

SESSION OF 2023

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 113**

As Recommended by House Committee on
K-12 Education Budget

Brief*

House Sub. for SB 113 would make appropriations for the Kansas State Department of Education (KSDE) for FY 2023, FY 2024 and FY 2025; make adjustments to the Kansas School Equity and Enhancement Act (KSEEA); and amend various provisions of law related to K-12 education.

The bill would also codify the Mental Health Intervention Team program, extend the 20 mill exemption for two years, and allow school districts to utilize current year student enrollment in the calculation of State Foundation Aid.

***Appropriations for FY 2023, FY 2024, and FY 2025
(Sections 1 – 3)***

FY 2023

For KSDE, the bill would:

- Appropriate \$11.4 million from the State General Fund (SGF) for Kansas Public Employees Retirement (KPERS) school employer contributions of Unified School Districts (USDs);
- Delete \$6.5 million SGF from the KPERS non-USDs account; and

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

- Delete \$76.3 million from State Foundation Aid.

FY 2024

For KSDE, the bill would appropriate \$6.4 billion, including \$4.2 billion SGF. This amount includes \$5.3 billion, including \$4.2 billion SGF, for the major categories of school finance, KPERS-USDs, and KPERS non-USDs.

Appropriations from the SGF would include the following:

- \$14.8 million for operating expenditures;
- \$101.4 million for State Foundation Aid;
- \$80,000 for the Center for READING;
- \$32.0 million for KPERS non-USDs;
- \$537.4 million for KPERS-USDs;
- \$2.8 million for the ACT and WorkKeys Assessments Program;
- \$13.5 million for the Mental Health Intervention Team Pilot Program;
- \$1.5 million for Career and Technical Education Transportation;
- \$300,000 for the Juvenile Transitional Crisis Center Pilot program;
- \$67,700 for Education Commission of the States dues;
- \$10,000 for the School Safety Hotline;
- \$5.0 million for School Safety and Security Grants;

- \$5.1 million for the School District Juvenile Detention Facilities and Flint Hills Job Corps Center Grants;
- \$2.5 million for School Food Assistance;
- \$1.3 million for the Mentor Teacher Program;
- \$110,000 for Educable Deaf-blind and Severely Handicapped Children's Programs Aid;
- \$360,693 for Governor's Teaching Excellence Scholarships and Awards;
- \$2.4 million for Supplemental State Aid;
- \$1.8 million for Professional Development State Aid;
- \$1.0 million for Computer Science Education Advancement Grants; and
- \$40,000 for the Computer Technical Education Pilot;

The bill would allow school districts to expend School Safety and Security Grants for acquisition of communication devices and equipment necessary for effective communication between law enforcement, security services, and school, in addition to existing allowable purposes.

The bill would also appropriate funding from several no-limit special revenue funds, including federal funds, and fee funds. The bill would appropriate the following from the Children's Initiatives Fund (CIF):

- \$375,000 for the Children's Cabinet Accountability Fund;
- \$23.7 million for CIF grants;

- \$8.4 million for the Parent Education Program, also known as Parents as Teachers;
- \$4.2 million for the Pre-K Pilot Program;
- \$1.4 million for Early Childhood Infrastructure; and
- \$1.5 million for the Dolly Parton Imagination Library.

The bill would provide for the following transfers:

- \$50,000 on July 1, 2024, or as soon as moneys are available, from the Family and Children Trust Account of the Family and Children Investment Fund of KSDE to the Communities in Schools Program Fund of KSDE;
- \$550,000 on March 30, 2024, and \$550,000 on June 30, 2024, from the State Safety Fund to the SGF to reimburse costs associated with services provided by other state agencies on behalf of KSDE;
- \$81,250, quarterly, from the State Highway Fund of the Department of Transportation to the School Bus Safety Fund of KSDE;
- An amount certified by the Commissioner of Education from the Motorcycle Safety Fund of KSDE to the Motorcycle Safety Fund of the State Board of Regents, to cover costs of driver's license programs conducted by community colleges; and
- \$70,000 from the Universal Service Administrative Company E-rate Program Federal Fund of the State Board of Regents to the Education Technology Coordinator Fund of KSDE.

The bill would appropriate \$268,534 from the Kansas Endowment for Youth Fund for the Children's Cabinet administration.

The bill would also authorize the Commissioner of Education to transfer any part of an SGF appropriation for KSDE to another SGF appropriation for KSDE for FY 2024.

The bill would appropriate \$43.8 million from the Expanded Lottery Act Revenues Fund for KPERS non-USDs.

FY 2025

For KSDE, the bill would appropriate the following from the SGF:

- \$2.8 billion for State Foundation Aid,
- \$602.2 million for Supplemental State Aid, and
- \$592.7 million for Special Education State Aid. The bill also authorizes expenditures from the State School District Finance Fund and the Mineral Production Education Fund.

Mental Health Intervention Team Program Act (Sections 4 – 8)

The bill would establish the Mental Health Intervention Team Program Act (MHIT Act). Under the act, school district boards could apply to KSDE to establish and maintain a MHIT program with a specified community mental health center to provide school-based services to students who need assistance during the applicable school year. The bill would require the MHIT to include a combination of one or more behavioral health liaisons employed by the school district and one or more case managers and clinical therapists employed by the community mental health center.

Definitions (Section 4)

The bill would define terms in the MHIT Act:

- “Community mental health center” would mean a center organized pursuant to article 40 of chapter 19 of the Kansas Statutes Annotated, and amendments thereto, or a mental health clinic organized pursuant to article 2 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.
- “Liaison” would mean a person who will help students in need and coordinate services between the school district, the student, the student’s family, and the community mental health center. This person could be employed by the school or the community mental health center and must have a bachelor’s degree in any field of study.

Purpose and Focus (Section 5)

The bill would specify that the purposes of the MHIT Act are to:

- Provide greater access to behavioral health services for students;
- Link students and their families to the statewide behavioral health systems and resources within the network of community mental health centers;
- Alleviate the shortage of school staff with specialized degrees;
- Reduce the competition for such staff between school districts and other private and governmental service providers; and

- Reduce barriers for students accessing mental health services.

The MHIT program would be required to focus on the following students:

- Any student who has been adjudicated as a child in need of care and is in the custody of the Secretary for Children and Families or has been referred for a Families First program or family preservation program; and
- Any other student who is in need of mental health support services.

Implementation (Section 6)

Each school year, a school board could apply to KSDE for grant funding to establish or maintain an MHIT. If awarded, KSDE would be required to grant funding to school districts to supplement the salary and fringe benefits of a school behavioral health liaison. Additionally, KSDE would be required to award a pass-through grant to the district's partnering community mental health center that is equal to 33 percent of the MHIT grant. If approved by KSDE, the school district would be required to enter into a memorandum of understanding (MOU) with the chosen community mental health center.

School districts could also choose to not directly employ the liaison and instead request a waiver from KSDE that would authorize the community health center to employ the school liaison.

Staffing (Section 7)

The MHIT would be required to include a combination of one or more:

- School liaisons who are employed by the school or the community mental health center;
- Case managers; and
- Clinical therapists.

Funding (Section 8)

The bill would establish in each school district an MHIT program fund to receive and expend appropriated moneys. This would include salary and fringe benefits of any school liaison employed by the school district and the pass-through grant money for the community mental health center. The school district would be required to keep separate accounting records for the school liaison expenditures and the pass-through grant moneys and report.

Nonpublic School Students Participation in KSHSAA Activities (Section 9 – 10)

The bill would allow any nonpublic school student to participate in any activities offered by a school district that are regulated, supervised, promoted, and developed by the Kansas State High School Activities Association (KSHSAA), as long as the student:

- Is a resident of the school district;
- Is enrolled and attending a nonpublic elementary or secondary school;
- Complies with the requirements of KSA 72-6262, and amendments thereto; and
- Pays any fees required by the school district for participation in such activity.

The school district board could require a nonpublic school student who participates in an activity pursuant to this section to enroll or complete a particular course as a condition of participation, if such requirement is imposed upon all other students who participate in such activity. Under the bill, the Kansas State High School Activities Association could not prohibit any such student from participating in any activity available to such student as part of the student's primary enrollment and attendance at a nonpublic school.

Parent Portal (Section 11)

The bill would require school districts to create a parent portal on the school district website and update the information annually. As an administrative duty, the district would be required to include the following information to be posted on the parent portal:

- The number of nonresident student transfers approved, denied, and whether denial was due to capacity limitations or district policies;
- A copy of all academic tests, questionnaires, surveys, or examinations as required by law; and
- A list of the school district's adopted curriculum, organized by grade level, including textbooks, required reading books, and units of study by theme, chapter, or subject matter. A school district would only be required to post such information once per school year, unless the board of education of the school district makes substantial changes to the district's adopted curriculum content during the school year. The bill would specify that this would not be construed to require the posting of teacher lesson plans.

Compensating School Board Members (Section 12)

The bill would amend KSA 72-1137 to allow school districts to compensate members of local boards of education for the work and duties performed by such members.

Amending Nonresident Enrollment (Section 13 – 14)

The bill would amend KSA 72-3123 to permit nonresident enrollment, beginning in school year 2024-2025, for students of school district employees and students experiencing homelessness. The bill would also amend KSA 72-3126 to require school districts to consider the adverse impact of homelessness on attendance when determining the district's capacity to accept nonresident students.

***Kansas School Equity and Enhancement Act
Amendments (Section 15)***

The bill would amend the Kansas School Equity and Enhancement Act (KSEEA) to allow a school district to utilize current school year enrollment numbers for the purpose of calculating State Foundation Aid for the current fiscal year. [Note: Under current law, school districts are permitted to utilize enrollment numbers from one of the two prior school years for the calculation of State Foundation Aid. An alternative calculation method is also permitted for school districts that enroll military students and receive federal Impact Aid.]

The bill would allow a school district to use enrollment numbers for all regularly enrolled students from kindergarten through grade 12 plus the district's number of enrolled preschool-aged at-risk students as of September 20 of the current school year for the purpose of calculating State Foundation Aid for the current fiscal year.

***Continuing the 20 Mill Statewide Levy for Schools
(Section 16)***

The bill would amend KSA 72-5142 to include the 2023-2024 and 2024-2025 school year and would continue the 20 mill statewide property tax for schools for the school years 2023-2024 and 2024-2025 in order to finance the portion of the school district's general fund budget not otherwise funded by law.

School District Cost of Living Weighting (Section 17)

The bill would reduce the percentage of the statewide average residential home value required to be eligible for the cost of living weighting from 125 percent to 115 percent. The bill would also provide for an increase in the cost of living weighting cap from 5 percent to 7 percent in the 2023-2024 school year. The bill would provide for ensuing yearly increases in the cap using the preceding three-year average of the consumer price index for the urban region as an inflation increase. [Note: This weighting is funded by a local mill levy with no impact on the SGF.]

School District Capital Improvements (Section 18)

The bill would also remove language included in 2022 Senate Sub. for HB 2567 that required a transfer of revenue from the SGF to the School District Capital Improvements Fund. Starting in FY 2024, the bill would revert the transfer to a demand transfer in accordance with KSA 72-5462.

Background

The House Committee on K-12 Education Budget recommended a substitute bill incorporating provisions regarding appropriations for KSDE and K-12 education topics.

The House Committee added KSDE budget provisions to:

- Delete \$592.7 million SGF and associated language for the special education state aid for FY 2024. [Note: The state aid is included in House Sub. for SB 83];
- Delete \$1.9 million SGF to not adopt the agency's enhancement request for Professional Development for FY 2024;
- Delete \$1.0 million SGF to not adopt the agency's enhancement request for the Mentor Teacher Program for FY 2024;
- Delete \$1.3 million from the Children's Initiatives Fund to not adopt the agency's enhancement request for the Parents as Teachers Program for FY 2024;
- Remove only the portion of the Safe and Secure Schools program proviso language relating to acquisition of naloxone hydrochloride products as an allowable expenditure in FY 2024;
- Delete \$76.7 million SGF and remove the high density at-risk sunset extension proviso for FY 2025; and
- Delete \$72.4 million SGF for special education state aid for FY 2025.

The House Committee further amended the bill to:

- Insert sections 1, 2, 3, 4, and 5 of HB 2444, as introduced, to establish in statute the Mental Health Intervention Team (MHIT) Program;
- Insert sections 1 and 2 of HB 2030, as introduced, to expand the students eligible to participate in

Kansas State High School Activities Association (KSHSAA) activities;

- Insert sections 1, 2, and 3 of HB 2271, as amended by the House Committee, to create a parent web portal and expand nonresident enrollment for children of district employees and students experiencing homelessness;
- Insert section 1 of HB 2261 as introduced to allow school districts to pay school board members;
- Insert section 1 of HB 2040 as introduced to allow the current year student enrollment to be used in the school finance formula;
- Insert section 1 of SB 295, as introduced, to authorize the existing 20 mills ad valorem tax to school years 2023-2024 and 2024-2025;
- Add language to expand school district eligibility for the cost of living weighting and increase the limitation on the amount that can be levied; and
- Insert section 118 of HB 2273 to require a demand transfer for the School District Capital Improvements Fund starting in FY 2024.

SB 113, as recommended by the Senate Committee on Public Health and Welfare, would have allowed naturopathic doctors to engage in the corporate practice of medicine. [Note: These provisions were not retained in the substitute bill.]

HB 2444 (MHIT Program)

HB 2444 was introduced by the House Committee on K-12 Education Budget at the request of Representative Landwehr.

House Committee on K-12 Budget

In the House Committee hearing on March 8, 2023, **proponent** testimony was provided by representatives of the Association of Community Mental Health Centers, Central Kansas Mental Health Center, COMCARE of Sedgwick County, Family Service and Guidance Center, Kansas State Board of Education, USD 233 Olathe, USD 305 Salina, and Wichita Public Schools generally the supporting the bill and the coordination of services it provides.

Neutral testimony was provided by the Behavioral Health Association of Kansas, the Kansas Association of School Boards, and the Shawnee Mission School District.

Opponent testimony was provided by the Community Health Center of Southeast Kansas (CHCSEK). The CHCSEK conferee noted that the bill would limit partnership to community mental health centers, and the organization would prefer to see language including any community based mental health provider.

The House Committee amended the bill to require KSDE to prepare and submit a report to the Legislature regarding the program each year.

Fiscal Information

According to KSDE, the codification of the MHIT Program would be accomplished within existing resources. The Division of the Budget notes that expenditures totaling \$10.6 million SGF in FY 2023 are recommended for the 66 school districts currently participating in the MHIT Program. For FY 2024, the Governor includes base MHIT funding totaling \$10.5 million for 66 participating school districts, plus an additional \$3.0 million to allow for the expansion of between 15 to 25 additional school districts, depending on the size of the districts and programs, for a total of \$13.5 million, all from the State General Fund.

HB 2030 (Nonpublic School Student Participation in KSHSAA Activities)

HB 2030 was introduced by the House Committee on K-12 Education Budget at the request of Representative Johnson.

House Committee on K-12 Budget

In the House Committee hearing on January 24, 2023, **proponent** testimony was provided by representatives of Americans for Prosperity; Kansas Policy Institute; Kansas Family Voice; and Yes, Every Kid; and six private citizens generally in support of the bill.

Opponent testimony was provided by representatives of the Central Kansas League of Superintendents, Kansas Association of Independent and Religious Schools, Kansas Association of School Boards, Kansas State Board of Education, Kansas State High School Activity Association, and the Kansas State Parent Teacher Association.

No other testimony was provided.

Fiscal Information

According to the Division of Budget, enactment of HB 2030 would have no fiscal effect.

HB 2271 (Parent Portal, Nonresident Enrollment)

HB 2271 was introduced by the House Committee on K-12 Education Budget at the request of Representative Johnson.

House Committee on K-12 Budget

In the House Committee hearing on February 14, 2023, **proponent** testimony was provided by a representative of the Kansas State Parent Teacher Association in support of the bill.

Neutral testimony was provided by representatives of USD 262 Valley Center Schools and Kansas National Education Association.

No other testimony was provided.

Fiscal Information

According to the Division of Budget, the enactment of HB 2271 would have no fiscal effect.

HB 2261 (Compensating School Board Members)

HB 2261 was introduced in the House Committee on K-12 Education Budget at the request of Representative Schmoe.

House Committee on K-12 Budget

In the House Committee hearing on February 14, 2023, neutral testimony was provided by former Representative Jim Karleskint on behalf of the United School Administrators of Kansas generally supporting school administration working closely with the local Board of Education.

No other testimony was provided.

Fiscal Information

According to the Division of Budget, the enactment of HB 2261 would not change state aid to school districts. Any

fiscal effect of HB 2261 would be borne by districts that would choose to compensate board members. KSDE notes that if all 286 school districts were to compensate each board member (seven per board) at \$20 per hour for approximately 71 hours of work each year, the total cost would be \$2.8 million for school districts.

HB 2040 (Current Year Enrollment and School Finance Formula)

HB 2040 was introduced by the House Committee on Education at the request of Representative Thomas.

House Committee on Education

In the House Committee hearing on January 24, 2023, **proponent** testimony was provided by representatives of the Kansas Association of School Boards, United School Administrators of Kansas, USD 230 Spring Hill, USD 231 Gardner Edgerton, and USD 323 Rock Creek generally in support of the bill.

Written-only proponent testimony was provided by representatives of USD 216 Deerfield, USD 232 De Soto, and USD 250 Pittsburg in general support of the bill.

Written-only **opponent** testimony was provided by a representative of the Kansas Policy Institute, generally supporting the current year enrollment but objecting to not excluding previous year enrollment counts.

Fiscal Information

According to KSDE, using data from the FY 2023 school year, the enactment of HB 2040 would require additional SGF expenditures totaling \$19,911,290. Of this amount, \$17.5 million would be for State Foundation Aid and \$2.4 million would be for the Local option Budget (LOB) State Aid. The

fiscal effect for FY 2024 would depend on the actual number of students enrolled in that year.

SB 295 (Continuing the 20 Mill Statewide Levy for Schools)

Senate Committee on Ways and Means

SB 295 was introduced in the Senate Committee on Ways and Means and is scheduled to have a hearing in the future.

Fiscal Information

According to the Division of Budget, revenues from the 20 mill property tax, including authorized exemptions, that would assist financing State Foundation Aid payments in the school finance formula, are estimated to be \$799.1 million in FY 2023, \$811.5 million in FY 2024, and \$812.3 million in FY 2025, as estimated during the fall 2022 Education Consensus Estimating process.

K-12 budget; Mental Health Intervention Team Program; open enrollment; 20 mill extension; school district COLA