## SENATE BILL No. 230

By Committee on Federal and State Affairs

3-9

AN ACT concerning school districts; creating the relevant efficient 1 2 academic learning education act; amending K.S.A. 72-8233 and 3 repealing the existing sections; also repealing K.S.A. 72-6406, 72-4 6408, 72-6411, 72-6415, 72-6416, 72-6418, 72-6419, 72-6420, 72-6422, 72-6423, 72-6424, 72-6427, 72-6429, 72-6432, 72-6436, 72-5 6 6437, 72-6444, 72-6446, 72-6447, 72-7105a, 72-8237 and 72-8238 and 7 K.S.A. 2010 Supp. 72-3715, 72-3716, 72-6405, 72-6407, 72-6409, 72-8 6410, 72-6412, 72-6413, 72-6414, 72-6414a, 72-6414b, 72-6415b, 72-9 6417, 72-6421, 72-6425, 72-6426, 72-6428, 72-6430, 72-6431, 72-10 6433, 72-6433d, 72-6434, 72-6434b, 72-6435, 72-6438, 72-6439, 72-6439a, 72-6441, 72-6442b, 72-6443, 72-6445a, 72-6448, 72-6449, 72-11 6450, 72-6451, 72-6452, 72-6453, 72-6454, 72-6455, 72-6456, 72-12 6457, 72-6458, 72-6459, 72-64b01, 72-64c03, 72-8248, 72-8249, 72-13 14 8250, 72-8254, 72-9509 and 72-9609.

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

New Section 1. (a) Sections 1 through 41, and amendments thereto, shall be known and may be cited as the relevant efficient academic learning education act, or REAL education act.

- (b) Except as otherwise provided, the provisions of sections 1 through 41, and amendments thereto, shall apply in school year 2012-2013 and in each school year thereafter.
- (c) The provisions of the relevant efficient academic learning education act are severable. If any provision, word, phrase or clause of the act or the application thereof to any person is held invalid, such invalidity shall not affect the validity of the remaining portions of the relevant efficient academic learning education act.
- New Sec. 2. As used in sections 1 through 41, and amendments thereto, unless the context otherwise requires:
- (a) "Act" means the relevant efficient academic learning education act.
  - (b) "At-risk pupil" means: (1) A pupil who is enrolled in any of the grades four through 12 and who is on academic warning or does not meet the standard 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; or (2) a pupil who is enrolled in any

grades below fourth grade and who is eligible for free meals under the national school lunch act and who is enrolled in a district which maintains an approved at-risk pupil assistance plan.

- (c) "At-risk pupil state aid" means block grant at-risk pupil state aid and individual at-risk pupil state aid payable to districts as provided by sections 15 and 17, respectively, and amendments thereto.
- (d) "Base state aid per pupil" means the amount of instructional state aid per pupil as determined pursuant to section 8, and amendments thereto.
  - (e) "Board" means the board of education of a school district.
- (f) "Career development facilitator" means a person licensed by the state board as a career development facilitator, or any person who is a nationally certified career technical education provider.
- (g) "Career technical education" means courses of instruction or class work which will prepare pupils who intend to enter the workforce directly upon graduation from high school or who intend to pursue a postsecondary certificate or degree with an emphasis in career technical education.
- (h) "Career technical education program" means an organized educational program offering a sequence of courses which are directly related to the preparation of individuals in paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Such programs shall include competency-based applied learning which contributes to an individual's academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills and the occupational-specific skills necessary for economic independence as a productive and contributing member of society.
- (i) "Co-curricular activities" means pupil activities which complement a particular curricular class, but which provide no academic credit including, but not limited to, shows, performances or contests of debate, forensics, band, vocational-agriculture shows, FFA and other before-school and after-school performance activities.
- (j) "Current school year" means the school year during which instructional state aid is determined by the state board under section 19, and amendments thereto.
- (k) "Disaster" means the occurrence of widespread or severe damage, injury or loss of life or property resulting from disease, flood, earthquake, tornado, wind, storm, drought, blight or infestation.
- (l) "District" means a school district organized under the laws of this state which is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-1106, and amendments thereto.
- (m) "Education provider" means those persons whose work routinely, frequently and necessarily involves instructional contact and interaction with students and specifically includes any teacher, counselor, librarian,

paraprofessional and any principal who is an instructional leader.

- (n) "Enrichment state aid" means the amount of state aid payable to districts pursuant to section 24, and amendments thereto.
- (o) "Enrollment" means the number of pupils regularly enrolled in a district computed on a full-time equivalent basis in the manner provided by section 6, and amendments thereto.
- (p) "Extra-curricular activities" means student activities connected with school but which provide no academic credit and are not directly associated with a particular curricular class including, but not limited to, athletics, cheerleading, academic contests, participation in student government and student or school clubs.
- (q) "February 20" has its usual meaning, except that in any year in which February 20 is not a day on which school is maintained, it shall mean the first day after February 20 on which school is maintained.
- (r) "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.
- (s) "Institution" means a postsecondary educational institution, or a private postsecondary educational institution located within the state of Kansas.
- (t) (1) "Instructional expense" or "instructional purpose" means any expense of a school district for:
- (A) Activities dealing directly with the interaction between a student and an education provider and may be provided in a school classroom or through the internet, television, radio, computer, multimedia, telephone or correspondence that is delivered inside or outside the classroom and other teacher-student settings or through other approved media in another location such as a home, hospital or in other learning situations;
- (B) education providers and professional development for educational providers;
- (C) activities of aides or classroom assistants of any type including, but not limited to, clerks and graders which assist in the instructional process; or
- (D) laptops, software, textbooks, consumable materials such as workbooks and other classroom educational materials and supplies.

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(2) "Instructional expense" or "instructional purpose" does not mean any expense of a school district for:

- (A) Any person when acting in the capacity as an athletic or other coach, or any other person when providing or assisting in the provision of co-curricular activities or extra-curricular activities; or
  - (B) capital outlay or capital improvements.
- (u) "Instructional fund" means the fund of a district from which instructional expenses are paid and in which is deposited the proceeds from the tax levied under section 11, and amendments thereto, all amounts paid under the act for instructional state aid, at-risk pupil state aid and low enrollment state aid, 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.
- (v) "Instructional fund budget" means the amount budgeted for instructional expenses in the instructional fund of a district.
- (w) "Instructional state aid" means an amount equal to the product obtained by multiplying base state aid per pupil by the enrollment of a district plus any amount attributable to low enrollment state aid and at-risk state aid.
- (x) "Juvenile detention facility" has the meaning ascribed thereto by K.S.A. 72-8187, and amendments thereto.
  - (y) "KIDS" means the Kansas individual data on student system.
- (z) "Local moneys" means the revenue derived from the tax levies imposed pursuant to sections 27 and 30, and amendments thereto, for the purposes of funding the non-instructional budget.
- (aa) "Low enrollment state aid" means a payment to qualifying districts under section 14, and amendments thereto, 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 which do not qualify for low enrollment state aid.
- (bb) "Member school district" means a unified school district organized under the laws of this state which is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-1106, and amendments thereto, whose central office is located within the boundaries of the school funding benefit district.
- (cc) "Military pupil" means a person who is a dependent of a full-time active duty member of the military service or a dependent of a member of any of the United States military reserve forces who has been ordered to active duty under 10 U.S.C. §§ 12301, 12302 or 12304, or ordered to full-time active duty for a period of more than 30 consecutive days under 32 U.S.C. §§ 502(f) or 512 for the purposes of mobilizing for war, international peacekeeping missions, national emergency or homeland

1 defense activities.

- (dd) (1) "Non-instructional expense" or "non-instructional purpose" means any expense of a school district for:
  - (A) Co-curricular activities or extra-curricular activities:
  - (B) utilities; or
- (C) other expenses not specifically included within the definition of instructional expenses.
- (2) "Non-instructional expense" or "non-instructional purpose" does not mean any expense of a school district for capital outlay or capital improvements.
- (ee) "Non-instructional state aid" means the amount of state aid payable to districts pursuant to section 28, and amendments thereto.
- (ff) "Personal student scholarship account" or "PSS account" means an individual account maintained by the state board for each pupil or student enrolled in a public school from which the cost of providing instruction to such student is deducted.
- (gg) "Postsecondary educational institution" has the meaning ascribed thereto in K.S.A. 74-3201b, and amendments thereto.
- (hh) "Preceding school year" means the school year immediately before the current school year.
- (ii) "Preschool-aged at-risk pupil" means a pupil who is eligible for free meals under the national school lunch act, 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.
- (jj) "Preschool-aged exceptional child" means an exceptional child, except a gifted child, who has attained the age of three years but is under the age of eligibility for attendance at kindergarten.
- (kk) "Private postsecondary educational institution" has the meaning ascribed thereto in K.S.A. 74-3201b, and amendments thereto.
- (II) "Psychiatric residential treatment facility" has the meaning ascribed thereto by K.S.A. 72-8187, and amendments thereto.
- (mm) (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, 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 preschoolaged exceptional children by the district.
  - (2) (A) The following shall be counted as one pupil:
    - (i) A pupil in attendance full-time;

(ii) a pupil attending kindergarten;

- (iii) except as provided in subparagraph (B), a pupil enrolled in a district and attending special education and related services, provided for by the district; and
- (iv) a pupil in the custody of the secretary of social and rehabilitation services or in the custody of the commissioner of juvenile justice 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.
  - (B) The following shall be counted as  $\frac{1}{2}$  pupil:
- (i) A pupil enrolled in a district and attending special education and related services for preschool-aged exceptional children provided for by the district; and
- (ii) a preschool-aged at-risk pupil enrolled in a district and receiving services under an approved at-risk assistance plan maintained by the district.
- (C) A pupil in attendance part-time shall be counted as that proportion of one pupil (to the nearest  $^{1}/_{10}$ ) that the pupil's attendance bears to full-time attendance.
- (D) 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.
- (E) A pupil enrolled in and attending an approved technical college or the institute of technology, or an approved vocational education program shall be counted as one pupil if the pupil's career technical 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 career technical education attendance and attendance in any of grades nine through 12 bears to full-time attendance.
- (F) A pupil who is a resident of the state of Kansas and who is enrolled in a district and attending a virtual school shall be counted in the same manner as a pupil attending a nonvirtual school.
  - (3) The following shall not be counted:
  - (A) A pupil residing at the Flint Hills job corps center;
- (B) except as provided in paragraph (2), a pupil confined in and receiving educational services provided for by a district at a juvenile detention facility; and

(C) a pupil enrolled in a district but housed, maintained and receiving educational services at a state institution or a psychiatric residential treatment facility.

- (nn) "School year" means the 12-month period ending June 30.
- (oo) "September 20" has its usual meaning, except that in any year in which September 20 is not a day on which school is maintained, it shall mean the first day after September 20 on which school is maintained.
- (pp) "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.
  - (qq) "State board" means the state board of education.
- (rr) "Supplemental instructional state aid" means the amount of state aid payable to districts pursuant to section 12, and amendments thereto.
- (ss) "Supplemental non-instructional state aid" means the amount of state aid payable to districts pursuant to section 32, and amendments thereto.
- (tt) "Taxable tangible property" means any real property, personal property, motor vehicles and state assessed property which is not otherwise exempt from property tax.
- (uu) "Technology education" means an applied discipline designed to promote technological literacy which provides knowledge and understanding of the impacts of technology including its organizations, techniques, tools and skills to solve practical problems and extend human capabilities in technological areas and which typically culminates in a recognized technical certificate.
- (vv) "Virtual school" has the same meaning ascribed thereto in K.S.A. 72-3712, and amendments thereto.
- New Sec. 3. (a) In order to carry out its constitutional duty to make suitable provision for the educational interests of the state, the legislature shall provide funding to school districts for instructional expenses in an amount which would allow districts to provide all courses of instruction that students are required to complete to meet high school graduation requirements, the necessary courses of instruction, as determined by the local board of education, that students are required to complete in order to meet qualified admission requirements and the necessary courses of instruction, as determined by the local board of education, to attain a recognized career and technical education certificate upon graduation from high school, or which provides a reasonable expectation of attaining a recognized career and technical education certificate upon graduation from a technical college.
- (b) The state board shall adopt such policies and procedures necessary to ensure that funds provided for the instructional expenses of a

pupil are distributed to the school or other facility providing the educational services to such pupil in an amount that is proportional to the amount of educational services being provided.

New Sec. 4. (a) In order to accomplish the mission for Kansas education, the state board of education shall design and adopt a school performance accreditation system based upon improvement in performance that reflects high academic standards and is measurable.

- (b) The state board shall establish curriculum standards which reflect high academic standards for the core academic areas of mathematics, science, reading, writing and social studies. The curriculum standards shall be reviewed at least every seven years. Nothing in this subsection shall be construed in any manner so as to impinge upon any district's authority to determine its own curriculum.
- (c) (1) Except as provided by paragraph (2), the state board shall provide for statewide assessments in the core academic areas of mathematics, science, reading, writing and social studies. The board shall ensure compatibility between the statewide assessments and the curriculum standards established pursuant to subsection (b). Such assessments shall be administered at three grade levels, as determined by the board. The state board shall determine performance levels on the statewide assessments, the achievement of which represents high academic standards in the academic area at the grade level to which the assessment applies. The state board should specify high academic standards both for individual performance and school performance on the assessments.
- (2) Any student in grades 11 and 12 who is enrolled in the career technical education curriculum of a district shall not be required to take the statewide assessments provided under paragraph (1) if such student takes an appropriate work-readiness certificate assessment. The results of such work-readiness certificate assessment shall suffice for the purposes of determining quality performance accreditation and adequate yearly progress results.
- (d) Each school in every district shall establish a school site council composed of the principal and representatives of teachers and other school personnel, parents of pupils attending the school, the business community and other community groups. School site councils shall be responsible for providing advice and counsel in evaluating state, school district and school performance goals and objectives and in determining the methods that should be employed at the school to meet these goals and objectives. School site councils may make recommendations and proposals to the school board regarding budgetary items and school district matters, including, but not limited to, identifying and implementing the best practices for developing efficient and effective administrative and management functions. School site councils also may help school boards

analyze the unique environment of schools, enhance the efficiency and maximize limited resources, including outsourcing arrangements and cooperative opportunities as a means to address limited budgets.

- (e) Within the 16 career clusters established by the state board, the state board shall align curriculum standards which reflect high academic standards for mathematics, language arts and science with nationally or state recognized career and technical certifications in order that all or part of the graduation requirements for mathematics, language arts and science may be achieved within the career and technical curriculum in order that a student who has entered a career and technical cluster may achieve one or more appropriate certifications at the same time that the student is achieving a high school diploma, or if the student does not achieve the appropriate certification by the time the student receives a high school diploma, the student has the opportunity to move seamlessly into postsecondary education to finish the certification.
- New Sec. 5. (a) In school year 2011-2012 and in each school year thereafter, the board of every district shall record and report all expenditures and receipts of the district using a uniform chart of accounts adopted by the state board. Such records and reports shall be audited and the results of such audits shall be reported to the state board.
- (b) The state board may adopt rules and regulations for the implementation of this section, including rules and regulations providing for the classification of expenditures and receipts of districts to ensure uniform reporting of such expenses and receipts.
- New Sec. 6. (a) The enrollment of a school district shall be determined in the manner provided by this section.
- (b) Unless otherwise specifically provided, the enrollment of a district shall be the number of pupils regularly enrolled in the district on September 20.
- (c) For districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the enrollment of the district shall be the full-time equivalent number of pupils regularly enrolled in the district on September 20 plus the full-time equivalent number of pupils regularly enrolled in the district on February 20 less the full-time equivalent number of pupils regularly enrolled on February 20 who were counted in the enrollment of the district on September 20.
- (d) 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: (1) The 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 (2) 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: (A) The 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; (B) the 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 (C) 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.

- (e) If the state board determines that the enrollment of a school district in the preceding school year had decreased from the enrollment in the second preceding school year and that a disaster had contributed to such decrease, the enrollment of such district in the second school year following the school year in which the enrollment of the school district was first affected by the disaster shall be the greater of:
- (1) The enrollment of preschool-aged at-risk pupils, if any, plus the average of the enrollment for the current and the preceding three school years, excluding the enrollment of preschool-age at-risk pupils in each such year; or
- (2) the enrollment of the district as otherwise determined by this section.
- (f) (1) For districts whose enrollment includes military pupils, the enrollment of the district shall be determined pursuant to this subsection. Each school year, the state board shall: (A) Determine the number of pupils enrolled in each such district on September 20; and (B) determine the number of military pupils enrolled in each such district on February 20, who were not enrolled on the preceding September 20;
- (2) (A) If the number obtained under paragraph (1)(B) is equal to or greater than 25, an amount equal to such number obtained under paragraph (1)(B) shall be added to the number determined under paragraph (1)(A). The resulting sum is the enrollment of the district.
- (B) If the number obtained under paragraph (1)(B) is at least 1% of the number determined under paragraph (1)(A), an amount equal to such number obtained under paragraph (1)(B) shall be added to the number determined under paragraph (1)(A). The resulting sum is the enrollment of the district.
- (3) Districts desiring to determine enrollment under this subsection shall submit any documentation or information required by the state board.
  - (4) This subsection shall only apply for school year 2012-2013.
- (g) (1) In order to be included in the full-time equivalent enrollment of a virtual school, a pupil shall be a resident of the state of Kansas and shall be in attendance at the virtual school on: (A) A single school day on or before September 19 of each school year; and (B) a single school day

on or after September 20, but before October 4 of each school year.

- (2) A school district which offers a virtual school shall determine the full-time equivalent enrollment of each pupil enrolled in the virtual school on September 20 of each school year as follows:
- (A) Determine the number of hours the pupil was in attendance on a single school day on or before September 19 of each school year;
- (B) determine the number of hours the pupil was in attendance on a single school day on or after September 20, but before October 4 of each school year;
  - (C) add the numbers obtained under paragraphs (A) and (B); and
- (D) divide the sum obtained under paragraph (C) by 12. The resulting quotient is the full-time equivalent enrollment of the pupil.
- (3) The school days on which a district determines the full-time equivalent enrollment of a pupil under paragraphs (2)(A) and (2)(B) shall be the school days on which the pupil has the highest number of hours of attendance at the virtual school. No more than six hours of attendance may be counted in a single school day. Attendance may be shown by a pupil's on-line activity or entries in the pupil's virtual school journal or log of activities.
- (h) A pupil who is a foreign exchange student shall not be counted in the enrollment of a district 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.
- New Sec. 7. (a) On or before August 25 of each year, the clerk or superintendent of each district shall certify, under oath, to the state board a copy of the instructional fund budget adopted by the district and, if adopted by the district, a copy of the non-instructional fund budget and enrichment fund budget.
- (b) On or before October 10 of each school year, the clerk or superintendent of each district shall certify, under oath, to the state board a report showing the total enrollment of the district by grades maintained in the schools of the district and such other reports as the state board may require. Each report shall show postsecondary education enrollment, special education enrollment and at-risk pupil enrollment in such detail and form as specified by the state board. Upon receipt of such reports, the state board shall examine the reports and if the state board finds any errors in any such report, the state board shall consult with the district officer furnishing the report and make such corrections in the report as are necessary.
- New Sec. 8. (a) Each school year the state board shall determine the average amount expended per pupil by school districts for instructional expenses for the following grade level tiers:

(1) Tier 1, which shall include elementary grade levels and below.

(2) Tier 2, which shall include middle school and junior high grade levels.

- (3) Tier 3, which shall include high school grade levels and shall include career technical education courses of instruction or class work which will prepare pupils who intend to enter the workforce directly upon graduation from high school or who intend to pursue a postsecondary certificate or degree with an emphasis in career technical education. The state board shall coordinate with the postsecondary technical education authority to design a tier system for classifying technical education courses by cost, which works in conjunction with any such system implemented at the postsecondary level.
- (4) Tier 4, which shall include high school grade levels and shall consist of courses of instruction or class work which prepare pupils who intend to pursue a postsecondary degree with an emphasis in areas other than career technical education.
- (b) Each school year every school district shall report the amount of moneys expended by the district as instructional expenses. Expenditures from the enrichment fund of a district shall be reported separately from expenditures from the instructional fund of a district. All expenditures shall be reported using the uniform chart of accounts adopted by the state board
- (c) The state board shall analyze the expenditure information submitted pursuant to subsection (b), and based on such analysis the state board shall recommend to the legislature the amount of base state aid per pupil which shall be equal in amount to the average amount expended for the four grade tier levels.
- (d) (1) The amount of base state aid per pupil for all grade levels in school year 2012-2013 shall be \$4,385. For every school year thereafter the amount of base state aid per pupil for all grade levels shall be the amount recommended by the state board pursuant to subsection (c). If the state board does not make any recommendation as to the amount of base state aid per pupil, then the amount of base state aid per pupil shall be the same amount as determined for the immediately preceding school year.
- (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 instructional state aid. If the amount of appropriations for instructional 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.

New Sec. 9. Whenever a new district has been established or the

 boundaries of a district have been changed, the state board shall make appropriate revisions concerning the affected districts as may be necessary for the purposes of this act to reflect such establishment of a district or changes in boundaries. Such revisions shall be based on the most reliable data obtainable from the superintendent of the district and the county clerk.

New Sec. 10. (a) In each school year, the board of each school district, by resolution, shall adopt an instructional fund budget.

- (b) There is hereby established in every district a fund which shall be called the instructional fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district directly attributable to the provision of instruction shall be paid from the instructional fund.
- (c) (1) The board may transfer moneys from the instructional fund to any program fund of the district, subject to the following conditions:
- (A) No moneys shall be transferred in any amount from the instructional fund to a program fund prior to maturation of the obligation of the fund necessitating the transfer;
- (B) moneys shall not be transferred in an amount that exceeds the amount of the obligation of the program fund necessitating the transfer;
- (C) moneys may be transferred from the instructional fund to the textbook and student materials revolving fund.
- (d) (1) No district shall expend, use or transfer any moneys from the instructional fund of the district for the purpose of:
- (A) Engaging in or supporting in any manner any litigation by the district or any person, association, corporation or other entity against the state of Kansas, the state board of education, the state department of education, other state agency or any state officer or employee regarding the REAL act or any other law concerning school finance;
- (B) providing payments, donations or other funding to any person, association, corporation or other entity for use in any such litigation described in paragraph (A); or
  - (C) lobbying at the state or federal level.
- (2) Districts may provide funding for activities described in paragraph (1) from the non-instructional fund of the district.
- New Sec. 11. (a) The board of each district shall levy an ad valorem tax upon the taxable tangible property of the district in the school years specified in subsection (b) for the purpose of:
- (1) Financing that portion of the district's instructional fund budget which is not financed from any other source provided by law;
- (2) financing the instructional fund budget of the district in fulfillment of the legislature's duty under article 6 of the constitution of the state of Kansas to provide for the intellectual, educational, vocational and

scientific improvement and to make suitable provision for finance of the educational interests of the state; and

- (3) with respect to any redevelopment district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, 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.
- (b) The tax required under subsection (a) shall be levied at a rate of 20 mills in the school year 2012-2013 and school year 2013-2014.
- (c) 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 instructional fund of the district.
- (d) On June 6 of each year, the amount, if any, by which the revenue derived from the tax imposed pursuant to this section exceeds the amount of the district's instructional state aid, as determined by the state board, shall be remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.
- (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.
- New Sec. 12. (a) In each school year, the state board shall determine entitlement of each district to supplemental instructional state aid for the school year as provided in this section.
- (b) The state board shall determine the amount of the revenue derived from the tax imposed pursuant to section 11, and amendments thereto, for the school year. If the amount of revenue derived from such tax is greater than the amount of instructional state aid determined for the district for the school year, the district shall not be entitled to supplemental instructional state aid. If the amount of the revenue derived from such tax is less than the amount of instructional state aid determined for the district for the school year, the state board shall subtract the amount of revenue derived from such tax from the amount of instructional state aid as determined by the state board. The resulting remainder is the amount of supplemental instructional state aid the district is entitled to receive for the current school year.
- New Sec. 13. (a) The state school district finance fund, established by K.S.A. 1991 Supp. 72-7081 prior to its repeal by the school district finance and quality performance act, is hereby continued in existence and shall consist of all moneys credited or transferred to such fund.
  - (b) The state school district finance fund shall be used for the purpose

of school district finance and for no other governmental purpose. It is the intent of the legislature that the fund shall remain intact and inviolate for such purpose, and moneys in the fund shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-3726a, and amendments thereto.

- (c) Amounts in the state school district finance fund shall be allocated and distributed to school districts as a portion of instructional state aid entitlements provided for under this act.
- New Sec. 14. (a) The low enrollment state aid of each school district shall be determined by the state board as provided by this section.
- (b) For districts with an enrollment equal to or greater than 800 pupils, the low enrollment state aid shall be \$0.
- (c) For districts with an enrollment of more than 300 pupils, but less than 800 pupils, the low enrollment state aid shall be determined as follows:
  - (1) Determine the full-time equivalent enrollment of the district;
  - (2) subtract 300 from the number determined under paragraph (1);
  - (3) multiply the difference obtained under paragraph (2) by \$2.40;
- (4) subtract the product obtained under paragraph (3) from \$1,200; and
- (5) multiply the difference obtained under paragraph (4) by the number determined under paragraph (1). The resulting product is the low enrollment state aid for the district.
- (c) For districts with an enrollment equal to or less than 300 pupils, the low enrollment state aid shall be equal to the product obtained by multiplying \$1,200 by the enrollment of a district.
- New Sec. 15. (a) In each school year the block grant at-risk pupil state aid of each school district shall be determined by the state board as follows:
- (1) Determine the full-time equivalent enrollment of at-risk pupils in the district in pre-school and in grades below the fourth-grade level; and
- (2) multiply the number determined under paragraph (1) by \$1,600. The resulting product is the block grant at-risk pupil state aid of the district.
- (b) All block grant at-risk pupil state aid shall be deposited in the at-risk education block grant fund.
- (c) (1) Except as provided in paragraph (2), at least 10% of the amount a district receives as block grant at-risk state aid 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.
- (2) 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 paragraph (1).

- (d) 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.
- New Sec. 16. (a) There is hereby established in every district a fund which shall be called the at-risk education block grant 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 at-risk assistance or programs for preschool-aged at-risk pupils and pupils in grades below the fourth-grade level shall be paid from the at-risk education block grant fund.
- (b) Any balance remaining in the at-risk education block grant fund at the end of the budget year shall be carried forward in the at-risk education block grant 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 block grant 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 preschool-aged at-risk pupils and pupils in grades below the fourth-grade level 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 preschoolaged at-risk pupils and pupils in grades below the fourth-grade level provided service or assistance by school districts in at-risk programs, districts shall report the number of such at-risk pupils served or assisted in the manner required by the state board.
- New Sec. 17. (a) In each school year the individual at-risk pupil state aid of each school district shall be determined by the state board as

follows:

- (1) Determine the full-time equivalent enrollment of at-risk pupils in the district in grades four through 12; and
- (2) multiply the number determined under paragraph (1) by \$2,720. The resulting product is the individual at-risk pupil state aid of the district.
- (b) All individual at-risk state aid received by districts for pupils in grades four though 12 shall be deposited in the instructional fund of the district and transferred to the individual at-risk education state aid fund for accounting purposes and then shall be credited to the PSS account of each such at-risk pupil.
- New Sec. 18. (a) There is hereby established in every district a fund which shall be called the individual at-risk education state aid 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 at-risk assistance or programs for pupils in grades four through 12 shall be paid from the individual at-risk education state aid fund.
- (b) Any balance remaining in the individual at-risk education state aid fund at the end of the budget year shall be allocated among the at-risk pupils in grades four through 12 in the district and such allocated amounts shall be credited to the PSS accounts of the at-risk pupils in grades four through 12 in the district. The individual at-risk education state aid 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 individual at-risk education state aid 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 at-risk pupils in grades four through 12 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 in grades four through 12 who were provided service or assistance by school districts in at-risk programs, districts shall report the number of such at-risk pupils served or assisted in the manner required by the state board.
- New Sec. 19. (a) The distribution of instructional state aid shall be made in accordance with appropriation acts each year as provided in this

section.

- (b) (1) Each month during the school year, each district shall determine the amount of instructional expenses of the district for such month and shall certify such amount to the state board. Each school district also shall certify a list of KIDS numbers of pupils in the district for which instructional state aid is due for such month.
- (2) In the months of July through May of each school year, the state board shall determine the amount of instructional state aid which will be required by each district to pay the instructional expenses in each such month. The amount determined by the state board under this provision is the amount of instructional state aid which will be distributed to the district in the months of July through May.
- (3) In the month of June of each school year, subject to the provisions of subsection (d), payment shall be made of the full amount of the instructional state aid entitlement determined for the school year, less the sum of the monthly payments made in the months of July through May.
- (c) The state board shall prescribe the dates upon which the distribution of payments of instructional state aid to school districts shall be due. Payments of instructional state aid shall be distributed to districts once each month on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due as instructional state aid to each district in each of the months of July through June. Such certification, and the amount of instructional state aid payable from the state general fund, shall be approved by the director of the budget. The director of accounts and reports shall draw warrants on the state treasurer payable to the district treasurer of each district entitled to payment of instructional state aid, pursuant to vouchers approved by the state board. Upon receipt of such warrant, each district treasurer shall deposit the amount of instructional state aid in the instructional fund.
- (d) If any amount of instructional 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 therefore. Any payment of instructional 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.

New Sec. 20. (a) There shall be established a personal student scholarship account for every student upon enrolling in a public school for the first time in the state of Kansas. The PSS account shall be maintained by the school district in which the student is enrolled. Each year an amount equal to the base state aid per pupil and any low enrollment state aid and

at-risk state aid attributable to the pupil shall be credited to each student's PSS account. Any moneys credited to a PSS account shall be expended by a school district solely for the purpose of paying the instructional expenses of such student.

- (b) Each year a school district shall deduct from each student's PSS account an amount equal to the average amount expended per pupil for instructional expenses for the student's tier level as determined by the state board under section 8, and amendments thereto, plus any low enrollment state aid and at-risk state aid attributable to such student. Any balance remaining in a student's PSS account at the end of the school year shall be carried forward in such account for succeeding school years. Such accounts shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. Reports of amounts credited to and the amount on hand in a student's PSS account, and the amount expended therefrom shall be available to the state board, student and the student's parent. Interest earned on the investment of moneys in any such account shall be credited to that account.
- (c) If a student transfers to another school district in the state of Kansas, the student's PSS account shall be transferred to the school district in which the student is enrolled. If a student withdraws from enrollment in a public school in the state of Kansas, any balance in the student's PSS account shall remain in such account until the student returns to enrollment in a public school in the state of Kansas or shall be credited to the state school district finance fund as provided by subsection (e).
- (d) Upon graduation from high school, any balance in a student's PSS account shall be made available to such student for the payment of expenses at a postsecondary institution.
- (e) Any balance remaining in a student's PSS account at the end of the school year in which such student reaches age 21 shall be transferred to the state school district finance fund.
- (f) The state board may adopt any rules and regulations deemed necessary to implement the provisions of this section.
- New Sec. 21. If a district expends in any school year an amount for instructional expenses which exceeds its instructional fund budget, the state board shall determine the excess and deduct the same from amounts of instructional state aid payable to the district during the next school year.
- New Sec. 22. (a) In each school year, the board of any district may adopt, by resolution, an enrichment budget.
- (b) There is hereby established in every district that adopts an enrichment budget a fund which shall be called the enrichment fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.
  - (c) Moneys in the enrichment fund may be used solely for

instructional expenses. Moneys in such fund shall be allocated equally among all pupils in the district on a full-time equivalent basis and shall be credited to the PSS account of each pupil in the district in the same manner that the base state aid per pupil is credited under section 20, and amendments thereto.

- New Sec. 23. (a) The board of every district that has adopted an enrichment budget may levy an ad valorem tax on the taxable tangible property of the district for the purpose of financing the enrichment budget of the district and to pay 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.
- (b) 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 enrichment fund of the district.
- (c) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.
- New Sec. 24. (a) In each school year, each district that has adopted an enrichment budget is eligible for enrichment state aid. The amount of enrichment state aid for a district shall be determined by the state board as provided in this section.
  - (b) 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 paragraph (1);
- (3) identify the amount of the assessed valuation per pupil located at the 74.75 percentile of the amounts ranked under paragraph (2);
- (4) divide the assessed valuation per pupil of the district in the preceding school year by the amount identified under paragraph (3); and
- (5) (A) If the quotient obtained under paragraph (4) is less than 1.0, the state board shall subtract the quotient obtained under paragraph (4) from 1.0 and multiply the difference by the amount of the enrichment budget of the district. The product shall be the amount of enrichment state aid the district is entitled to receive for the school year.
- (B) If the quotient obtained under paragraph (4) equals or exceeds 1.0, the eligibility of the district for entitlement to enrichment state aid shall lapse.
- (c) If the amount of appropriations for enrichment 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.

- (d) The state board shall prescribe the dates upon which the distribution of payments of enrichment state aid to school districts shall be due. Payments of enrichment 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 enrichment fund of the district to be used for the purposes of such fund.
- (e) If any amount of enrichment 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 enrichment 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.
- New Sec. 25. (a) There is hereby established in every district a fund which shall be called the special 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 special education shall be credited to the special education fund established by this section, except that: (1) Amounts of payments received by a district under K.S.A. 72-979, and amendments thereto, and amounts of grants, if any, received by a district under K.S.A. 72-983, and amendments thereto, shall be deposited in the instructional fund of the district and transferred to the special education fund; and (2) moneys received by a district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be credited to the special fund established under the agreements.
- (b) The expenses of a district directly attributable to special education shall be paid from the special education fund and from special funds established under K.S.A. 72-968, and amendments thereto.
- (c) Obligations of a district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be paid from the special fund established under such agreements.
- New Sec. 26. (a) In each school year, the board of any district may adopt, by resolution, a non-instructional budget.
- (b) There is hereby established in every district that adopts a non-instructional budget a fund which shall be called the non-instructional

fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

- (c) Amounts in the non-instructional fund shall not be expended 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.
- (d) Amounts in the non-instructional fund shall not be expended to pay instructional expenses.
- (e) (1) The board may transfer moneys from the non-instructional fund to the contingency reserve fund of the district.
- (2) The board may transfer moneys from the non-instructional fund to the capital outlay fund of the district.
- (3) The board may transfer moneys from the non-instructional fund to the special liability expense fund.
- (f) Any unexpended balance remaining in the non-instructional fund of a district at the conclusion of any school year in which a non-instructional budget is adopted shall be carried forward in the non-instructional fund for succeeding budget years.
- New Sec. 27. (a) The board of every district that has adopted a non-instructional budget may levy an ad valorem tax on the taxable tangible property of the district for the purpose of financing that portion of the district's non-instructional budget which is not financed from any other source provided by law.
- (b) 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 non-instructional fund of the district.
- (c) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments to such sections.
- New Sec. 28. (a) In each school year, each district that has adopted a non-instructional budget is eligible for non-instructional state aid. The amount of non-instructional state aid for a district shall be determined by the state board as provided in this section.
  - (b) 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 paragraph (1);
- (3) identify the amount of the assessed valuation per pupil located at the 74.75 percentile of the amounts ranked under paragraph (2);
  - (4) divide the assessed valuation per pupil of the district in the

preceding school year by the amount identified under paragraph (3); and

- (5) (A) If the quotient obtained under paragraph (4) is less than 1.0, the state board shall subtract the quotient obtained under paragraph (4) from 1.0 and multiply the difference by the amount of the non-instructional budget of the district. The product shall be the amount of non-instructional state aid the district is entitled to receive for the school year.
- (B) If the quotient obtained under paragraph (4) equals or exceeds 1.0, the eligibility of the district for entitlement to non-instructional state aid shall lapse.
- (c) If the amount of appropriations for non-instructional 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 as a matching amount for the local moneys derived from the levy imposed by the school board under section 27, and amendments thereto.
- (d) The state board shall prescribe the dates upon which the distribution of payments of non-instructional state aid to school districts shall be due. Payments of non-instructional 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 non-instructional fund of the district to be used for the purposes of such fund.
- (e) If any amount of non-instructional 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 non-instructional 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.
- (f) (1) Moneys received as non-instructional state aid shall be expended to pay the non-instructional expenses of the district.
- (2) Moneys received as non-instructional state aid shall not be expended to pay the instructional expenses of the district.
- (3) Moneys received as non-instructional state aid shall not be expended to pay capital outlay or capital improvement expenses of the district.
  - New Sec. 29. (a) (1) The provisions of this subsection shall apply to

school districts which have been consolidated pursuant to the procedure established in article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, if such consolidation is completed on or after July 1, 2012.

- (2) If two or more school districts consolidate and if one or more of the former districts had an enrollment of less than 300 pupils on September 20 of the school year preceding the consolidation, the newly consolidated district shall be entitled to non-instructional state aid under this section as determined by the state board. For the school year in which the consolidation was completed and for the two school years following the school year in which the consolidation was completed, the district shall be entitled to 105% of the amount of non-instructional state aid as computed under the REAL act.
- (b) (1) The provisions of this subsection shall apply to school districts which have been enlarged by the attachment of territory pursuant to the procedure established in article 73 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, if such attachment is completed on or after July, 2012.
- (2) If any of the former school districts had an enrollment of less than 300 pupils on September 20 of the school year preceding the attachment, the enlarged district shall be entitled to non-instructional state aid under this section as determined by the state board. For the school year in which the attachment was completed and for the two school years following the school year in which the attachment was completed, the district shall be entitled to 105% of the amount of non-instructional state aid as computed under the REAL act.
- New Sec. 30. (a) The powers conferred by this section are for public uses or purposes for which public money may be expended. Powers granted pursuant to this section shall be in addition to any other power provided by law.
- (b) As used in this section, the term "district" means any USD benefit district created pursuant to this section, the boundaries of each such district shall include all property located within the county or counties as specified in subsection (c).
- (c) There are hereby created the following USD benefit districts for purposes provided by this act:
  - (1) District 1 includes all property located within the boundaries of Atchison, Brown, Doniphan, Jackson, Pottawatomie, Clay, Cloud, Jewell, Marshall, Nemaha, Republic and Washington counties;
  - (2) district 2 includes all property located within the boundaries of Jefferson and Leavenworth counties;
- 42 (3) district 3 includes all property located within the boundary of Wyandotte county;

- (4) district 4 includes all property located within the boundaries of Franklin, Linn, Miami, Bourbon, Cherokee and Crawford counties;
- (5) district 5 includes all property located within the boundaries of Labette, Neosho, Allen, Anderson, Chautauqua, Elk, Montgomery, Wilson and Woodson counties;
- (6) district 6 includes all property located within the boundaries of Butler, Greenwood, Cowley and Sumner counties;
- (7) district 7 includes all property located within the boundaries of Douglas and Osage counties;
- (8) district 8 includes all property located within the boundaries of Shawnee and Wabaunsee counties;
  - (9) district 9 includes all property located within the boundaries of Chase, Coffey, Lyon, Marion, Morris, McPherson and Rice counties;
  - (10) district 10 includes all property located within the boundaries of Geary and Riley counties;
  - (11) district 11 includes all property located within the boundaries of Ottawa, Saline, Ellsworth, Lincoln and Dickinson counties;
  - (12) district 12 includes all property located within the boundary of Sedgwick county;
  - (13) district 13 includes all property located within the boundaries of Harvey and Reno counties;
  - (14) district 14 includes all property located within the boundary of Johnson county;
  - (15) district 15 includes all property located within the boundaries of Barber, Comanche, Edwards, Harper, Kingman, Kiowa, Pratt, Seward, Stafford, Clark, Ford, Gray and Meade counties;
  - (16) district 16 includes all property located within the boundaries of Barton, Ellis, Hodgeman, Mitchell, Osborne, Pawnee, Phillips, Rush, Russell and Smith counties; and
  - (17) district 17 includes all property located within the boundaries of Finney, Grant, Hamilton, Haskell, Kearney, Morton, Stanton, Stevens, Cheyenne, Decatur, Gove, Graham, Greeley, Lane, Logan, Ness, Norton, Rawlins, Rooks, Scott, Sheridan, Sherman, Thomas, Trego, Wallace and Wichita counties.
- (d) The governing board of each such USD benefit district shall consist of seven members, as follows: Four members appointed by the member school districts; and three members appointed by the board of county commissioners of any county whose boundaries are located within the district. The member school districts and boards of county commissioners within each USD benefit district shall determine the appointment methodology for such appointments based on the best representation and effective determination of the needs of students within the USD benefit district. The governing board shall elect a chairperson.

The board shall meet upon call of the chairperson as necessary to carry out the board's duties under this section. Each appointment shall be for a period of two years. Each member shall continue in such position until a successor is appointed. Members shall be eligible for reappointment. Whenever a vacancy occurs in the membership of the board, a successor shall be selected to fill such vacancy in the same manner as and for the unexpired term of the member such person is exceeding.

- (e) The governing board shall have the following powers and duties:
- (1) Authority to impose a district-wide USD benefit district sales tax within the district pursuant to the provisions of this section; and
- (2) authority to provide for the distribution of all revenue received pursuant to the specifications of section 31, and amendments thereto, to each member school district of the USD benefit district.

The governing board shall issue an annual report to the legislature. The governing board shall be subject to legislative post audit. Meetings of the governing board shall be subject to the Kansas open meetings act and records of the governing board shall be subject to the Kansas open records act.

- In addition to and notwithstanding any limitations on the (f) aggregate amount of retailers' sales tax contained in K.S.A. 12-187 through 12-192, and amendments thereto, any USD benefit district created pursuant to this section may impose a district-wide sales tax on the selling of taxable tangible personal property or rendering or furnishing services taxable pursuant to the provisions of the Kansas retailers' sales tax act, K.S.A. 79-3601 et seg., and the Kansas compensating tax act, K.S.A. 79-3701 et seq., and amendments thereto, within the district and pledge the revenue received therefrom for the purposes of funding of noninstructional expenses, as defined in subsection (y) of section 2, and amendments thereto, in each member school district of the district, in increments of .05% and in an aggregate amount not to exceed 1%. The provisions of K.S.A. 12-191, and amendments thereto, as may be applicable, shall apply to any sales subject to the USD benefit district sales tax imposed pursuant to this section.
- (g) Prior to the imposition of any USD benefit district sales tax within a district, the governing board of such district shall adopt a resolution stating the board's intention to levy a USD benefit district sales tax for the purpose of funding of non-instructional expenses of each of the member school districts of such USD benefit district as provided pursuant to this section. No governing board shall authorize a USD benefit district sales tax prior to receiving notice of approval of such authority from the board of education of each member school district. The governing board shall give notice of the public hearing on the imposition of such USD benefit district sales tax. Such notice shall be published at least once a week for

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two consecutive weeks in the official county newspaper of each county whose boundaries are located within the district. The second notice shall be published at least seven days prior to the date of hearing. The notice shall contain the following information: (1) The time and place of the hearing; (2) the nature of the proposal for funding of non-instructional education expenses; (3) the proposed amount of the USD benefit district sales tax to be imposed and the termination date of such USD benefit district sales tax; and (4) the estimated revenue to be distributed to the unified school districts within the district. The hearing may be adjourned from time to time. Following the hearing, the governing board may authorize the imposition of the USD benefit district sales tax and the purposes for which the revenue shall be used by adoption of the appropriate resolution. Such resolution shall be effective upon publication once in the official county newspaper of each county whose boundaries are located within the district.

(h) The district is prohibited from administering or collecting such tax locally, but shall utilize the services of the Kansas department of revenue to administer, enforce and collect such tax. Except as provided in this act, the tax authorized by this section shall be administered, collected and subject to provisions of K.S.A. 12-187 to 12-197, inclusive, and amendments thereto. Upon receipt of a certified copy of any resolution authorizing the levy of a USD benefit district sales tax pursuant to this section, the state director of taxation shall cause such tax to be collected within the district and outside the boundaries of the district at the same time and in the same manner provided for the collection of the state retailers' sales tax and local retailers' sales tax. All taxes collected under the provisions of this act shall be remitted by the secretary of revenue 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 of all taxes collected under the provisions of this act in the state treasury to the credit of the USD benefit district sales tax fund for such district, which funds are hereby established in the state treasury. All moneys in the USD benefit district sales tax fund shall be remitted at least quarterly by the state treasurer, on instruction from the secretary of revenue, to the district. Any refund due on any USD benefit district sales tax collected pursuant to this section shall be paid out of the USD benefit district sales tax refund fund for such district which is hereby established in the state treasury and reimbursed by the director of taxation from collections of the USD benefit district sales tax for such district authorized by this section and applied by the district in the manner provided pursuant to this act.

(i) If within 30 days of the final publication of a resolution adopted pursuant to subsection (g), a petition signed by a number of electors of

each county whose boundaries are located within the sales tax district equal to not less than 5% of the number of total qualified electors of the district shall be filed in the office of each county election officer demanding that such resolution be submitted to a vote of the electors, it shall not take effect until submitted to a referendum and approved by the electors of the district. An election if called, shall be called within 30 days and held within 45 days after the filing of the petition. The governing board, by resolution, shall call the election and fix the date. Such resolution shall be published once each week for two consecutive weeks in the official county newspaper of each county located within the district, and the election shall be conducted in the same manner as are elections for officers of each such county. Such election may be conducted in accordance with the provisions of the mail ballot election act. The proposition shall be: "Shall USD Benefit District \_\_\_\_ be authorized to impose a district-wide sales tax not to exceed 1% in such district for purposes of providing funding for non-instructional expenses of the member school districts of the USD Benefit District?"

New Sec. 31. All moneys received by a USD benefit district pursuant to section 30, and amendments thereto, shall be distributed to the member school districts of the USD benefit district. Such moneys shall be distributed on a per pupil basis using the enrollment of the member school districts as determined pursuant to section 6, and amendments thereto. Each member school district of the USD benefit district shall receive a proportional amount based on the ratio of such member school district's enrollment to the aggregate enrollment of all member school districts of the USD benefit district. Such moneys shall be deposited in the non-instructional fund of the member school district, and shall be expended only for the purpose for which the revenue received from the USD benefit district sales tax was pledged.

- New Sec. 32. (a) In each school year, each district that is located in a USD benefit district that has levied a tax pursuant to section 30, and amendments thereto, is eligible for supplemental non-instructional state aid. The amount of supplemental non-instructional state aid for a district shall be determined by the state board as provided in this section.
  - (b) The state board shall:
- (1) Notwithstanding that any particular USD benefit district has not levied a tax pursuant to section 30, and amendments thereto, determine the amount of sales tax collected per pupil for each USD benefit district in the state by dividing the amount of sales tax collected within each USD benefit district by the aggregate enrollment of all of the member school districts of such USD benefit district in the preceding school year;
- (2) rank the USD benefit districts from low to high on the basis of the amounts of sales tax collected per pupil determined under paragraph (1);

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identify the amount of sales tax collected per pupil located at the 74.75 percentile of the amounts ranked under paragraph (2);

- (4) divide the amount of sales tax collected per pupil of the USD benefit district in the preceding school year by the amount identified under paragraph (3);
- (5) if the quotient obtained under paragraph (4) is less than 1.0, subtract the quotient obtained under paragraph (4) from 1.0 and multiply the difference by the amount of sales tax collected in the USD benefit district from the tax levied pursuant to section 30, and amendments thereto, however, if the quotient obtained under paragraph (4) equals or exceeds 1.0, the eligibility of the district for entitlement to supplemental non-instructional state aid shall lapse; and
- (6) multiply the product, if any, obtained under paragraph (5) by a ratio, the numerator of which shall be the enrollment of the district as determined pursuant to section 6, and amendments thereto, and the denominator of which shall be the aggregate enrollment, as determined pursuant to section 6, and amendments thereto, of all of the member school districts of the USD benefit district. The resulting product shall be the amount of supplemental non-instructional state aid the district is entitled to receive for the school year.
- (c) If the amount of appropriations for supplemental non-instructional 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 as a matching amount for the local moneys derived from the levy imposed by the USD benefit district under section 30, and amendments thereto.
- (d) The state board shall prescribe the dates upon which the distribution of payments of supplemental non-instructional state aid to districts shall be due. 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 non-instructional fund of the district to be used for the purposes of such fund.
- (e) If any amount of supplemental non-instructional 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 non-instructional 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.

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(f) (1) Moneys received as supplemental non-instructional state aid shall be expended to pay the non-instructional expenses of the district.

- (2) Moneys received as supplemental non-instructional state aid shall not be expended to pay the instructional expenses of the district.
- (3) Moneys received as supplemental non-instructional state aid shall not be expended to pay capital outlay or capital improvement expenses of the district.

New Sec. 33. If any district is paid more than it is entitled to receive under any distribution made under this act or under any statute repealed by this act, the state board shall notify the district of the amount of such overpayment, and such district shall remit the same to the state board. The state board shall remit any moneys so received 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. If any district fails to remit, the state board shall deduct the excess amounts so paid from future payments becoming due to the district. In the event any district is paid less than the amount to which it is entitled under any distribution made under this act, the state board shall pay the additional amount due at any time within the school year in which the underpayment was made or within 60 days after the end of such school year.

- New Sec. 34. (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.
- (b) Except as otherwise provided in subsection (c), at no time in any school year thereafter shall the amount maintained in the contingency reserve fund exceed an amount equal to 8% of the non-instructional fund budget of the district for the school year.
- (c) If the amount in the contingency reserve fund of a district is in excess of the amount authorized under subsection (b), and if such excess amount is the result of a reduction in the non-instructional fund budget of the district for the school year, 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.

New Sec. 35. There is hereby established in every district a fund which shall be called the driver training fund which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by the district from distributions made from the state safety fund and the motorcycle safety fund and from tuition, fees or charges for driver training courses shall be credited to the driver training

fund. The expenses of a district directly attributable to driver training shall be paid from the driver training fund.

New Sec. 36. There is hereby established in every district a fund which shall be called the food service fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by the district for food service and from charges for food service shall be credited to the food service fund. The expenses of a district attributable to food service shall be paid from the food service fund.

New Sec. 37. (a) There is hereby established in every school district a special liability expense fund. Moneys in such fund shall be used to:

- (1) Pay the cost of providing for its defense and the defense of employees in any litigation arising from their actions or failure to act as an employee of the district and for the payment of claims and other direct and indirect costs resulting from such litigation;
  - (2) pay judgments rendered against the district;
- (3) pay claims, judgments, expenses and other purposes relating to health care services, disability income benefits and group life insurance benefits as authorized by K.S.A. 72-8415a, and amendments thereto;
  - (4) pay costs relating to uninsured losses; and
- (5) pay the cost of workers compensation insurance and workers compensation claims, awards, expenses and other purposes authorized by the workers compensation act.
- (b) The district shall credit to the special liability expense fund any moneys received by the district from any source which may be lawfully utilized for the purposes specified by this section including the proceeds of tax levies hereinafter authorized and provided. Any balance remaining in the special liability expense fund at the end of the budget year shall be carried forward in 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 making the budget of the district, the amounts credited to and the amount on hand in such special fund, and the amount expended therefrom, shall be included in the annual budget for the information of the residents of the district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.
- (c) Whenever the governing body of any school district determines that moneys from other sources will be insufficient to pay such costs, the governing body is hereby authorized to levy an ad valorem tax upon all taxable tangible property within the district in an amount determined by the governing body to be necessary for such purpose and to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located in such school district.

New Sec. 38. School districts shall provide career technical education

programs within the career clusters established by the state board. Nothing in this section shall be construed as requiring a school district to provide career technical education programs in all such career clusters.

New Sec. 39. (a) In order to assist parents, education providers and pupils in making educational and career plans and to provide a preliminary indication of the general category of career paths that a pupil might be interested in pursuing, each pupil who enters grade six shall be given the Kuder career assessment or other appropriate career assessment selected by the district.

- (b) After completion of the assessment required by subsection (a), each pupil and the pupil's parent or guardian shall meet with a school career development facilitator to discuss the results of the assessment and to develop an educational plan for the pupil.
- (c) Each year following the initial assessment, the educational plan shall be reviewed and revised, if necessary, in order to keep the pupil focused on the selected career path or a new career path if the pupil desires and to ensure that the pupil is taking the proper courses or classes to prepare for the career path selected by the pupil.
- New Sec. 40. (a) The state board of education may adopt rules and regulations providing for the issuance, renewal, reinstatement, registration, limitation, suspension or cancellation of licenses for career development facilitators (CDF) and the imposition of fees therefor.
- (b) An applicant for an initial issuance of a license as a career development facilitator shall take and satisfactorily pass an examination prescribed by the state board.
- (c) A person issued a license, any license issued or fee imposed pursuant to this section, shall be subject to the same conditions and limitations imposed under this section and article 13 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, or any other Kansas law relating to the licensure of teachers.
- (d) In order to qualify for the issuance of a CDF license, an applicant shall have received in-depth training or career development experience in the areas of career development as prescribed by the state board.
- New Sec. 41. The state board may adopt policies deemed necessary for the administration of the relevant efficient academic learning education act
- Sec. 42. K.S.A. 72-8233 is hereby amended to read as follows: 72-8233. (a) In accordance with the provisions of this section, the boards of education of any two or more unified school districts may make and enter into agreements providing for the attendance of pupils residing in one school district at school in kindergarten or any of the grades one through 12 maintained by any such other school district. The boards of education may also provide by agreement for the combination of enrollments for

kindergarten or one or more grades, courses or units of instruction.

- (b) Prior to entering into any agreement under authority of this section, the board of education shall adopt a resolution declaring that it has made a determination that such an agreement should be made and that the making and entering into of such an agreement would be in the best interests of the educational system of the school district. Any such agreement is subject to the following conditions:
- (1) The agreement may be for any term not exceeding a term of five *three* years.
- (2) The agreement shall be subject to change or termination by the legislature.
- (3) Within the limitations provided by law, the agreement may be changed or terminated by mutual agreement of the participating boards of education.
- (4) The agreement shall make provision for transportation of pupils to and from the school attended on every school day, for payment or sharing of the costs and expenses of pupil attendance at school, and for the authority and responsibility of the participating boards of education.
- (c) Provision by agreements entered into under authority of this section for the attendance of pupils at school in a school district of nonresidence of such pupils shall be deemed to be compliance with the kindergarten, grade, course and units of instruction requirements of law.
- (d) The board of education of any school district which enters into an agreement under authority of this section for the attendance of pupils at school in another school district may discontinue kindergarten or any or all of the grades, courses and units of instruction specified in the agreement for attendance of pupils enrolled in kindergarten or any such grades, courses and units of instruction at school in such other school district. Upon discontinuing kindergarten or any grade, course or unit of instruction under authority of this subsection, the board of education may close any school building or buildings operated or used for attendance by pupils enrolled in such discontinued kindergarten, grades, courses or units of instruction. The closing of any school building under authority of this subsection shall require a majority vote of the members of the board of education and shall require no other procedure or approval.
- (e) Pupils attending school in a school district of nonresidence of such pupils in accordance with an agreement made and entered into under authority of this section shall be counted as regularly enrolled in and attending school in the school district of residence of such pupils for the purpose of computations under the school district finance and quality performance act.
- (f) Pupils who satisfactorily complete grade 12 while in attendance at school in a school district of nonresidence of such pupils in accordance

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1 with the provisions of an agreement entered into under authority of this 2 section shall be certified as having graduated from the school district of 3 residence of such pupils unless otherwise provided for by the agreement. 4 Sec. 43. K.S.A. 72-6406, 72-6408, 72-6411, 72-6415, 72-6416, 72-5 6418, 72-6419, 72-6420, 72-6422, 72-6423, 72-6424, 72-6427, 72-6429, 72-6432, 72-6436, 72-6437, 72-6444, 72-6446, 72-6447, 72-7105a, 72-6 7 8233, 72-8237 and 72-8238 and K.S.A. 2010 Supp. 72-3715, 72-3716, 72-8 6405, 72-6407, 72-6409, 72-6410, 72-6412, 72-6413, 72-6414, 72-6414a, 72-6414b, 72-6415b, 72-6417, 72-6421, 72-6425, 72-6426, 72-6428, 72-9 6430, 72-6431, 72-6433, 72-6433d, 72-6434, 72-6434b, 72-6435, 72-6438, 10 72-6439, 72-6439a, 72-6441, 72-6442b, 72-6443, 72-6445a, 72-6448, 72-11 6449, 72-6450, 72-6451, 72-6452, 72-6453, 72-6454, 72-6455, 72-6456, 12 13 72-6457, 72-6458, 72-6459, 72-64b01, 72-64c03, 72-8248, 72-8249, 72-14 8250, 72-8254, 72-9509 and 72-9609 are hereby repealed.

Sec. 44. This act shall take effect and be in force from and after its publication in the statute book.