

**HOUSE BILL No. 2540**

By Committee on K-12 Education Budget

1-31

1 AN ACT concerning school districts; relating to the Kansas school equity  
2 and enhancement act; requiring certain expenditures from school  
3 district at-risk education funds; amending K.S.A. 72-5151 and K.S.A.  
4 2019 Supp. 72-5153 {and 72-5173} and repealing the existing sections.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 72-5151 is hereby amended to read as follows: 72-  
8 5151. (a) The at-risk student weighting of each school district shall be  
9 determined by the state board as follows:

10 (1) Determine the number of at-risk students included in the  
11 enrollment of the school district; and

12 (2) multiply the number determined under subsection (a)(1) by 0.484.  
13 The resulting sum is the at-risk student weighting of the school district.

14 (b) Except as provided in subsection (b)(4), the high-density at-risk  
15 student weighting of each school district shall be determined by the state  
16 board as follows:

17 (1) (A) If the enrollment of the school district is at least 35% at-risk  
18 students, but less than 50% at-risk students:

19 (i) Subtract 35% from the percentage of at-risk students included in  
20 the enrollment of the school district;

21 (ii) multiply the difference determined under subsection (b)(1)(A)(i)  
22 by 0.7; and

23 (iii) multiply the product determined under subsection (b)(1)(A)(ii)  
24 by the number of at-risk students included in the enrollment of the school  
25 district; or

26 (B) if the enrollment of the school district is 50% or more at-risk  
27 students, multiply the number of at-risk students included in the  
28 enrollment of the school district by 0.105; or

29 (2) (A) if the enrollment of a school in the school district is at least  
30 35% at-risk students, but less than 50% at-risk students:

31 (i) Subtract 35% from the percentage of at-risk students included in  
32 the enrollment of such school;

33 (ii) multiply the difference determined under subsection (b)(2)(A)(i)  
34 by 0.7; and

1 (iii) multiply the product determined under subsection (b)(2)(A)(ii)  
2 by the number of at-risk students included in the enrollment of such  
3 school; or

4 (B) if the enrollment of a school in the school district is 50% or more  
5 at-risk students, multiply the number of at-risk students included in the  
6 enrollment of such school by 0.105; and

7 (C) add the products determined under subsections (b)(2)(A)(iii) and  
8 (b)(2)(B) for each such school in the school district, respectively.

9 (3) The high-density at-risk *student* weighting of the school district  
10 shall be the greater of the product determined under subsection (b)(1) or  
11 the sum determined under subsection (b)(2)(C).

12 (4) ~~Commencing in school year 2018-2019,~~ School districts that  
13 qualify to receive the high-density at-risk *student* weighting pursuant to  
14 this section shall spend any money attributable to the school district's high-  
15 density at-risk *student* weighting on the at-risk best practices developed by  
16 the state board pursuant to K.S.A. 72-5153(d), and amendments thereto. If  
17 a school district that qualifies for the high-density at-risk *student*  
18 weighting does not spend such money on such best practices, the state  
19 board shall notify the school district that it shall either spend such money  
20 on such best practices or shall show improvement within five years of  
21 notification. Improvement shall include, but not be limited to, the  
22 following: (A) The percentage of students at grade level on state math and  
23 English language arts assessments; (B) the percentage of students that are  
24 college and career ready on state math and English language arts  
25 assessments; (C) the average composite ACT score; or (D) the four-year  
26 graduation rate. If a school district does not spend such money on such  
27 best practices and does not show improvement within five years, the  
28 school district shall not qualify to receive the high-density at-risk *student*  
29 weighting in the succeeding school year.

30 (5) The provisions of this subsection shall expire on July 1, ~~2020~~  
31 **2025**.

32 (c) *Upon a school district's receipt of state foundation aid, that*  
33 *portion of such state foundation aid that is directly attributable to such*  
34 *school district's at-risk student weighting and high-density at-risk student*  
35 *weighting, if any, shall be transferred to the district's at-risk education*  
36 *fund established under K.S.A. 72-5153, and amendments thereto.*

37 Sec. 2. K.S.A. 2019 Supp. 72-5153 is hereby amended to read as  
38 follows: 72-5153. (a) There is hereby established in every school district  
39 an at-risk education fund, ~~which~~ *that* shall consist of all moneys deposited  
40 therein or transferred thereto according to law. The expenses of a school  
41 district directly attributable to providing at-risk student assistance or  
42 programs shall be paid from the at-risk education fund.

43 (b) Any balance remaining in the at-risk education fund at the end of

1 the budget year shall be carried forward into the at-risk education fund for  
2 succeeding budget years. Such fund shall not be subject to the provisions  
3 of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing  
4 the budget of such school district, the amounts credited to and the amount  
5 on hand in the at-risk education fund, and the amount expended therefrom  
6 shall be included in the annual budget for the information of the residents  
7 of the school district. Interest earned on the investment of moneys in any  
8 such fund shall be credited to that fund.

9 (c) ~~Commencing in school year 2018-2019~~, Expenditures from the at-  
10 risk education fund of a school district shall only be made for the  
11 following purposes:

12 (1) At-risk **and provisional at-risk** educational programs ~~based on~~  
13 ~~best practices identified pursuant to subsection (d)~~;

14 (2) personnel providing educational services in conjunction with such  
15 programs; or

16 (3) services contracted for by the school district to provide ~~at-risk~~  
17 ~~educational such programs based on best practices identified pursuant to~~  
18 ~~subsection (d)~~.

19 (d) (1) The state board shall identify and approve evidence-based  
20 best practices for at-risk *educational* programs and instruction of students  
21 receiving at-risk program services. ~~On and after July 1, 2019~~, Such best  
22 practices shall include, but not be limited to, programs and services  
23 provided by state-based national nonprofit organizations that:

24 (A) Focus on students who are identified as students eligible to  
25 receive at-risk program services or who face other identifiable barriers to  
26 success;

27 (B) provide evidence-based instruction and support services to such  
28 students inside and outside the school setting; and

29 (C) evaluate outcomes data for students, including, but not limited to,  
30 school attendance, academic progress, graduation rates, pursuit of  
31 postsecondary education or career advancement.

32 (2) The state board shall review and update such best practices as  
33 necessary and as part of its five-year accreditation system review process.

34 (3) *The state board shall provide a list of approved at-risk*  
35 *educational programs to each school district. No expenditure shall be*  
36 *made from a school district's at-risk education fund for any program or*  
37 *service that is not included on the list of approved at-risk educational*  
38 *programs, unless such program is a provisional at-risk educational*  
39 **program. Expenditures shall only be made for a provisional at-risk**  
40 **educational program for the first year such program is implemented**  
41 **by a school district. The state board shall review any such provisional**  
42 **at-risk educational program, and if such program satisfies the state**  
43 **board's requirements as an evidence-based best practice, then such**

1 **program shall be included in the list of approved at-risk educational**  
2 **programs.** *The department shall publish the list on the department's*  
3 *website with a link to such list prominently displayed on the website*  
4 *homepage.*

5 (e) Each year the board of education of each school district shall  
6 prepare and submit to the state board a report on the ~~assistance or~~ **at-risk**  
7 **and provisional at-risk educational** programs provided by the school  
8 district for students identified as eligible to receive at-risk program  
9 services. Such report shall include:

10 (1) The number of students identified as eligible to receive at-risk **or**  
11 **provisional at-risk educational** program services who were served or  
12 provided assistance,;

13 (2) the type of ~~service~~ **at-risk and provisional at-risk educational**  
14 **program services** provided, *including the number of students served or*  
15 *provided assistance under each program;*

16 (3) the research upon which the school district relied in determining  
17 that a need for service or assistance existed,;

18 (4) the results of providing such service or assistance **by a**  
19 **comparison of students receiving such service or assistance with all**  
20 **other students,** *including specific academic performance progress*  
21 *achieved through each program provided,* **attendance and, if applicable,**  
22 **state assessment score, four-year graduation rate and average ACT**  
23 **composite score;** and

24 (5) any other information required by the state board.

25 (f) In order to achieve uniform reporting of the number of students  
26 provided service or assistance by school districts in at-risk student  
27 programs, school districts shall report the number of students served or  
28 assisted in the manner required by the state board.

29 (g) As used in this section, ~~the term:~~

30 (1) *"At-risk educational program" means an at-risk program or*  
31 *service that is identified and approved by the state board as an evidence-*  
32 *based best practice pursuant to subsection (d);* ~~and~~

33 (2) *"evidence-based instruction" means an education delivery system*  
34 *based on peer-reviewed research that consistently produces better student*  
35 *outcomes over a five-year period than would otherwise be achieved by the*  
36 *same students who are receiving at-risk program services;* **and**

37 (3) **"provisional at-risk educational program" means an**  
38 **evidence-based at-risk program or service identified by a school**  
39 **district as producing or likely to produce measurable success that has**  
40 **been submitted to the state board for review pursuant to subsection**  
41 **(d).**

42 {Sec. 3. K.S.A. 2019 Supp. 72-5173 is hereby amended to read as  
43 follows: 72-5173. The legislative post audit committee shall direct the

1 legislative division of post audit to conduct the following performance  
2 audits in the fiscal year specified:

3 (a) A performance audit of transportation services funding. The  
4 audit should include a comparison of the amount of transportation  
5 services funding school districts receive to the cost of providing  
6 transportation services. This performance audit shall be conducted  
7 during fiscal year 2018, and the final audit report shall be submitted  
8 to the legislature on or before January 15, 2018.

9 (b) A performance audit of at-risk education funding. The audit  
10 should evaluate the method of counting students for at-risk education  
11 funding, the level of the at-risk student weighting and high-density at-  
12 risk student weighting under the act and how school districts are  
13 expending moneys provided for at-risk education. This performance  
14 audit shall be conducted during fiscal year 2020, and the final audit  
15 report shall be submitted to the legislature on or before January 15,  
16 2020.

17 (c) A performance audit of bilingual education funding. The audit  
18 should evaluate the method of counting students for bilingual  
19 education funding, the level of the bilingual weighting under the act  
20 and how school districts are expending moneys provided for bilingual  
21 education. This performance audit shall be conducted during fiscal  
22 year 2021, and the final audit report shall be submitted to the  
23 legislature on or before January 15, 2021.

24 (d) A study of statewide virtual school programs administered in  
25 other states. The study shall include, but not be limited to, the  
26 following:

27 (1) The aggregate cost incurred by each state administering a  
28 virtual school program, and the cost incurred by individual school  
29 districts or schools within each state;

30 (2) the resources necessary for the implementation of each virtual  
31 school program, including, but not limited to, personnel, equipment,  
32 software and facility usage;

33 (3) the scope of each virtual school program; and

34 (4) the effectiveness of each virtual school program with respect  
35 to student performance and outcomes.

36 The study shall be conducted during fiscal year 2023, and the final  
37 study report shall be submitted to the legislature on or before January  
38 15, 2023.

39 (e) A performance audit of the unencumbered cash balances held  
40 in all funds by each school district. The audit should evaluate the  
41 annual accumulations of unencumbered cash balances for the  
42 preceding 10 years, the annual expenditures of such moneys and how  
43 school districts are expending such moneys. This performance audit

1 shall be conducted no later than fiscal year 2021, and the final audit  
2 report shall be submitted to the legislature on or before January 15,  
3 2021.

4 (f) (1) A performance audit to provide a reasonable estimate of  
5 the cost of providing educational opportunities for every public school  
6 student in Kansas to achieve the performance outcome standards  
7 adopted by the state board of education. This performance audit shall  
8 be conducted during fiscal year 2024, and the final report submitted to  
9 the legislature on or before January 15, 2024.

10 (2) The performance audit required under this subsection shall:

11 (A) Include reasonable estimates of the costs of providing  
12 specialized education services as required by law, including, but not  
13 limited to, bilingual education and at-risk programs; and

14 (B) account for other factors which may contribute to variations  
15 in costs incurred by school districts, including, but not limited to, total  
16 district enrollment and geographic location within the state.

17 (3) In conducting the performance audit required under this  
18 subsection:

19 (A) Any examination of historical data and expenditures shall  
20 correct any recognized inadequacy of such data or expenditure  
21 through a statistically valid method of extrapolation; and

22 (B) subject to the limitations of the division of legislative post  
23 audit budget and appropriations therefor, the legislative post auditor  
24 may enter into contracts with consultants as the post auditor deems  
25 necessary.

26 (g) A performance audit to provide a reasonable estimate of the  
27 costs of providing special education and related services, including,  
28 but not limited to, other factors which may contribute to variations in  
29 costs incurred by school districts. This performance audit shall be  
30 conducted during fiscal year 2019, and the final audit report shall be  
31 submitted to the legislature on or before January 15, 2019.

32 (h) *A performance audit of at-risk education expenditures. The audit*  
33 *should evaluate how school districts are expending moneys provided for*  
34 *at-risk education, whether those expenditures comply with statutory*  
35 *provisions and whether the state board of education and the department of*  
36 *education are acting in accordance with statutory provisions related to at-*  
37 *risk expenditures and programs. This audit should also evaluate the trends*  
38 *in the academic outcomes of students receiving at-risk education program*  
39 *services. This performance audit shall be conducted during calendar year*  
40 *2022, and the final audit report shall be submitted to the legislature on or*  
41 *before January 15, 2023.*

42 Sec. ~~3~~ {4.} K.S.A. 72-5151 and K.S.A. 2019 Supp. 72-5153 {and 72-  
43 5173} are hereby repealed.

1       Sec. ~~4.~~ {5.} This act shall take effect and be in force from and after its  
2       publication in the statute book.