Session of 2017

## **SENATE BILL No. 251**

By Committee on Ways and Means

5-18

AN ACT concerning education; relating to the instruction and financing 2 thereof; making and concerning appropriations for the fiscal years 3 ending June 30, 2018, and June 30, 2019, for the department of education; creating the Kansas school equity and enhancement act; 4 5 amending K.S.A. 12-17,115 and 72-8803 and K.S.A. 2016 Supp. 10-6 1116a, 12-1677, 12-1770a, 12-1775a, 12-1776a, 72-978, 72-1046b, 72-7 1398, 72-1414, 72-1923, 72-3712, 72-3715, 72-5333b, 72-64b01, 72-8 64c03, 72-64c05, 72-6622, 72-6624, 72-6625, 72-6757, 72-67,115, 72-9 7535, 72-8187, 72-8190, 72-8230, 72-8233, 72-8236, 72-8249, 72-8250, 72-8251, 72-8302, 72-8309, 72-8316, 72-8415b, 72-8801, 72-10 8804, 72-8908, 72-9509, 72-9609, 72-99a02, 72-99a02, as amended by 11 12 section 92 of this act, 72-99a04, 74-4939a, 74-8925, 74-99b43, 75-13 2319, 79-201x, 79-213, 79-2001 and 79-2925b and repealing the 14 existing sections; also repealing K.S.A. 2016 Supp. 46-1133, 72-6482 and 75-2319, as amended by section 46 of Senate Substitute for 15 16 Substitute for House Bill No. 2052.

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Be it enacted by the Legislature of the State of Kansas: Section 1.

## DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2018, the following:

23 Operating expenditures (including official

> hospitality) (652-00-1000-0053)......\$12,515,606 *Provided*, That any unencumbered balance in the operating expenditures (including official hospitality) account in excess of \$100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018.

Special education services aid (652-00-1000-0700).....\$435,980,455 Provided, That any unencumbered balance in the special education services aid account in excess of \$100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018: Provided further, That expenditures shall not be made from the special education services aid account for the provision of instruction for any homebound or hospitalized child unless the categorization of such child as exceptional is conjoined with the categorization of the child within one or more of the other categories of

Proposed Amendments to SB 251 May 19, 2017

Senate Select Committee on Education Finance Prepared by: Office of Revisor of Statutes # 5

Replace Low and High Enrollment Weighting with a Sparsity Weighting

technology coordinator fund of the department of education: *Provided*, That the department of education shall provide information and data regarding the number of school districts served and cost savings attained by such school districts in order to assess the cost effectiveness of having this education technology coordinator position: *Provided further*, That such information and data shall be available by the department of education by the end of the fiscal year 2019.

New Sec. 3. Sections 3 through 47, and amendments thereto, shall be known and may be cited as the Kansas school equity and enhancement act.

New Sec. 4. As used in the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto:

- (a) "Adjusted enrollment" means the enrollment of a school district adjusted by adding the following weightings, if any, to the enrollment of a school district: At-risk student weighting; bilingual weighting; career technical education weighting; declining enrollment weighting; high-density at-risk student weighting; high-enrollment weighting; lowenrollment weighting; school facilities weighting; ancillary school facilities weighting; cost-of-living weighting; special education and related services weighting; and transportation weighting.
- (b) "Ancillary school facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to section 30, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.
- (c) (1) "At-risk student" means a student who is eligible for free meals under the national school lunch act, and who is enrolled in a school district that maintains an approved at-risk student assistance program.
- (2) The term "at-risk student" shall not include any student enrolled in any of the grades one through 12 who is in attendance less than full time, or any student who is over 19 years of age. The provisions of this paragraph shall not apply to any student who has an individualized education program.
- (d) "At-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to section 23(a), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.
- (e) "Base aid for student excellence" or "BASE aid" means an amount appropriated by the legislature in a fiscal year for the designated year. The amount of BASE aid shall be as follows:
  - (1) For school year 2017-2018, \$4,006;
  - (2) for school year 2018-2019, \$4,080; and
- (3) for school year 2019-2020, and each school year thereafter, the BASE aid shall be the BASE aid amount for the immediately preceding

sparsity

operating expenses are paid and in which is deposited all amounts of state foundation aid provided under this act, payments under K.S.A. 72-7105a, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program and such other moneys as are provided by law.

- (q) "General fund budget" means the amount budgeted for operating expenses in the general fund of a school district.
- (r) "High-density at-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to section 23(b), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.
- (s) "High enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to section 21(b), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.
- (t) "Juvenile detention facility" means the same as such term is defined in K.S.A. 72-8187, and amendments thereto.
  - (u) "Local foundation aid" means the sum of the following amounts:
- (1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and authorized to be expended for the purposes specified in section 40, and amendments thereto;
- (2) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to their repeal;
- (3) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 72-1046a(a), and amendments thereto;
- (4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto;
- (5) an amount equal to the amount credited to the general fund in the current school year from moneys distributed in such school year to the school district under the provisions of articles 17 and 34 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto, and under the provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto;
- (6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 72-979, and amendments thereto;

(7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 72-983, and amendments thereto; and

- (8) an amount equal to 70% of the federal impact aid of the school district.
- (v) "Low enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to section 21(a), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.
- (w) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a school district during a school year for all purposes, except expenditures for the purposes specified in section 40, and amendments thereto.
- (x) "Preceding school year" means the school year immediately before the current school year.
- (y) "Preschool-aged at-risk student" means an at-risk student who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines governing the selection of students for participation in head start programs.
- (z) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten. The terms "exceptional children" and "gifted children" have the same meaning as those terms are defined in K.S.A. 72-962, and amendments thereto.
- (aa) "Psychiatric residential treatment facility" means the same as such term is defined in K.S.A. 72-8187, and amendments thereto.
- (bb) "School district" means a school district organized under the laws of this state that is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-1106, and amendments thereto.
- (cc) "School facilities weighting" means an added component assigned to the enrollment of school districts pursuant to section 28, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.
  - (dd) "School year" means the 12-month period ending June 30.
- (ee) "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 means the first day after September 20 on which school is maintained.
- (ff) "Special education and related services weighting" means an addend component assigned to the enrollment of school districts pursuant to section 29, and amendments thereto, on the basis of costs attributable to the maintenance of special education and related services by such school

"Sparsity weighting" means an addend component assigned to the enrollment of school districts pursuant to section 21, and amendments thereto, on the basis of costs attributable to the population density of the school district.

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- (d) As used in this section:
- (1) "Curve of best fit" means the curve on a density-cost graph drawn so the sum of the distances squared from such line to each of the points plotted on the graph is the least possible.
- (2) "Density-cost graph" means a drawing having: (A) A horizontal or base line divided into equal intervals of density, beginning with zero on the left; and (B) a scale for per-student cost of transportation to be shown on a line perpendicular to the base line at the left end thereof, such scale to begin with zero dollars at the base line ascending by equal per-student cost intervals.
- (3) "Index of density" means the number of students who are included in the enrollment of a school district in the current school year, are residing the designated distance or more by the usually traveled road from the school building they attend, and for whom transportation is being made available on regular school routes by the school district, divided by the number of square miles of territory in the school district.

New Sec. 21. (a) The low enrollment weighting of each school district shall be determined by the state board as follows:

- (1) For school districts with an enrollment of fewer than 100 students, multiply the enrollment of the school district by 1.014331. The resulting-product is the low enrollment weighting of the school district;
- (2) for school districts with an enrollment of at least 100 students, butfewer than 300 students:
  - (A) Subtract 100 from the enrollment of the school district:
- (B) multiply the difference obtained under subsection (a)(2)(A) by 9.655:
- (C) subtract the product obtained under subsection (a)(2)(B) from 7,337;
- (D) divide the difference obtained under subsection (a)(2)(C) by 3,642.4;
- (E) subtract one from the quotient obtained under subsection (a)(2) (D); and
- (F) multiply the difference obtained under subsection (a)(2)(E) by the enrollment of the school district. The resulting product is the low-enrollment weighting of the school district;
- (3) for school districts with an enrollment of at least 300 students, but fewer than 1,622 students:
  - (A) Subtract 300 from the enrollment of the school district;
- (B) multiply the difference obtained under subsection (a)(3)(A) by 1.2375:
- (C) subtract the product obtained under subsection (a)(3)(B) from 5,406;

- (a) Except as provided in subsection (b), the sparsity weighting of each school district shall be determined by the state board as follows:
- (1) Determine the area of the school district in square miles;
- (2) divide the number determined in subsection (a)(1) by the enrollment of the school district:
- (3) multiply the number determined under subsection (a)(2) by 0.4. The resulting product is the sparsity weighting of the school district.
- (b) (1) For school year 2017-2018, if a school district received low enrollment weighting in school year 2016-2017, such school district shall either receive an amount equal to the product determined under subsection (a)(3), or ½ of that portion of such school district's general state aid for school year 2016-2017 that was attributable to the school district's low enrollment weighting, whichever is greater.
- (2) For school year 2018-2019, and each school year thereafter, the sparsity weighting shall be the product determined under subsection (a)(3).

(D) divide the difference obtained under subsection (a)(3)(C) by 3.642.4:

- (E)—subtract one from the quotient obtained under subsection (c)(D); and
- (F) multiply the difference obtained under subsection (a)(3)(E) by the enrollment of the school district. The resulting product is the low-enrollment weighting of the school district.
- (b) For school districts with an enrollment of at least 1,622 students, multiply the enrollment of the school district by 0.03504. The resulting product is the high enrollment weighting of the school district.
- New Sec. 22. (a) The bilingual weighting of each school district shall be determined by the state board as follows:
- (1) Determine the full-time equivalent enrollment in approved programs of bilingual education during the preceding school year and multiply such enrollment by 0.361;
- (2) determine the number of students enrolled in approved programs of bilingual education during the preceding school year and multiply such enrollment by 0.185; and
- (3) the bilingual weighting shall be either the amount determined under paragraph (1) or (2), whichever is greater.
- (b) In recognition of the continuing work of the state board in evaluating bilingual educational programs and to allow the legislature time to review the bilingual weighting to ensure that the weighting is reasonably calculated to have students meet or exceed the educational goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto, the provisions of this section shall expire on July 1, 2020.
- New Sec. 23. (a) The at-risk student weighting of each school district shall be determined by the state board as follows:
- (1) Determine the number of at-risk students included in the enrollment of the school district; and
- (2) for a school district with an enrollment that consists of 10% or more at-risk students, multiply the number determined under subsection (a)(1) by 0.456. The resulting sum is the at-risk student weighting of the school district; or
- (3) for a school district with an enrollment that consists of less than 10% at-risk students, multiply the number of students equal to 10% of such school district's enrollment by 0.456. The resulting sum is the at-risk student weighting of the school district. A school district whose at-risk student weighting is determined pursuant to this paragraph shall submit a report to the state board in such form and manner as required by the state board that identifies those students enrolled in such school district who are receiving at-risk program services and the criteria each such student satisfies in order to receive at-risk program services. The state board shall

SB 251 53

and total funds per student;

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- (3) total capital outlay funds, including a showing of such funding provided by federal sources, state sources and local sources, and capital outlay funds per student:
- (4) total bond and interest funds, including a showing of such funding provided by federal sources, state sources and local sources, and bond and interest funds per student;
- (5) total of all other funds not described in paragraphs (2), (3) and (4), excluding fund transfers, including a showing of such funding provided by federal sources, state sources and local sources, and total funds per student:
  - (6) general fund moneys attributable to the following:
- 13 (A) BASE aid;
- high enrollment weighting: 14
- (C) low enrollment weighting; 15
- school facilities weighting; 16
  - (E) transportation weighting:
- (F) at-risk student weighting; 18
- preschool-aged at-risk student weighting; 19
- 20 (H) high-density at-risk student weighting;
- (I) career technical education weighting; 21
- 22 (J) special education and related services weighting:
- 23 (K) bilingual weighting;
  - ancillary school facilities weighting;
- (M) cost-of-living weighting; 25
  - declining enrollment weighting; and
- (O) virtual school state aid: and 27
- (7) total expenditures from each of the following funds: 28
- (A) At-risk education fund; 29
- preschool-aged at-risk education fund; 30
  - bilingual education fund;
- career and postsecondary education fund; 32 33
  - special education fund;
- 34 (F) virtual school fund; and
- 35 (G) special retirement contributions fund.
- New Sec. 44. (a) (1) On or before July 1, 2020, the legislature shall 36 review the school year 2019-2020 BASE aid amount and shall evaluate 37 whether such BASE aid amount is reasonably calculated to have all 38 students meet or exceed the educational goal set forth in K.S.A. 2016 39 Supp. 72-1127(c), and amendments thereto. 40
  - (2) Such evaluation shall be based on a successful school model that identifies successful school districts based on the percentage of at-risk students in such districts in relation to the following outcomes:

sparsity

(A) The percentage of students at grade level on state math and English language arts assessments;

- (B) the percentage of students that are college and career ready on state math and English language arts assessments;
  - (C) the average composite ACT score; and
  - (D) the four-year graduation rate.

- (3) Such evaluation shall identify school districts that exceeded expected outcomes and shall also identify school districts that have an average scaled difference on the outcome measures greater than or equal to one standard deviation from the average scaled difference of all districts. Those school districts that are identified as successful school districts in relation to other similarly situated districts may be used to evaluate whether the BASE aid amount is reasonably calculated to ensure that students will continue to meet or exceed the educational goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto.
- (b) The senate standing committee on education shall review the low-enrollment weighting and the high enrollment weighting, as such terms are defined in section 4, and amendments thereto, and alternatives to such weightings, including, but not limited to, a sparsity weighting Such review shall occur during the 2018 regular legislative session to ensure that such weightings are reasonably calculated to have students meet or exceed the goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto. The provisions of this subsection shall expire on July 1, 2018.
- New Sec. 45. The legislative post audit committee shall direct the legislative division of post audit to conduct the following performance audits in the fiscal year specified:
- (a) A performance audit of transportation services funding. The audit should include a comparison of the amount of transportation services funding school districts receive to the cost of providing transportation services. This performance audit shall be conducted during fiscal year 2018, and the final audit report shall be submitted to the legislature on or before January 15, 2018.
- (b) A performance audit of at-risk education funding. The audit should evaluate the method of counting students for at-risk education funding, the level of the at-risk student weighting and high-density at-risk student weighting under the act and how school districts are expending moneys provided for at-risk education. This performance audit shall be conducted during fiscal year 2020, and the final audit report shall be submitted to the legislature on or before January 15, 2020.
- (c) A performance audit of bilingual education funding. The audit should evaluate the method of counting students for bilingual education funding, the level of the bilingual weighting under the act and how school

sparsity weighting, as such term is

weighting, including, but not limited to the low enrollment weighting and the high enrollment weighting as such weightings existed in K.S.A. 72-6412 and K.S.A. 72-6442b, prior to their repeal.

weighting is