, such board of education may so choose. If the board of any district refrains from adopting or increasing a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the amount authorized to be budgeted in any succeeding school year shall not be increased by such refrainment, nor shall the authority of the district to increase its local option budget be extended by such refrainment beyond the period of time specified in the resolution authorizing an increase in the local option budget if the resolution specified such a period of time.

(7) Whenever an initial resolution has been adopted under this subsection, and such resolution specified a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) is less than the state prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and shall be authorized to increase the percentage as specified in any such subsequent resolution. If the initial resolution specified a definite period of time for which the district is authorized to increase its local option budget, the authority to increase such budget by the percentage specified in any subsequent resolution shall be limited to the remainder of the period of time specified in the initial reso-

lution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions together with the percentage of the amount of state financial aid budgeted under subsection (a) is not in excess of the state prescribed percentage in any school year.

(8) (A) Subject to the provisions of subpart (B), the board of any district that has adopted a local option budget under subsection (a), has been authorized to increase such budget under a resolution which specified a definite period of time for retention of such authorization, and has levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew the authority to increase the local option budget subject to the conditions and in the manner specified in provisions (2) and (3) of this subsection.

(B) The provisions of subpart (A) do not apply to the board of any district that is continuously and permanently authorized to increase the local option budget of the district.

(9) As used in this subsection:

(A) "Authorized to increase a local option budget" means either that a district has held a special election under provision (2)(B) by which authority of the board to increase a local option budget was approved, or that a district has adopted a resolution under provision (2) (A), has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the authority of the board to increase a local option budget was approved.

(B) "State prescribed percentage" means ~~27% for school year 2005-2006, 29% 30% for school year 2006-2007 and 30% 33% for school year 2007-2008 and each school year thereafter.~~

(c) To the extent the provisions of the foregoing subsections conflict with this subsection, this subsection shall control. Any district that is authorized to adopt a local option budget in the 1997-98 school year under a resolution which authorized the adoption of such budget in accordance with the provisions of this section prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

(d) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitation imposed under provision (3), amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to the general fund of the district or to any program weighted fund or categorical fund of the district.

(3) Amounts in the supplemental general fund may not be expended nor transferred to the general fund of the district for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

(4) Any unexpended and unencumbered cash balance remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be disposed of as provided in this subsection. If the district did not receive supplemental general state aid in the school year and the board of the district determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If the board of such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, transferred or expended the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred

to the general fund of the district. If such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the district for the school year and multiply the total amount of the cash balance remaining in the supplemental general fund by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district. The amount remaining in the supplemental general fund may be maintained in such fund or transferred to the general fund of the district.

~~(c) To the extent the provisions of the foregoing section conflict with this subsection, this subsection shall control. Any district that adopted or was authorized to adopt a local option budget for school year 2004-2005 in an amount equal to 25% may adopt a local option budget for school year 2005-2006 in an amount not to exceed the state prescribed percentage in effect on July 1, 2005, by adoption of a resolution. Such resolution shall not be subject to the provisions of this section relating to publication, protest or election.~~

New Sec. 33. (a) The purpose of this section is to assist public colleges and universities providing remedial classes needed in order for students to successfully pursue higher education studies. This section shall be applicable to students graduating from Kansas public high schools after May 1, 2007. The provisions of this section shall be applicable to Kansas high school graduates who have taken the precollege curriculum prescribed by the board of regents pursuant to K.S.A. 76-717, and amendments thereto.

(b) As used in this section:

(1) "Excess costs" means the difference between average cost per credit hour for a remedial course and the average cost per credit hour for a non-remedial course less the tuition paid per credit hour for a remedial class.

(2) "Public colleges and universities" means Kansas community colleges, municipal universities, technical colleges and state educational institutions as defined by K.S.A. 74-3201b, and amendments thereto.

(3) "Remedial classes" means classes that are designed to compensate for deficiencies in the basic skills that a typical student acquires as a part of a high school student's education in the field of English, reading and mathematics.

(4) "Students" means Kansas public high school graduates who have taken the precollege curriculum prescribed by the board of regents pursuant to K.S.A. 76-717, and amendments thereto.

(c) The state board of education and the state board of regents shall jointly designate a competency examination applicable to remedial classes. In order for public colleges and universities to qualify for payments pursuant to subsection (d), a student taking a remedial class must pass the competency examination applicable to the remedial class taken.

(d) Commencing in June of 2007, and each June thereafter, each public college and university providing remedial classes shall certify to the state board of education the following:

(1) The number of students and remedial class hours taken by students who pass a competency exam designated pursuant to section 3 and amendments thereto;

(2) the amount of excess costs applicable to remedial classes reported pursuant to subsection (a)(1); and

(3) such other information as the state board of education may require.

(e) The state board of education shall pay public colleges and universities the excess cost certified pursuant to subsection (d). The amounts shall be deducted from state aid payment to the school district the student last attended.

Sec. 34. K.S.A. 2005 Supp. 46-1131, 72-6405, 72-6407, 72-6409, 72-6410, 72-6412, 72-6414, 72-6414a, 72-6414b, 72-6421, 72-6426, 72-6433, 72-6434, 72-6442b, 72-6449, 72-64b01, 72-64b02, 72-64b03, 72-64b04, 72-64c01, 72-64c02, 72-64c04, 72-8204c, 72-8814, 72-9509, 75-2320, 79-2926 and 79-2927a are hereby repealed.

Sec. 35. This act shall take effect and be in force from and after its publication in the Kansas register.”;

Also on page 1, by striking all in liens 14, through 43;

On page 2, by striking all in lines 2 through 4;

In the title, by striking all in lines 9 through 11 and inserting:

“AN ACT concerning school districts and the powers and duties thereof; relating to the state board of education and the powers and duties thereof; relating to school finance; providing for an early high school graduation incentive program; amending K.S.A. 2005 Supp. 46-1131, 72-6405, 72-6407, 72-6409, 72-6410, 72-6412, 72-6414, 72-6414a, 72-6414b, 72-6421, 72-6426, 72-6433, 72-6434, 72-6442b, 72-64c01, 72-64c04, 72-8204c, 72-8814, 72-9509, 79-2926 and 79-2927a and repealing the existing sections; also repealing K.S.A. 2005 Supp. 72-6449, 72-64b01, 72-64b02, 72-64b03, 72-64b04, 72-64c02 and 75-2320.”;

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 14, Nays 20, Present and Passing 6, Absent or Not Voting 0.

Yeas: Allen, Betts, Brungardt, Francisco, Goodwin, Haley, Hensley, Kelly, Morris, Reitz, Schmidt V, Umbarger, Vratil, Wysong.

Nays: Apple, Barnett, Brownlee, Bruce, Donovan, Huelskamp, Jordan, Journey, Lee, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Schmidt D, Schodorf, Taddiken, Wagle, Wilson.

Present and Passing: Barone, Emler, Gilstrap, McGinn, Steineger, Teichman.

The motion failed and the amendment was rejected.

SB 584 be amended by adoption of the committee amendments, be further amended by motion of Senator Apple, as amended by Senate Committee, on page 24, by striking all in lines 11 through 35

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 24, Nays 15, Present and Passing 0, Absent or Not Voting 1.

Yeas: Apple, Barnett, Barone, Betts, Brownlee, Bruce, Donovan, Gilstrap, Goodwin, Haley, Hensley, Huelskamp, Journey, Kelly, Lee, McGinn, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Taddiken, Wagle.

Nays: Allen, Brungardt, Emler, Francisco, Jordan, Morris, Reitz, Schmidt D, Schmidt V, Schodorf, Steineger, Umbarger, Vratil, Wilson, Wysong.

Absent or Not Voting: Teichman.

The motion carried and the amendment was adopted.

Senator Allen further amended **SB 584**, as amended by Senate Committee, on page 6, following line 6, by inserting:

“New Sec. 4. The nonproficient pupil weighting of each district shall be determined by the state board as follows:

(a) (1) For school year 2006-2007, determine the number of pupils who were not eligible for free meals under the national school lunch act and who took the mathematics or reading state assessments in school year 2004-2005 and (2) for school year 2007-2008 and each school year thereafter, determine the number of pupils who were not eligible for free meals under the national school lunch act and who took the mathematics or reading state assessments in the preceding school year;

(b) (1) for school year 2006-2007, determine the number of all pupils who scored below proficiency on either the mathematics or reading state assessments in school year 2004-2005 and (2) for school year 2007-2008 and each school year thereafter, determine the number of pupils who scored below proficiency on either the mathematics or reading state assessments in the preceding school year;

(c) divide the number determined under paragraph (b) by the number determined under paragraph (a);

(d) subtract the number of pupils who are eligible for free meals under the national school lunch act from the enrollment of the district;

(e) multiply the difference determined under paragraph (d) by the dividend determined under paragraph (c); and

(f) multiply the product determined under paragraph (e) by .029. The product is the nonproficient pupil weighting of the district.

New Sec. 5. (a) There is hereby established in every district a fund which shall be called the nonproficient pupil education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district directly attributable to providing assistance or programs to nonproficient pupils shall be paid from the nonproficient pupil education fund.

(b) Any balance remaining in the nonproficient pupil education fund at the end of the budget year shall be carried forward into the nonproficient pupil education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the nonproficient pupil education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to such fund.”;

By renumbering sections;

On page 12, following line 33, by inserting:

“(t) “Nonproficient pupil” means a pupil who is not eligible for free meals under the national school lunch act and who has scored less than proficient on the mathematics or reading state assessment during the preceding school year and who is enrolled in a district which maintains an approved proficiency assistance plan.

(u) “Nonproficient pupil weighting” means an addend component assigned to enrollment of districts on the basis of enrollment of nonproficient pupils.”

Senator Schodorf further amended **SB 584**, as amended by Senate Committee, on page 29, in line 39, by striking all after the stricken material; by striking all in lines 40 through 43;

On page 30, by striking all in line 1; in line 2, by striking all before “shall” and inserting “The expenses of a district directly attributable to vocational education”

Senator Vratil further amended **SB 584**, as amended by Senate Committee, on page 3, in line 29, by striking “each school year” and inserting “school year 2006-2007 and school year 2007-2008”

Senator Lee further amended **SB 584**, as amended by Senate Committee, on page 29, by striking all in lines 39 through 43;

On page 30, by striking all in line 1; in line 2, by striking “thereto,” and inserting “The expenses of the district directly attributable to vocational education”; by striking all in lines 19 through 28

Senator Hensley further amended **SB 584**, as amended by Senate Committee, on page 1, by striking all in lines 17 through 23 and inserting:

“New Section 1. The density at-risk pupil weighting of each school district shall be determined by the state board as follows:

(a) If the district has an enrollment of less than 40% at-risk pupils, the state board shall multiply the number of at-risk pupils by 0. The product is the density at-risk pupil weighting of the district.

(b) If the district has an enrollment of at least 40% but less than 50% at-risk pupils, the state board shall multiply the number of at-risk pupils by .04. The product is the density at-risk pupil weighting of the district.

(c) If the district has an enrollment of 50% or more at-risk pupils, the state board shall multiply the number of at-risk pupils by .08. The product is the density at-risk pupil weighting of the district.”, and **SB 584** be passed as further amended.

FINAL ACTION OF BILLS AND CONCURRENT RESOLUTIONS

On motion of Senator D. Schmidt an emergency was declared by a $\frac{2}{3}$ constitutional majority, and **SB 501**, **SB 584** were advanced to Final Action and roll call.

SB 501, An act concerning schools and school districts; relating to school finance; powers and duties of the Kansas state high school activities association; amending K.S.A. 2005 Supp. 72-6410, 72-6413 and 72-6414 and repealing the existing sections.

On roll call, the vote was: Yeas 20, Nays 20, Present and Passing 0, Absent or Not Voting 0.

Yeas: Apple, Barnett, Brownlee, Bruce, Donovan, Huelskamp, Jordan, Journey, McGinn, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Schmidt D, Schmidt V, Taddiken, Wagle, Wilson.

Nays: Allen, Barone, Betts, Brungardt, Emler, Francisco, Gilstrap, Goodwin, Haley, Hensley, Kelly, Lee, Morris, Reitz, Schodorf, Steineger, Teichman, Umbarger, Vratil, Wysong.

A constitutional majority having failed to vote in favor of the bill, **SB 501** did not pass. **SB 584**, An act concerning school districts; relating to school finance; amending K.S.A. 72-6441 and K.S.A. 2005 Supp. 72-978, 72-6407, 72-6410, 72-6412, 72-6414, 72-6414a, 72-6414b, 72-6415b, 72-6421, 72-6433, 72-6434, 72-6442b and 72-9509 and repealing the existing sections.

On roll call, a call off the Senate was requested by five senators.

The vote was: Yeas 16, Nays 24, Present and Passing 0, Absent or Not Voting 0.

Yeas: Barone, Betts, Brungardt, Emler, Francisco, Gilstrap, Goodwin, Haley, Lee, Morris, Reitz, Schmidt D, Schmidt V, Schodorf, Teichman, Umbarger.

Nays: Allen, Apple, Barnett, Brownlee, Bruce, Donovan, Hensley, Huelskamp, Jordan, Journey, Kelly, McGinn, O'Connor, Ostmeyer, Palmer, Petersen, Pine, Pyle, Steineger, Taddiken, Vratil, Wagle, Wilson, Wysong.

A constitutional majority having failed to vote in favor of the bill, **SB 584** did not pass.

On motion of President Morris the call of the Senate was lifted.

EXPLANATION OF VOTE

MR. PRESIDENT: I vote NO on **SB 584**. It blows a deep hole in the budget in four years that can only be funded by a tax increase. A vote for this bill is like charging on a stolen credit card the future education of our Kansas children. The stolen credit card belongs to the taxpayers in our districts. This is a reckless and irresponsible way to fund K-12 education.—JIM BARNETT

Senators Journey, O'Connor and Ostmeyer request the record to show they concur with the "Explanation of Vote" offered by Senator Barnett on **SB 584**.

REPORT ON ENROLLED BILLS

SR 1825, SR 1826, SR 1827, SR 1828, SR 1829, SR 1830, SR 1831, SR 1832 reported correctly enrolled, properly signed and presented to the Secretary of the Senate on March 30, 2006.

REPORTS OF STANDING COMMITTEES

Committee on **Commerce** recommends **HB 2928** be amended by substituting a new bill to be designated as "SENATE Substitute for HOUSE BILL No. 2928," as follows:

"SENATE Substitute for HOUSE BILL No. 2928

By Committee on Commerce

"AN ACT concerning victims; relating to domestic violence, sexual assault, trafficking or stalking; address confidentiality; authorizing the secretary of state to perform certain duties and functions.;"

and the substitute bill be passed.

Committee on **Federal and State Affairs** recommends **HB 2966** be passed.

Also, **HB 2329, HB 2532, HB 2982**, all as amended by House Committee, be passed.

Committee on **Ways and Means** recommends **HB 2967** be passed.

Also, **HB 3005**, as amended by House Committee, be amended on page 2, in line 7, by striking "35,000" and inserting "25,000"; in line 9, by striking "120" and inserting "12"; also in line 9, before the period, by inserting "for each separate year a student receives a loan under the program, unless such obligation is otherwise satisfied as provided in this section"; and the bill be passed as amended.

MESSAGE FROM THE HOUSE

Announcing, the House adopts the conference committee report on **House Substitute for SB 207**.

The House adopts the conference committee report on **House Substitute for SB 270**.

The House adopts the conference committee report on **SB 480**.

The House adopts the conference committee report on **SB 553**.

The House adopts the conference committee report on **SB 459** to agree to disagree and has appointed Representatives Myers, Judy Morrison and Flaharty as second conferees on the part of the House.

The House concurs in Senate amendments to **Substitute HB 2727** and requests the Senate to return the bill.

The House concurs in Senate amendments to **HB 2949** and requests the Senate to return the bill.

CONSIDERATION OF MOTIONS TO CONCUR OR NONCONCUR

On motion of Senator Brungardt the Senate nonconcurred in the House amendments to **H Sub for SB 47** and requested a conference committee be appointed.

The President appointed Senators Bungardt, Reitz and Hensley as a conference committee on the part of the Senate.

On motion of Senator Vratil the Senate nonconcurred in the House amendments to **H Sub for SB 51** and requested a conference committee be appointed.

The President appointed Senators Vratil, Bruce and Goodwin as a conference committee on the part of the Senate.

On motion of Senator Umbarger the Senate nonconcurred in the House amendments to **H Sub for Sub SB 85** and requested a conference committee be appointed.

The President appointed Senators Umbarger, Emler and Barone as a conference committee on the part of the Senate.

On motion of Senator Umbarger the Senate nonconcurred in the House amendments to **H Sub for SB 243** and requested a conference committee be appointed.

The President appointed Senators Umbarger, Emler and Barone as a conference committee on the part of the Senate.

On motion of Senator Brungardt the Senate nonconcurred in the House amendments to **SB 297** and requested a conference committee be appointed.

The President appointed Senators Brungardt, Reitz and Hensley as a conference committee on the part of the Senate.

On motion of Senator Brungardt the Senate nonconcurred in the House amendments to **SB 421** and requested a conference committee be appointed.

The President appointed Senators Brungardt, Reitz and Hensley as a conference committee on the part of the Senate.

On motion of Senator Brungardt the Senate nonconcurred in the House amendments to **SB 549** and requested a conference committee be appointed.

The President appointed Senators Brungardt, Reitz and Hensley as a conference committee on the part of the Senate.

On motion of Senator Schodorf the Senate nonconcurred in the House amendments to **SCR 1618** and requested a conference committee be appointed.

The President appointed Senators Schodorf, Vratil and Lee as a conference committee on the part of the Senate.

On motion of Senator D. Schmidt the Senate adjourned until 9:30 a.m., Friday, March 31, 2006.

HELEN MORELAND, CAROL PARRETT, BRENDA KLING, *Journal Clerks*.

PAT SAVILLE, *Secretary of the Senate*.

