

SESSION OF 2019

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 16**

As Amended by House Committee of the Whole

Brief*

House Sub. for SB 16, as amended, would make amendments to the Kansas School Equity and Enhancement Act (KSEEA) and would create law and make amendments to current statutes related to public schools.

KSEEA Amendments

The bill would make several amendments to the KSEEA.

Bilingual Weighting

The bill would limit to seven years the number of years a student may qualify for the bilingual weighting.

Out-of-state Students

The bill would amend current law to permanently count out-of-state students as 1.0 full-time equivalent (FTE) when determining a school district's unweighted FTE enrollment. Under current law, out-of-state students count as 1.0 FTE in school year 2018-2019, 0.75 FTE in school years 2019-2020 and 2020-2021, and 0.5 FTE in school year 2021-2022 and each school year thereafter.

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

School Finance Audits

The bill would amend the planned schedule of school finance audits to be completed by the Legislative Division of Post Audit. The bill would replace the planned cost-function performance audit in FY 2021 with an audit of school district unencumbered cash balances. The new audit schedule would be as follows:

- FY 2020: At-risk education;
- FY 2021: School district unencumbered cash balances;
- FY 2022: Bilingual education;
- FY 2023: Virtual school programs; and
- FY 2024: Cost-function performance audit.

Other Provisions

Accountability Reports

The bill would require the Kansas State Department of Education (KSDE) to create one-page performance accountability reports for the state, each school district, and each school building. The performance accountability reports would be required to include information required by the federal Every Student Succeeds Act, or any successor act, and the college and career readiness metrics developed and implemented by the Kansas State Board of Education (KSBE).

The bill would also require KSDE to prepare annual longitudinal reports on student achievement on the state assessment for English language arts, mathematics, and science.

The bill would amend law that requires KSDE to prepare annual school funding reports. The bill would require the following be reported:

- The virtual student FTE enrollment be reported in addition to the full FTE for the school district;
- Any local revenue sourced be identified by the specific revenue sources, such as property taxes, student fees, and other sources of revenue; and
- All expenditures for legal services challenging the constitutionality of the school finance system under Article 6, Section 6 of the *Kansas Constitution*, including any dues or fees paid to an organization participating in such litigation.

The bill would establish uniform Internet publication requirements for all reports required to be published by KSDE and school districts. The bill would require KSDE and each school district provide a prominently displayed link on the homepage of their website that takes the user to the reports.

Classroom-based Budgeting

The bill would require the board of education of each school district to reasonably allocate a sufficient amount of moneys to have students enrolled in the school district meet the *Rose* standards codified in KSA 72-3218(c). The bill would require the superintendent of each school district to certify to KSBE that the school district budget reasonably allocates sufficient moneys for instructional costs and the school district has sufficient qualified personnel to provide the curriculum established by KSBE and the school district's at-risk education programs.

ACT and WorkKeys Assessments

The bill would require KSBE to provide the ACT college entrance exam and the three ACT WorkKeys assessments required to earn a national career readiness certificate to each student enrolled in grades 11 and 12 at no charge to the student. The bill would also require KSBE to provide the PreACT college entrance exam to each student enrolled in grade 9. (*Note:* Sub. for SB 423 (2019) required KSDE to provide the ACT and WorkKeys assessments to students in grades 9 through 12 during FY 2020.)

Bullying Provisions

The bill would require KSDE to establish and maintain a statewide bullying prevention hotline and to take steps to ascertain the school district and school building where the bullying victim attends class, the name of the bullying victim, the alleged offender, any witnesses to the alleged incident, and any school district employees to whom the incident was reported. KSDE would be required to report all information received through the hotline to the school district where an alleged incident occurred. The bill would also require KSDE to report to the Governor and the Legislature each year on the number of bullying reports made through the hotline, including the number of reports made from each school district and each school building. Additionally, the bill would require the hotline phone number be displayed on the home page of a school district's website.

The bill would also amend KSA 72-6147 to require school districts' bullying prevention policies to include information concerning consequences and responses to bullying and procedures for reporting and investigating bullying, and to require the publication of such policies on the home page of a school district's website.

Special Education Excess Costs

The bill would eliminate law that provides for Special Education State Aid at a rate of 92.0 percent of excess costs and replace it with a requirement that KSBE annually set the excess cost percentage based on the appropriations for Special Education State Aid for that school year.

Low-income Tax-credit Scholarship Program

The bill would change the definition of “public school” in the Low-income Student Scholarship Program from the 100 lowest performing schools to the 100 lowest performing elementary schools. The bill would also allow students already receiving scholarships to continue receiving scholarships so no student would become ineligible due to the definition change.

School District Capital Improvements

The bill would amend KSA 72-5461, which sets a statutory limit on the amount of additional school district bonding authority KSBE can approve. The bill would create an exemption from this statutory limit for bonding authority requests for the maintenance or repair of existing facilities, including roofs, heating and air conditioning systems, school safety measures, and technology updates, or to comply with the Americans with Disability Act or an order of the State Fire Marshal.

The bill would also make Capital Improvement State Aid a revenue transfer from the State General Fund (SGF) for FY 2020, FY 2021, and FY 2022. Under current law, Capital Improvement State Aid is scheduled to revert to a demand transfer from the SGF in FY 2020. (*Note:* This was included in the Governor’s FY 2020 budget recommendation for KSDE.)

Graduation Requirements

The bill would require KSDE to conduct a study during FY 2020 on graduation requirements established by school districts, including whether courses in computer science and personal financial literacy should be allowed to fulfill high school graduation requirements.

IT Education Standards Advisory Commission

The bill would establish the IT Education Standards Advisory Commission (Commission). The Commission would be charged with advising KSBE and the State Board of Regents on information technology standards and industry needs. Members of the Commissions would include two members appointed by the Speaker of the House of Representatives, one member appointed by the House Minority Leader, two members appointed by the President of the Senate, one member appointed by the Senate Minority Leader, three members appointed by the Governor, one member appointed by KSBE, and one member appointed by the State Board of Regents. The Commission would sunset after two years.

School District Transportation

The bill would amend KSA 72-6487 to require school districts provide transportation services to students living less than 2.5 miles from their school if there is no safe pedestrian route for such students and there is not additional cost to the school district to provide such transportation.

Legislative Task Force on Dyslexia

The bill would extend the Legislative Task Force on Dyslexia until June 30, 2022, allowing the Task Force to meet once each year.

Methods of Public Education Financing

The bill would add Jobs for America's Graduates–Kansas (JAG-K) to KSA 72-5193, which lists methods of public education financing in order to satisfy the requirements under Article 6 of the *Kansas Constitution*.

Background

The bill was introduced by the Senate Committee on Education at the request of JAG-K. In the Senate Committee hearing, a representative of JAG-K provided proponent testimony, noting the bill would clarify at-risk funding may be used to support evidence-based programs with measurable successful outcomes that help at-risk students graduate from high school. The representative noted it is important to clarify how at-risk funds may be used, because “at-risk” typically refers to those students eligible for free and reduced lunch, but 28 percent of students who do not qualify for free and reduced lunch are also “at-risk.” The representative stated programs such as JAG-K should not be ineligible for state funding simply because these students do not qualify for free and reduced lunch. (*Note: At-risk funding is tied to free lunch, but students not receiving free lunch can receive at-risk services if they meet the criteria of “at-risk.”*)

A representative of the Kansas Association of School Boards provided neutral testimony, noting concern with including a specific program in statute. No other testimony was provided.

The Senate Committee amended the bill to include the Boys and Girls Club as a program eligible to receive state appropriations.

At the House Committee on K-12 Education Budget hearing, a representative of JAG-K provided proponent testimony. No other testimony was provided.

The House Committee recommended creating a substitute bill by deleting the contents of SB 16, as amended by the Senate Committee, and inserting select provisions from HB 2395, as introduced. The substitute bill also made the following changes from HB 2395:

- Eliminated the Kansas Hope Scholarship Act;
- Eliminated the Legislative Task Force on Bullying Prevention in Public Schools;
- Eliminated the requirement for school districts to reduce average unencumbered cash balances to 15.0 percent of operating expenditures;
- Increased the limit on the number of years a student may qualify for the bilingual weighting from four years to five years;
- Added language to create the statewide bullying prevention hotline;
- Added language to replace the scheduled cost-function performance audit in FY 2021 with an audit of school district cash balances; and
- Did not include any appropriations to KSDE or significant amendments to the school finance formula (*Note:* These provisions are included in Sub. for HB 2395).

The House Committee of the Whole amended the bill by increasing the limit on the number of years a student may qualify for the bilingual weighting from five years to seven years.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KSDE indicates enactment of the bill would have no fiscal effect.

HB 2395

HB 2395 was introduced by the House Committee on Appropriations at the request of Representative Williams. At the House Committee hearing, proponent testimony was provided by representatives of Cerner, Educational Management Consultants, and the Kansas Chamber of Commerce, and by a private citizen. The proponents generally favored the increase in the at-risk weighting to target funds at under-performing students and the inclusion of provisions related to information technology. Written-only proponent testimony was provided by a representative of the United Methodist Health Ministry Fund.

Neutral testimony was provided by representatives of the Association of Community Mental Health Centers of Kansas, the Community Care Network of Kansas, and the Kansas Policy Institute.

Opponent testimony was provided by representatives of Equality Kansas, the Kansas Association of School Boards, the Kansas National Education Association, the Mainstream Coalition, and the United School Administrators of Kansas and Kansas School Superintendents Association. The opponents were generally opposed to the elimination of scheduled Base Aid for Student Excellence increases for FY 2022 and FY 2023, the Kansas Hope Scholarship Act, and the composition of the bullying task force.

Written-only opponent testimony was provided by representatives of Blue Valley Special Education Advisory Council, Education First Shawnee Mission, Game On for Kansas Schools, Kansas City College Connect, Kansas Families for Education, the Kansas PTA, Olathe Public Education Network, Schools for Fair Funding, Schools for Quality Education, Stand Up Blue Valley, USD 113 (Prairie Hills), USD 262 (Valley Center), USD 329 (Wabaunsee), USD 357 (Belle Plaine), USD 456 (Marais des Cygnes Valley), and USD 512 (Shawnee Mission).