[As Amended by House Committee of the Whole]

As Amended by House Committee

Session of 2005

HOUSE BILL No. 2474

By Select Committee on School Finance

2 - 16

12	AN ACT concerning schools and school districts; concerning the state
13	board of education and the state department of education; relating to
14	the powers and duties thereof; relating to school finance; establishing
15	the legislative education council; providing for certain costs analysis
16	studies; making and concerning appropriations for the fiscal year end-
17	ing June 30, 2006 for the department of education; amending K.S.A.
18	72-979, 72-6405, 72-6410, 72-6412, 72-6413, 72-6414, 72-6415, 72-
19	6433, 72-6757 and 72-8801 and K.S.A. 2004 Supp. 46-1208a, 72-978,
20	72-6407, 72-6434, 72-8205, 79-201a and 79-5040 and repealing the
21	existing sections; also repealing K.S.A. 46-1225, 72-6442 and 72-6433b.
22	K.S.A. [72-6440,] 72-6442, 72-6444 and 72-6433b and K.S.A.
23	2004 Supp. 46-1225.
24	
25	Be it enacted by the Legislature of the State of Kansas:
26	New Section 1. (a) In order to assist the legislature in the gathering of
27	information which is necessary for the legislature's consideration when
28	meeting its constitutional duties to: (1) Provide for intellectual, educa-
29	tional, vocational and scientific improvement in public schools established
30	and maintained by the state; and (2) make suitable provision for the fi-
31	nance of educational interests of the state, the legislative division of post
32	audit shall conduct a professional cost study analysis to determine the
33	costs of delivering the kindergarten and grades one through 12 curricu-
34	lum, related services and other programs mandated by state statute. Such
35	cost analysis study shall be conducted as directed by the legislative post
36	audit committee.
37	(b) Any study conducted pursuant to subsection (a) shall include, but
38	not be limited to:
39	(1) A determination of the services or programs required by state stat-
40	ute to be provided by school districts. Such review shall include high
41	school graduation requirements, admissions requirements established by
42	the state board of regents pursuant to K.S.A. 76-716, and amendments

the state board of regents pursuant to K.S.A. 76-716, and amendmentsthereto, state scholarship requirements established by the state board of

regents and courses of instruction at various grade levels required by state
 statute.

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3 (2) A study of the actual costs incurred in a sample of school districts 4 to provide reasonable estimates of the costs of providing services and 5 programs required by state statute to be provided by school districts for 6 regular elementary and secondary education, including instruction, ad-7 ministration, support staff, supplies, equipment and building costs.

8 (3) A study of the actual costs incurred in a sample of school districts 9 to provide reasonable estimates of the costs of providing services and 10 programs required by state statute to be provided by school districts for 11 specialized education services including, but not limited to, special edu-12 cation and related services, bilingual education and at-risk programs.

(4) A study of the factors which may contribute to the variations in
costs incurred by school districts of various sizes and in various regions
of the state when providing services or programs required by state statute
to be provided by school districts. Such study shall include the administrative costs of providing such services and programs.

(5) An analysis in a sample of districts as determined by the legislativepost auditor showing such things as:

(A) The percent of the estimated cost of providing service and programs required by state statute to be provided that could have been
funded by the various types of state aid the districts received in the most
recently completed school year, as well as the percent funded by the
district's local option budget;

25 (B) the percent of district funding that is spent on instruction;

26 (C) the percent of district funding that is spent on central administra-27 tion; and

28 (D) the percent of district funding that is spent on support services.

(6) A review of relevant studies that assess whether there is a correla-tion between amounts spent on education and student performance.

(7) A review to determine whether students who are counted as a basis
for computing funding for specialized educational services are actually
receiving those services.

(8) Any additional reviews or analyses the legislative post auditor considers relevant to the legislature's decisions regarding the cost of funding
services or programs required by state statute to be provided by school
districts.

(c) In conducting such evaluation, the legislative post auditor may con tract with consultants as needed. If, upon consultation with the legislative

40 post auditor, the legislative post audit committee determines that any or

41 all of this evaluation should be conducted by a firm or firms under con-

42 tract with the division of post audit, such firm or firms shall be selected

43 and shall perform such audit or audit work as provided under the legis-

1 lative post audit act.

2 (d) Following the completion of such cost analysis study, the legislative 3 post auditor shall submit a detailed report thereon to the legislature on or before the first day of the 2006 legislative session. If additional time is 4 $\mathbf{5}$ needed to provide the most accurate information relating to any area of 6 requested study, the legislative post auditor shall so report to the legis-7 lature, explaining the reasons for the need for additional time and pro-8 viding a reasonable time frame for completion of that aspect of the study. 9 In that event, the legislative post auditor shall submit a report on that 10portion of the audit which has been completed before the start of the 2006 legislative session and **the** balance of such report shall be submitted 11 12within the time frame established by the legislative post auditor when 13 requesting additional time. 14(e) The provisions of this section shall be part of and supplemental to 15the legislative post audit act. 16(f) The provisions of this section shall expire on June 30, 2006. 17New Sec. 2. (a) In addition to subjects or areas of instruction required 18by K.S.A. 72-1101, 72-1103, 72-1117, 72-1126 and 72-7535, and amend-19ments thereto, every accredited school in the state of Kansas shall teach 20the subjects and areas of instruction deemed necessary [required] by the 21state board of education as of January 1, 2005. 22 (b) Every accredited high school in the state of Kansas also shall teach 23 the subjects and areas of instruction necessary to meet the graduation 24 requirements established by the state board of education as of January 1, 252005. Any high school graduation requirements established by the state 26board of education shall comply with the admission requirements estab-27 lished by the state board of regents pursuant to K.S.A. 76-716, and

28 amendments thereto.

(c) Subjects and areas of instruction shall be designed by the state **board of education** to achieve the following goals established by the
legislature to allow for the:

(1) Development of sufficient oral and written communication skills
which enable students to function in a complex and rapidly changing
society;

(2) acquisition of sufficient knowledge of economic, social and political
systems which enable students to understand the issues that affect the
community, state and nation;

38 (3) development of students' mental and physical wellness;

(4) development of knowledge of the [fine] arts to enable students toappreciate the cultural and historical heritage of others;

(5) training or preparation for advanced training in either academic or
vocational fields so as to enable students to choose and pursue life work
intelligently;

(6) development of sufficient levels of academic or vocational skills to
 enable students to compete favorable in academics and the job market;
 and

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(7) needs of students requiring special education services.

5 (d) Nothing in this section shall be construed as relieving the state or 6 school districts from other duties and requirements imposed by state or 7 federal law including, but not limited to, at-risk programs for pupils need-8 ing intervention, programs concerning special education and related serv-

9 ices and bilingual education.

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New Sec. 3. (a) There is hereby established the legislative education
council. The council shall be composed of nine members of which seven
shall be appointed as follows:

13 (1) One member appointed by the speaker of the house of 14 representatives;

15 (2) one member appointed by the president of the senate;

16 (3) one member appointed by the minority leader of the house of 17 representatives;

18 (4) one member appointed by the minority leader of the senate;

19 (5) the chairperson of the house education committee;

20 (6) the chairperson of the senate education committee; and

(7) one member appointed jointly by the speaker of the house of representatives, the minority leader of the house of representatives, the president of the senate and the minority leader of the senate;

24 (8) the legislative post auditor, or the designee thereof; and

25 (9) the attorney general, or the designee thereof.

The legislative post auditor and the attorney general shall serve ex officio and shall be nonvoting members of the council.

28(b) Except as specifically provided in paragraphs (5) and (6) of subsec-29 tion (a), nothing in this section shall be construed as requiring the ap-30 pointment of legislators to the council. Of the members of the council, 31one member shall be from the professional and business sector who is 32 recognized for leadership and expertise in such person's field and one 33 member shall be a certified public accountant who is recognized for ex-34 pertise in the area of school district financial operations and who regularly 35 conducts or has regularly conducted audits of school districts.

(c) A member appointed by the speaker or minority leader of the
house of representatives and the member appointed pursuant to paragraph (7) of subsection (a) shall serve for terms of two years and until a
successor is appointed and qualified. A member appointed by the president or minority leader of the senate shall serve for terms of four years
and until a successor is appointed and qualified. Terms of members of

42 the legislature appointed to the council shall expire at the expiration of

43 the legislative term for which such legislator was elected. Except for va-

1 cancies created by the expiration of a legislative term, a vacancy shall be

2 filled for the unexpired term by appointment in the manner prescribed

3 by this section for the original appointment.

4 (d) Members of the council attending regular or special meetings, sub-5 committee meetings or meetings of advisory committees authorized by 6 the council, shall be paid amounts for expenses, mileage and subsistence 7 as provided for in K.S.A. 75-3223, and amendments thereto, except that 8 members of the council who are legislators shall not receive subsistence 9 under K.S.A. 75-3212, and amendments thereto.

(e) The members of the council annually shall select a chairperson andvice-chairperson from the membership of the council.

(f) The council may meet at any time and at any place within the state
on the call of the chairperson. A quorum of the council shall be four
voting members. All actions of the council shall be by motion adopted by
a majority of those voting members present when there is a quorum.

(g) In accordance with K.S.A. 46-1204, and amendments thereto, the
legislative coordinating council may provide for such professional services
as may be requested by the council.

19(h) The staff of the office of the revisor of statutes, the legislative re-20search department and the division of legislative administrative services 21shall provide such assistance as may be requested by the council. Upon 22request of the council, the state board of education and the center for 23 innovative school leadership established pursuant to K.S.A. 2004 Supp. 24 76-767, and amendments thereto, shall provide consultants and assistance when requested by the council. In addition and upon the request of the 2526council, the state board of education and school districts shall provide any 27 information and supporting documentation related thereto.

New Sec. 4. The council shall:

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(a) Conduct continuous and on-going monitoring of the implementation and operation of the school district and quality performance act
school district finance and quality performance act and other provisions of law relating to school finance and the quality performance
accreditation system;

(b) evaluate the school district **finance** and quality performance act
and determine if there is a fair and equitable relationship between the
costs of the weighted components and assigned weightings;

37 (c) determine if existing weightings should be adjusted;

(d) determine if additional school district operations should beweighted;

40 (e) review the amount of base state aid per pupil and determine if the 41 amount should be adjusted;

42 (f) evaluate the reform and restructuring components of the act and 43 assess the impact thereof; 1 (g) evaluate the system of financial support, reform and restructuring 2 of public education in Kansas and in other states to ensure that the Kansas 3 system is the most efficient and effective;

4 (h) conduct other studies, as directed by the legislature legislative
5 coordinating council, relating to the improving, reforming or restruc6 turing of the educational system and the financing thereof;

(i) conduct hearings and receive and consider suggestions from teachers, parents, the department of education, the state board of education,
other governmental officers and agencies and the general public concerning suggested improvements in the educational system and the financing thereof;

(j) appoint advisory committees when deemed necessary. The chairperson of any such advisory committee shall be a member of the legislative education council;

(k) make any other recommendation it deems is necessary to guide the legislature to fulfill goals established by the legislature in meeting its constitutional duties of the legislature to: (A) Provide for intellectual, educational, vocational and scientific improvement in public schools established and maintained by the state; and (B) make suitable provision for the finance of the educational interests of the state; and

(l) make and submit annual reports to the legislature on the work of the council concerning recommendations of the council relating to the improving, reforming or restructuring of the educational system and the financing thereof and other topics of study directed to the council by the legislative coordinating council. Such report also shall include recommendations for legislative changes and shall be submitted to the legislature on or before December 31 of each year.

28Sec. 5. K.S.A. 2004 Supp. 46-1208a is hereby amended to read as fol-29 lows: 46-1208a. (a) The legislative educational planning committee is 30 hereby established and shall be composed of 13 members, seven of whom 31shall be members of the house of representatives and six of whom shall 32 be senators. Members of the legislative educational planning committee 33 shall be appointed by the legislative coordinating council. The legislative 34 coordinating council shall determine the number of members of the com-35 mittee who shall be members of the majority party and the number of 36 members of the committee who shall be members of the minority party. 37 The committee shall be permanent with membership changing from time 38 to time as the legislative coordinating council shall determine. 39

(b) The legislative educational planning committee shall plan for public
and private postsecondary education in Kansas, including vocational and
technical education; explore, study and make recommendations concern-

42 ing preschool and K-12 education in Kansas; review implementation of

43 legislation relating to educational matters *concerning postsecondary ed-*

1 *ucation*; and consider such other matters as the legislative coordinating 2 council may assign. The committee shall annually shall make a report and recommendations to the legislature and the governor and may cause the 3 same to be published separately from other documents which are re-4 5quired by law to be submitted to the legislative coordinating council. The 6 reports and recommendations of the committee shall include a develop-7 mental schedule for implementation of educational goals established by 8 the committee. The committee shall From time to time, the committee 9 shall update such schedule as new or additional information is developed 10 or refined. (c) The provisions of the acts contained in article 12 of chapter 46 of 11 12the Kansas Statutes Annotated, and amendments thereto, applicable to 13 special committees shall apply to the legislative educational planning com-14mittee to the extent that the same do not conflict with the specific pro-15visions of this act applicable to the committee. 16(d) Upon request of the legislative educational planning committee, 17the state board of regents and the state board of education shall provide 18consultants from the faculties and staffs of institutions and agencies under 19the respective control and jurisdiction thereof. (e) The legislative educational planning committee shall meet upon call 2021of its chairperson and may introduce such legislation as it deems necessary 22 in performing its functions. 23 Sec. 6. K.S.A. 2004 Supp. 72-978 is hereby amended to read as follows: 24 72-978. (a) (1) In each school year, in accordance with appropriations for special education and related services provided under this act, each school 2526 district which has provided special education and related services in com-27pliance with the provisions of this act 28(a) Each year, the state board of education shall determine the amount 29 of state aid for the provision of special education and related services each 30 school district shall receive for the ensuing school year. The amount of 31such state aid shall be computed by the state board as provided in this 32 section. The state board shall: 33 (1) Determine the total amount of general fund and local option budgets 34 of all school districts; (2) subtract from the amount determined in paragraph (1) the total 35 36 amount attributable to assignment of transportation weighting, program 37 weighting, special education weighting and at-risk pupil weighting to en-38 rollment of all school districts;

(3) divide the remainder obtained in paragraph (2) by the total number
of pupils enrolled in all school districts on September 20;

41 (4) determine the total full-time equivalent enrollment of exceptional 42 children in special education services provided by all school districts;

43 (5) multiply the amount of the quotient obtained in paragraph (3) by

1 the full-time equivalent enrollment determined in paragraph (4);

2 (6) determine the amount of federal funds received by all school districts 3

for the provision of special education services;

(7) determine the amount of revenue received by all school districts 4 rendered under contracts with the state institutions for the provisions of 56 special education services by the state institution;

7 (8) add the amounts determined under paragraphs (6) and (7) to the 8 amount of the product obtained under paragraph (5);

9 (9) determine the total amount of expenditures of all school districts for 10the provision of special education services;

(10) subtract the amount of the sum obtained under paragraph (8) from 11 12 the amount determined under paragraph (9); and

13 (11)(A) for school year 2005-2006, multiply the remainder obtained under paragraph (10) by 85%; 14

15(B) for school year, 2006-2007, multiply the remainder obtained under 16paragraph (10) by 88%; and

17(C) for school year 2007-2008 and each year thereafter, multiply the 18remainder obtained under paragraph (10) by 90%.

19The computed amount is the amount of state aid for the provision of 20special education aid a school district is entitled to receive for the ensuing 21school year.

(b) Each school district shall be entitled to receive:

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23 (A) (1) Reimbursement for actual travel allowances paid to special 24 teachers at not to exceed the rate specified under K.S.A. 75-3203, and 25amendments thereto, for each mile actually traveled during the school 26year in connection with duties in providing special education or related 27 services for exceptional children; such reimbursement shall be computed 28by the state board by ascertaining the actual travel allowances paid to 29 special teachers by the school district for the school year and shall be in 30 an amount equal to 80% of such actual travel allowances;

31 (\mathbf{B}) (2) reimbursement in an amount equal to 80% of the actual travel 32 expenses incurred for providing transportation for exceptional children to 33 special education or related services; such reimbursement shall not be 34 paid if such child has been counted in determining the transportation 35 weighting of the district under the provisions of the school district finance 36 and quality performance act;

37 (C) (3) reimbursement in an amount equal to 80% of the actual ex-38 penses incurred for the maintenance of an exceptional child at some place 39 other than the residence of such child for the purpose of providing special 40 education or related services; such reimbursement shall not exceed \$600 per exceptional child per school year; and 41

42 (\mathbf{D}) (4) except for those school districts entitled to receive reimburse-43 ment under subsection (b) or (c) or (d), after subtracting the amounts of

1 reimbursement under paragraphs (A), (B) and (C) (1), (2) and (3) of this subsection (a) from the total amount appropriated for special education 2 3 and related services under this act, an amount which bears the same 4 proportion to the remaining amount appropriated as the number of full- $\mathbf{5}$ time equivalent special teachers who are qualified to provide special ed-6 ucation or related services to exceptional children and are employed by 7 the school district for approved special education or related services bears 8 to the total number of such qualified full-time equivalent special teachers 9 employed by all school districts for approved special education or related 10services. (2) Each special teacher who is qualified to assist in the provision of 11

12 special education or related services to exceptional children shall be 13 counted as ²/₅ full-time equivalent special teacher who is qualified to pro-14 vide special education or related services to exceptional children.

15 (b) (c) Each school district which has paid amounts for the provision 16of special education and related services under an interlocal agreement 17shall be entitled to receive reimbursement under subsection $\frac{(a)(1)(D)}{(a)}$ 18(b)(4). The amount of such reimbursement for the district shall be the amount which bears the same relation to the aggregate amount available 1920for reimbursement for the provision of special education and related serv-21ices under the interlocal agreement, as the amount paid by such district 22 in the current school year for provision of such special education and 23 related services bears to the aggregate of all amounts paid by all school 24 districts in the current school year who have entered into such interlocal 25agreement for provision of such special education and related services.

26 (e) (d) Each contracting school district which has paid amounts for the 27 provision of special education and related services as a member of a co-28operative shall be entitled to receive reimbursement under subsection 29 (a)(1)(D)(b)(4). The amount of such reimbursement for the district shall 30 be the amount which bears the same relation to the aggregate amount 31 available for reimbursement for the provision of special education and 32 related services by the cooperative, as the amount paid by such district 33 in the current school year for provision of such special education and 34 related services bears to the aggregate of all amounts paid by all contract-35 ing school districts in the current school year by such cooperative for 36 provision of such special education and related services.

37 (d) (e) No time spent by a special teacher in connection with duties 38 performed under a contract entered into by the Kansas juvenile correc-39 tional complex, the Atchison juvenile correctional facility, the Beloit ju-40 venile correctional facility, the Larned juvenile correctional facility, or the 41 Topeka juvenile correctional facility and a school district for the provision 42 of special education services by such state institution shall be counted in 43 making computations under this section.

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1 Sec. 7. K.S.A. 72-979 is hereby amended to read as follows: 72-979. (a) 2 Payments under this act of state aid for the provision of special education 3 and related services shall be made in the manner and at such times during 4 each school year as are determined by the state board. All amounts received by a district under this section shall be deposited in the general $\mathbf{5}$ 6 fund of the district and transferred to its special education fund. If any 7 district is paid more than it is entitled to receive under any distribution 8 made under this act, the state board shall notify the district of the amount 9 of such overpayment, and such district shall remit the same to the state 10 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 11 12amendments thereto. Upon receipt of each such remittance, the state 13 treasurer shall deposit the entire amount in the state treasury to the credit 14of the state general fund. If any such district fails so to remit, the state 15board shall deduct the excess amounts so paid from future payments 16becoming due to such district. If any district is paid less than the amount 17to which it is entitled under any distribution made under this act, the 18state board shall pay the additional amount due at any time within the 19school year in which the underpayment was made or within 60 days after 20the end of such school year. If the amount of appropriations for state aid 21for the provision of special education and related services is insufficient 22 to pay in full the amount of state aid each school district is entitled to 23 receive for the school year, the state board shall prorate the amount appropriated among all school districts. 24 25(b) The state board shall prescribe all forms necessary for reporting 26under this act. 27 (c) Every board shall make such periodic and special reports of infor-28mation to the state board as it may request in order to carry out its re-29 sponsibilities under this act. 30 Sec. 8. K.S.A. 2004 Supp. 72-6407 is hereby amended to read as follows: 72-6407. (a) (1) "Pupil" means any person who is regularly enrolled 3132 in a district and attending kindergarten or any of the grades one through 33 12 maintained by the district or who is regularly enrolled in a district and 34 attending kindergarten or any of the grades one through 12 in another 35 district in accordance with an agreement entered into under authority of 36 K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in

a district and attending special education services provided for preschool aged exceptional children by the district. Subject to the release of
 funds by the state board of education pursuant to section 31, and

40 amendments thereto, a pupil enrolled in any school district in this

41 state who does not live in Kansas shall not be counted as a pupil

42 for state financial aid under the school district finance and quality

43 performance act.

1 (2) Except as otherwise provided in paragraph (3) of this subsection, a 2 pupil in attendance full time shall be counted as one pupil. A pupil in 3 attendance part time shall be counted as that proportion of one pupil (to 4 the nearest ¹/10) that the pupil's attendance bears to full-time attendance. A pupil attending kindergarten shall be counted as 1/2 pupil. A pupil en- $\mathbf{5}$ rolled in and attending an institution of postsecondary education which 6 7 is authorized under the laws of this state to award academic degrees shall 8 be counted as one pupil if the pupil's postsecondary education enrollment 9 and attendance together with the pupil's attendance in either of the grades 11 or 12 is at least ⁵% time, otherwise the pupil shall be counted 10as that proportion of one pupil (to the nearest 1/10) that the total time of 11 12the pupil's postsecondary education attendance and attendance in grade 13 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in 14and attending an area vocational school, area vocational-technical school 15or approved vocational education program shall be counted as one pupil 16if the pupil's vocational education enrollment and attendance together 17with the pupil's attendance in any of grades nine through 12 is at least ⁵/₆ 18time, otherwise the pupil shall be counted as that proportion of one pupil 19(to the nearest $\frac{1}{10}$) that the total time of the pupil's vocational education 20attendance and attendance in any of grades nine through 12 bears to full-21time attendance. A pupil enrolled in a district and attending special ed-22 ucation and related services, except special education and related services 23 for preschool-aged exceptional children, provided for by the district shall 24 be counted as one pupil. A pupil enrolled in a district and attending 25special education and related services for preschool-aged exceptional chil-26 dren provided for by the district shall be counted as ¹/₂ pupil. A preschool-27 aged at-risk pupil enrolled in a district and receiving services under an 28approved at-risk pupil assistance plan maintained by the district shall be 29 counted as ¹/₂ pupil. A pupil in the custody of the secretary of social and 30 rehabilitation services and enrolled in unified school district No. 259, 31 Sedgwick county, Kansas, but housed, maintained, and receiving educa-32 tional services at the Judge James V. Riddel Boys Ranch, shall be counted 33 as two pupils. 34 (3) A pupil residing at the Flint Hills job corps center shall not be

(3) A pupil residing at the Flint Hills job corps center shall not be counted. A pupil confined in and receiving educational services provided for by a district at a juvenile detention facility shall not be counted. A pupil enrolled in a district but housed, maintained, and receiving educational services at a state institution shall not be counted. A pupil enrolled in a virtual school in a district but who is not a resident of the state of Kansas shall not be counted.

(b) "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.

1 (c) "At-risk pupils" means pupils who are eligible for free meals under 2 the national school lunch act *or reduced-price meals* and who are enrolled 3 in a district which maintains an approved at-risk pupil assistance plan.

4 (d) "Preschool-aged at-risk pupil" means an at-risk pupil who has attained the age of four years, is under the age of eligibility for attendance 6 at kindergarten, and has been selected by the state board in accordance 7 with guidelines consonant with guidelines governing the selection of pupils for participation in head start programs. The state board shall select 9 not more than 5,500 preschool-aged at-risk pupils to be counted in any 10 school year.

(e) "Enrollment" means: (1) (1) (A) Subject to the provisions of 11 12**paragraph** (1)(B), For districts scheduling the school days or school 13 hours of the school term on a trimestral or quarterly basis, the number 14of pupils regularly enrolled in the district on September 20 plus the num-15 ber of pupils regularly enrolled in the district on February 20 less the 16number of pupils regularly enrolled on February 20 who were counted 17in the enrollment of the district on September 20; and for districts not 18specified in this clause **paragraph** (1), the number of pupils regularly 19enrolled in the district on September 20; (B) a pupil who is a foreign exchange student shall not be counted unless such student is reg-2021ularly enrolled in the district on September 20 and attending kin-22dergarten or any of the grades one through 12 maintained by the 23 district for at least one semester or two quarters or the equivalent 24 thereof

25(2)if enrollment in a district in any school year has decreased from 26enrollment in the preceding school year, enrollment of the district in the 27 current school year means whichever is the greater of (A) enrollment in 28 the preceding school year minus enrollment in such school year of pre-29 school-aged at-risk pupils, if any such pupils were enrolled, plus enroll-30 ment in the current school year of preschool-aged at-risk pupils, if any 31 such pupils are enrolled, or (B) the sum of enrollment in the current 32 school year of preschool-aged at-risk pupils, if any such pupils are enrolled 33 and the average (mean) of the sum of (i) enrollment of the district in the 34 current school year minus enrollment in such school year of preschool-35 aged at-risk pupils, if any such pupils are enrolled and (ii) enrollment in 36 the preceding school year minus enrollment in such school year of pre-37 school-aged at-risk pupils, if any such pupils were enrolled and (iii) en-38 rollment in the school year next preceding the preceding school year 39 minus enrollment in such school year of preschool-aged at-risk pupils, if 40 any such pupils were enrolled; or

41 (3) the number of pupils as determined under K.S.A. 72-6447, and 42 amendments thereto.

43 (f) "Adjusted enrollment" means enrollment adjusted by adding at-risk

1 pupil weighting, program weighting, low enrollment weighting, if any,

correlation weighting, if any, school facilities weighting, if any, ancillary
school facilities weighting, if any, *cost of living weighting, if any*, special
education and related services weighting, and transportation weighting to
enrollment.

6 (g) "At-risk pupil weighting" means an addend component assigned to 7 enrollment of districts on the basis of enrollment of at-risk pupils.

8 (h) "Program weighting" means an addend component assigned to en-9 rollment of districts on the basis of pupil attendance in educational pro-10 grams which differ in cost from regular educational programs.

(i) "Low enrollment weighting" means an addend component assigned
to enrollment of districts having under 1,725 enrollment 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 having 1,725 or over enrollment.

16(j) "School facilities weighting" means an addend component assigned 17to enrollment of districts on the basis of costs attributable to commencing 18operation of new school facilities. School facilities weighting may be as-19signed to enrollment of a district only if the district has adopted a local 20option budget and budgeted therein the total amount authorized for the 21school year. School facilities weighting may be assigned to enrollment of 22 the district only in the school year in which operation of a new school 23 facility is commenced and in the next succeeding school year.

(k) "Transportation weighting" means an addend component assigned
to enrollment of districts on the basis of costs attributable to the provision
or furnishing of transportation.

27 (l) "Correlation weighting" means an addend component assigned to 28enrollment of districts having 1,725 or over enrollment on the basis of 29 costs attributable to maintenance of educational programs by such dis-30 triets as a correlate to low enrollment weighting assigned to enrollment 31 of districts having under 1,725 enrollment. "Cost of living weighting" 32 means an addend component assigned to enrollment of the districts to 33 which the provisions of section 15, and amendments thereto, apply on the 34 basis of costs attributable to the necessity of enhancing salaries due to the 35 extraordinary cost of purchasing single family residences in the district. 36 Cost of living weighting may be assigned to enrollment of a district only 37 if the district has levied a tax pursuant to section 15, and amendments 38 thereto.

(m) "Ancillary school facilities weighting" means an addend component
assigned to enrollment of districts to which the provisions of K.S.A. 726441, and amendments thereto, apply on the basis of costs attributable
to commencing operation of new school facilities. Ancillary school facil-

43 ities weighting may be assigned to enrollment of a district only if the

1 district has levied a tax under authority of K.S.A. 72-6441, and amend-

2 ments thereto, and remitted the proceeds from such tax to the state trea-3 surer. Ancillary school facilities weighting is in addition to assignment of

school facilities weighting to enrollment of any district eligible for such
weighting.

6 (n) "Juvenile detention facility" means: (1) Any secure public or private 7 facility which is used for the lawful custody of accused or adjudicated 8 juvenile offenders and which shall not be a jail;

9 (2) any level VI treatment facility licensed by the Kansas department 10 of health and environment which is a psychiatric residential treatment 11 facility for individuals under the age of 21 which conforms with the reg-12 ulations of the centers for medicare/medicaid services and the joint com-13 mission on accreditation of health care organizations governing such fa-

14 cilities; and

(3) the Forbes Juvenile Attention Facility, the Sappa Valley Youth
Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clarence M. Kelley Youth Center, the Clarence M. Kelley Transitional Living
Center, Trego County Secure Care Center, St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina,
St. Francis Center at Salina, King's Achievement Center, and Liberty
Juvenile Services and Treatment.

(o) "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.

(p) "Virtual school" means any kindergarten or grades one through 12
course offered for credit that uses distance-learning technologies which
predominantly use internet-based methods to deliver instruction and for
which the course content is available on an "anytime, anyplace" basis, but
the instruction occurs asynchronously with the teacher and pupil in separate locations, not necessarily located within a local education agency.

Sec. 9. K.S.A. 72-6410 is hereby amended to read as follows: 72-6410.
(a) "State financial aid" means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

(b) "Base state aid per pupil" means an amount of state financial aid
per pupil. Subject to the other provisions of this subsection, the amount
of base state aid per pupil is \$3,890 \$4,107 \$4,217 [\$4,187]. 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

41 of the appropriation from the state general fund for general state aid. If

42 the amount of appropriations for general state aid is insufficient to pay in

43 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.

3 (c) "Local effort" means the sum of an amount equal to the proceeds 4 from the tax levied under authority of K.S.A. 72-6431, and amendments $\mathbf{5}$ thereto, and an amount equal to any unexpended and unencumbered 6 balance remaining in the general fund of the district, except amounts 7 received by the district and authorized to be expended for the purposes 8 specified in K.S.A. 72-6430, and amendments thereto, and an amount 9 equal to any unexpended and unencumbered balances remaining in the 10 program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area 11 12vocational school, and an amount equal to any remaining proceeds from 13 taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amend-14ments thereto, prior to the repeal of such statutory sections, and an 15amount equal to the amount deposited in the general fund in the current 16school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, 1718and an amount equal to the amount deposited in the general fund in the 19current school year from amounts received in such year by the district 20pursuant to contracts made and entered into under authority of K.S.A. 2172-6757, and amendments thereto, and an amount equal to the amount 22credited to the general fund in the current school year from amounts 23 distributed in such year to the district under the provisions of articles 17 24 and 34 of chapter 12 of Kansas Statutes Annotated and under the pro-25visions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, 26and an amount equal to the amount of payments received by the district 27 under the provisions of K.S.A. 72-979, and amendments thereto, and an 28amount equal to the amount of a grant, if any, received by the district 29 under the provisions of K.S.A. 72-983, and amendments thereto, and an 30 amount equal to 75% of the federal impact aid of the district. except as 31 provided by this subsection for school year 2005-2006 and school 32 year 2006-2007, an amount equal to 70% of the federal impact aid 33 of the district. In school year 2005-2006, "local effort" shall not 34 include any portion of federal impact aid of a district attributable 35 to pupils enrolled in the district on September 20, 2005, who were 36 not enrolled in the district on September 20, 2004. In school year 2006-2007, "local effort" shall not include any portion of federal 37 38 impact aid of a district attributable to pupils enrolled in the district 39 on September 20, 2006, who were not enrolled in the district on 40 September 20, 2004.

(d) "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 congres-

1 sional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent hous-2 ing program. The amount of federal impact aid defined herein as an 3 amount equal to the federally qualified percentage of the amount of mon-4 eys provided for the district under title I of public law 874 shall be de- $\mathbf{5}$ 6 termined by the state board in accordance with terms and conditions 7 imposed under the provisions of the public law and rules and regulations 8 thereunder. 9 Sec. 10. K.S.A. 72-6412 is hereby amended to read as follows: 72-6412. The Subject to adjustments pursuant to section 33, and amend-10ments thereto, the low enrollment weighting of each district with under 11 121,725 enrollment shall be determined by the state board as follows: 13 (a) Determine the amount of the median budget per pupil for the 1991-1492 school year of districts with 75-125 enrollment in such school year; 15 (b) determine the amount of the median budget per pupil for the 1991-1692 school year of districts with 200-399 enrollment in such school year; 17(c) (1) determine the amount of the median budget per pupil for the 181991-92 school year of districts with 1,900 or over enrollment; 19(2) multiply the amount determined under (1) by .063211; and 20-(3) add the product determined under (2) to the amount determined 21under (1). The sum is the median budget per pupil for districts with 1,900 22or over enrollment; 23 (d) prescribe a schedule amount for each of the districts by preparing 24 a schedule based upon an accepted mathematical formula and derived 25from a linear transition between (1) the median budgets per pupil deter-26mined under (a) and (b), and (2) the median budgets per pupil deter-27 mined under (b) and (c)(3). The schedule amount for districts with 0-9928enrollment is an amount equal to the amount of the median budget per 29 pupil determined under (a). The schedule amount for districts with 100-30 299 enrollment is the amount derived from the linear transition under 31 (1). The schedule amount for districts with 300-1,899 enrollment is the 32 amount derived from the linear transition under (2); 33 (e) for districts with 0-99 enrollment: 34 (1) Subtract the amount determined under (c) from the amount de-35 termined under (a): 36 (2) divide the remainder obtained under (1) by the amount determined 37 under (c): 38 (3) multiply the quotient obtained under (2) by the enrollment of the 39 district in the current school year. The product is the low enrollment 40 weighting of the district; (f) for districts with 100-299 enrollment: 41

42 (1) Subtract the amount determined under (c) from the schedule 43 amount of the district; 6

1 (2) divide the remainder obtained under (1) by the amount determined 2 under (c);

3 (3) multiply the quotient obtained under (2) by the enrollment of the
4 district in the current school year. The product is the low enrollment
5 weighting of the district;

(g) for districts with 300-1,724 enrollment:

7 (1) Subtract the amount determined under (c) from the schedule 8 amount of the district;

9 (2) divide the remainder obtained under (1) by the amount determined 10 under (c);

(3) multiply the quotient obtained under (2) by the enrollment of the
district in the current school year. The product is the low enrollment
weighting of the district.

Sec. 11. K.S.A. 72-6413 is hereby amended to read as follows: 72-6413.
The program weighting of each district shall be determined by the state
board as follows:

(a) Compute full time equivalent enrollment in programs of bilingual
education and multiply the computed enrollment by 0.2 0.4;

(b) compute full time equivalent enrollment in approved vocational
education programs and multiply the computed enrollment by 0.5 .15
[.481] [0.5];

22 (c) add the products obtained under (a) and (b); *and*

23 -(d) multiply the sum by .9406. The sum is the program weighting of 24 the district.

(d) The provisions of this section shall take effect and be in force from
 and after July 1, 1992.

27 Sec. 12. K.S.A. 72-6414 is hereby amended to read as follows: 72-6414.

(a) The at-risk pupil weighting of each district shall be determined by the
state board by multiplying as follows:

30 (1) Determine the number of at-risk pupils included in enrollment of 31 the district and multiply by .10; and

(2) multiply the product obtained under (1) by .9406. The product is
the at-risk pupil weighting of the district.

(b) Except as provided in subsection (d), of the amount a district receives from the at-risk pupil weighting, an amount produced by a pupil
weighting of .01 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.

40 (c) A district shall include such information in its at-risk pupil assistance
41 plan as the state board may require regarding the district's remediation
42 strategies and the results thereof in achieving the third grade reading
43 standards and outcomes of mastery identified by the state board. The

1 reporting requirements shall include information documenting remedi-

ation strategies and improvement made by pupils who performed below
the expected standard on the second grade diagnostic reading test prescribed by the state board.

5 (d) A district whose pupils substantially achieve the state board stan-

6 dards and outcomes of mastery of reading skills upon completion of third
7 grade may be released, upon request, by the state board from the require8 ments of subsection (b).

9 Sec. 13. K.S.A. 72-6415 is hereby amended to read as follows: 72-6415.
10 (a) Subject to the provisions of subsection (b), the school facilities weight11 ing of each district shall be determined in each school year in which such
12 weighting may be assigned to enrollment of the district as follows:

(1) Determine the number of pupils, included in enrollment of thedistrict, who are attending a new school facility;

15 (2) multiply the number of pupils determined under (1) by .25; and

16 - (3) *multiply the product obtained under* (2) *by* .9406. The product is 17 the school facilities weighting of the district.

(b) The provisions of this section shall take effect and be in force from
 and after July 1, 1992.

(b) School facilities weighting may be assigned only to districts constructing new facilities for which: (1) The issuance of bonds has been
approved at an election held on or before April 5 [July 1], 2005; (2) the

22 approved at an election near on or before riphi of **July** 1, 2005, (2) the 23 issuance of bonds is subject to a protest petition and the period of time

24 within which a protest petition may be filed has expired; or (3) contracts

25 have been entered into on or before April 5 [July 1], 2005.

26New Sec. 14. There is hereby established in every district a fund which 27 shall be called the at-risk fund, which fund shall consist of all moneys 28deposited therein or transferred thereto according to law. Notwithstand-29 ing any other provision of law, all moneys received by the district from 30 whatever source for at-risk assistance plans or programs shall be credited 31to the at-risk fund established by this section. The expenses of a district 32 directly attributable to providing at-risk assistance or programs shall be 33 paid from the at-risk assistance fund.

New Sec. 15. (a) As used in this section, "school district" or "district" means a school district authorized to make a levy under this section.

(b) The board of education of any district may levy a tax on the taxable tangible property within the district for the purpose of financing the costs incurred by the state that are attributable directly to assignment of the cost of living weighting to the enrollment of the district. There is hereby established in every school district a fund which shall be called a teacher salary enhancement fund, which fund shall consist of all moneys deposited therein or transferred thereto in accordance with law. All moneys derived

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1 from a tax imposed pursuant to this section shall be credited to the teacher 2 salary enhancement fund.

3 (c) The state board of education shall determine whether a district may levy a tax under this section as follows: 4

(1) Determine the statewide average appraised value of single family 5residences for the calendar year preceding the current school year; 6

(2) multiply the amount determined under (1) by 1.25;

8 (3) determine the average appraised value of single family residences 9 in each school district for the calendar year preceding the current school 10 year; and

(4) subtract the amount determined under (2) from the amount deter-11 12mined under (3). If the amount determined for the district under (4) is 13 a positive number and the district is authorized to adopt and has adopted a local option budget in an amount equal to the state prescribed per-1415 centage in the current school year, the district qualifies for assignment of 16cost of living weighting and may levy tax on the taxable tangible property 17of the district for the purpose of financing the costs incurred by the state 18that are attributable directly to assignment of the cost of living weighting 19 to enrollment of the district.

20(d) No tax may be levied under this section unless the board of edu-21cation adopts a resolution authorizing such a tax levy and publishes the 22 resolution at least once in a newspaper having general circulation in the 23 district. The resolution shall be published in substantial compliance with 24 the following form:

25

Unified School District No. 26

27

7

RESOLUTION

County, Kansas.

28 Be It Resolved that:

29 The board of education of the above-named school district shall be authorized to levy an 30 ad valorem tax in an amount not to exceed the amount necessary to finance the costs incurred 31by the state that are attributable directly to the assignment of cost of living weighting to the 32 enrollment of the district. The ad valorem tax authorized by this resolution may be levied 33 unless a petition in opposition to the same, signed by not less than 5% of the qualified 34 electors of the school district, is filed with the county election officer of the home county 35 of the school district within 30 days after the publication of this resolution. If a petition is 36 filed, the county election officer shall submit the question of whether the levy of such a tax 37 shall be authorized in accordance with the provisions of this resolution to the electors of 38 the school district at the next general election of the school district, as is specified by the 39 board of education of the school district. 40 CERTIFICATE This is to certify that the above resolution was duly adopted by the board of education of 4142Unified School District No. _____, ____ County, Kansas, on the _____ day of

43 _____, (year)_____ 19

1 2 Clerk of the board of education. 3 All of the blanks in the resolution shall be filled. If no petition as spec-4 ified above is filed in accordance with the provisions of the resolution, the resolution authorizing the ad valorem tax levy shall become effective. 56 If a petition is filed as provided in the resolution, the board may notify 7 the county election officer to submit the question of whether such tax 8 levy shall be authorized. If the board fails to notify the county election 9 officer within 30 days after a petition is filed, the resolution shall be 10deemed abandoned and of no force and effect and no like resolution shall be adopted by the board within the nine months following publication of 11 12the resolution. If a majority of the votes cast in an election conducted pursuant to this provision are in favor of the resolution then such reso-13 14lution shall be effective on the date of such election. If a majority of the 15votes cast are not in favor of the resolution, the resolution shall be deemed 16of no effect and no like resolution shall be adopted by the board within 17the nine months following such election. 18New Sec. 16. The cost of living weighting of a district shall be deter-19mined by the state board in each school year in which such weighting 20may be assigned to enrollment of the district as follows: 21(1) Divide the amount determined under subsection (c)(4) of section 22 15, and amendments thereto, by the amount determined under subsec-23 tion (c)(2) of section 15, and amendments thereto; 24 (2) multiply the dividend determined under (1) by .109; 25(3) multiply the district's state financial aid, excluding the amount de-26 termined under this provision, by the lesser of the product determined 27under (2) or .05; and 28(4) divide the product determined under (3) by the base state aid per 29 pupil for the current school year. The quotient is the cost of living weight-30 ing of the district. 31Sec. 17. K.S.A. 72-6433 is hereby amended to read as follows: 72-6433. 32 (a) (1) The board of any district may adopt a local option budget in each 33 school year in an amount not to exceed an amount equal to the district 34 prescribed percentage of the amount of state financial aid determined for 35 the district in the school year. As used in this section, "district prescribed

36 percentage" means:

37 (A) For any district that was authorized to adopt and that adopted a

38 local option budget in the 1996-97 school year and to which the provisions

39 of K.S.A. 72-6444, and amendments thereto, do not apply in the current

40 school year, in the 2001-02 school year and in each school year thereafter,

41 a percentage that is equal to 80% of the percentage specified in the res-

42 olution under which the district was authorized to adopt a local option

43 budget in the 1996-97 school year;

1 - (B) for any district that was authorized to adopt and that adopted a 2 local option budget in the 1996-97 school year and to which the provisions 3 of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year there-4 $\mathbf{5}$ after that is equal to the sum of the percentage of the amount of state 6 financial aid the district was authorized to budget in the preceding school 7 year and the percentage computed for the district by the state board 8 under the provisions of K.S.A. 72-6444, and amendments thereto; 9 - (C) for any district that was not authorized to adopt a local option 10 budget in the 1996-97 school year and to which the provisions of K.S.A. 11 72-6444, and amendments thereto, apply in the current school year, a 12percentage in the 2001-02 school year and each school year thereafter 13 that is equal to the sum of the percentage of the amount of state financial 14aid the district was authorized to budget in the preceding school year and 15the percentage computed for the district by the state board under the 16 provisions of K.S.A. 72-6444, and amendments thereto; 17(D) for any district to which the provisions of K.S.A. 72-6444, and amendments thereto, applied in the 1997-98 school year and to which 1819the provisions of K.S.A. 72-6444, and amendments thereto, do not apply 20in the current school year because an increase in the amount budgeted 21by the district in its local option budget as authorized by a resolution 22 adopted under the provisions of subsection (b) causes the actual amount 23 per pupil budgeted by the district in the preceding school year as deter-24 mined for the district under provision (1) of subsection (a) of K.S.A. 72-256444, and amendments thereto, to equal or exceed the average amount 26per pupil of general fund budgets and local option budgets computed by 27 the state board under whichever of the provisions (7) through (10) of 28subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable 29 to the district's enrollment group, a percentage that is equal to the per-30 eentage of the amount of state financial aid the district was authorized to 31 budget in the preceding school year if the resolution authorized the dis-32 triet to increase its local option budget on a continuous and permanent 33 basis. If the resolution that authorized the district to increase its local 34 option budget specified a definite period of time for which the district 35 would retain its authority to increase the local option budget and such 36 authority lapses at the conclusion of such period and is not renewed, the term district prescribed percentage means a percentage that is equal to 37 38 the percentage of the amount of state financial aid the district was au-39 thorized to budget in the preceding school year less the percentage of 40 increase that was authorized by the resolution unless the loss of the per-41eentage of increase that was authorized by the resolution would eause the 42actual amount per pupil budgeted by the district to be less than the av-43 erage amount per pupil of general fund budgets and local option budgets

1 computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments 2 3 thereto, is applicable to the district's enrollment group, in which case, the term district prescribed percentage means a percentage that is equal to 4 the percentage of the amount of state financial aid the district was au-56 thorized to budget in the preceding school year less the percentage of 7 increase that was authorized by the resolution plus a percentage which 8 shall be computed for the district by the state board in accordance with 9 the provisions of K.S.A. 72-6444, and amendments thereto, except that, in making the determination of the actual amount per pupil budgeted by 10 the district in the preceding school year, the state board shall exclude the 11 12percentage of increase that was authorized by the resolution. 13 (2) (A) Subject to the provisions of subpart (B), the adoption of a local option budget under authority of this subsection shall require a majority 1415 vote of the members of the board and shall require no other procedure, 16authorization or approval. 17- (B) In lieu of utilizing the authority granted by subpart (A) for adoption 18of a local option budget, the board of a district may pass a resolution 19authorizing adoption of such a budget and publish such resolution once in a newspaper having general circulation in the district. The resolution 2021shall be published in substantial compliance with the following form: 22 Unified School District No. 23 _____County, Kansas. 24 **RESOLUTION** 25Be It Resolved that. 26- The board of education of the above-named school district shall be authorized to adopt 27 a local option budget in each school year for a period of time not to exceed 28in an amount not to exceed _____% of the amount of state financial aid determined for 29 the current school year. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the 30 31qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. In the event 32 33 a petition is filed, the county election officer shall submit the question of whether adoption 34 of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board 35 36 of education of the school district. 37 CERTIFICATE 38 - This is to certify that the above resolution was duly adopted by the board of education of 39 Unified School District No. _____, ____County, Kansas, on the _____ day of 40 _____ 4142 Clerk of the board of education. 43 - All of the blanks in the resolution shall be appropriately filled. The

blank preceding the word "years" shall be filled with a specific number. 1 2 and the blank preceding the percentage symbol shall be filled with a 3 specific number. No word shall be inserted in either of the blanks. The 4 percentage specified in the resolution shall not exceed the district pre- $\mathbf{5}$ scribed percentage. The resolution shall be published once in a news-6 paper having general circulation in the school district. If no petition as 7 specified above is filed in accordance with the provisions of the resolution, 8 the board may adopt a local option budget. If a petition is filed as provided 9 in the resolution, the board may notify the county election officer of the 10 date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. If the board fails to notify 11 12the county election officer within 30 days after a petition is filed, the 13 resolution shall be deemed abandoned and no like resolution shall be 14adopted by the board within the nine months following publication of the 15resolution. If any district is authorized to adopt a local option budget 16under this subpart, but the board of such district chooses, in any school 17year, not to adopt such a budget or chooses, in any school year, to adopt 18such budget in an amount less than the amount of the district prescribed 19percentage of the amount of state financial aid in any school year, such 20board of education may so choose. If the board of any district refrains 21from adopting a local option budget in any one or more school years or 22 refrains from budgeting the total amount authorized for any one or more 23 school years, the authority of such district to adopt a local option budget 24 shall not be extended by such refrainment beyond the period specified 25in the resolution authorizing adoption of such budget, nor shall the 26amount authorized to be budgeted in any succeeding school year be in-27 creased by such refrainment. Whenever an initial resolution has been 28adopted under this subpart, and such resolution specified a lesser per-29 centage than the district prescribed percentage, the board of the district 30 may adopt one or more subsequent resolutions under the same procedure 31 as provided for the initial resolution and subject to the same conditions, 32 and shall be authorized to increase the percentage as specified in any 33 such subsequent resolution for the remainder of the period of time spee-34 ified in the initial resolution. Any percentage specified in a subsequent 35 resolution or in subsequent resolutions shall be limited so that the sum 36 of the percentage authorized in the initial resolution and the percentage 37 authorized in the subsequent resolution or in subsequent resolutions is 38 not in excess of the district prescribed percentage in any school year. The 39 board of any district that has been authorized to adopt a local option 40 budget under this subpart and levied a tax under authority of K.S.A. 72-416435, and amendments thereto, may initiate, at any time after the final 42levy is certified to the county clerk under any current authorization, pro-43 cedures to renew its authority to adopt a local option budget in the man-

1 ner specified in this subpart or may utilize the authority granted by subpart (A). As used in this subpart, the term "authorized to adopt a local 2 3 option budget" means that a district has adopted a resolution under this subpart, has published the same, and either that the resolution was not 4 $\mathbf{5}$ protested or that it was protested and an election was held by which the 6 adoption of a local option budget was approved. 7 - (3) The provisions of this subsection are subject to the provisions of 8 subsections (b) and (c). 9 - (b) The provisions of this subsection (b) shall be subject to the provisions of K.S.A. 72-6433a, and amendments thereto. 10 (1) The board of any district that adopts a local option budget under 11 12subsection (a) may increase the amount of such budget in each school 13 year in an amount which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state 1415preseribed percentage of the amount of state financial aid determined for 16the district in the school year if the board of the district determines that an increase in such budget would be in the best interests of the district. 1718(2) No district may increase a local option budget under authority of 19this subsection until: (A) A resolution authorizing such an increase is 20passed by the board and published once in a newspaper having general 21eirculation in the district; or (B) the question of whether the board shall 22 be authorized to increase the local option budget has been submitted to 23 and approved by the qualified electors of the district at a special election 24 ealled for the purpose. Any such election shall be noticed, ealled and held 25in the manner provided by K.S.A. 10-120, and amendments thereto, for 26 the noticing, calling and holding of elections upon the question of issuing 27 bonds under the general bond law. The notice of such election shall state 28the purpose for and time of the election, and the ballot shall be designed 29 with the question of whether the board of education of the district shall 30 be continuously and permanently authorized to increase the local option 31 budget of the district in each school year by a percentage which together 32 with the percentage of the amount of state financial aid budgeted under 33 subsection (a) does not exceed the state prescribed percentage in any 34 school year. If a majority of the qualified electors voting at the election 35 approve authorization of the board to increase the local option budget, 36 the board shall have such authority. If a majority of the qualified electors 37 voting at the election are opposed to authorization of the board to increase 38 the local option budget, the board shall not have such authority and no 39 like question shall be submitted to the qualified electors of the district 40 within the nine months following the election. 41 (A) Subject to the provisions of subpart (B), a resolution authorizing 42an increase in the local option budget of a district shall state that the

43 board of education of the district shall be authorized to increase the local

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option budget of the district in each school year in an amount not to 1 2 exceed <u>%</u> of the amount of state financial aid determined for the 3 current school year and that the percentage of increase may be reduced so that the sum of the percentage of the amount of state financial aid 4 $\mathbf{5}$ budgeted under subsection (a) and the percentage of increase specified 6 in the resolution does not exceed the state preseribed percentage in any 7 school year. The blank preceding the percentage symbol shall be filled 8 with a specific number. No word shall be inserted in the blank. The 9 resolution shall specify a definite period of time for which the board shall 10be authorized to increase the local option budget and such period of time 11 shall be expressed by the specific number of school years for which the 12board shall retain its authority to increase the local option budget. No 13 word shall be used to express the number of years for which the board 14shall be authorized to increase the local option budget. 15(B) In lieu of the requirements of subpart (A) and at the discretion of 16the board, a resolution authorizing an increase in the local option budget 17of a district may state that the board of education of the district shall be continuously and permanently authorized to increase the local option 1819budget of the district in each school year by a percentage which together 20with the percentage of the amount of state financial aid budgeted under 21subsection (a) does not exceed the state preseribed percentage in any 22sehool year. 23 - (4) A resolution authorizing an increase in the local option budget of a 24 district shall state that the amount of the local option budget may be 25increased as authorized by the resolution unless a petition in opposition 26to such increase, signed by not less than 5% of the qualified electors of 27 the school district, is filed with the county election officer of the home 28county of the school district within 30 days after publication. If no petition 29 is filed in accordance with the provisions of the resolution, the board is 30 authorized to increase the local option budget of the district. If a petition 31 is filed as provided in the resolution, the board may notify the county 32 election officer of the date of an election to be held to submit the question 33 of whether the board shall be authorized to increase the local option 34 budget of the district. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed 35 36 abandoned and no like resolution shall be adopted by the board within 37 the nine months following publication of the resolution. 38 - (5) The requirements of provision (2) do not apply to any district that 39 is continuously and permanently authorized to increase the local option 40budget of the district. An increase in the amount of a local option budget 41by such a district shall require a majority vote of the members of the

42 board and shall require no other procedure, authorization or approval.

43 (6) If any district is authorized to increase a local option budget, but

1 the board of such district chooses, in any school year, not to adopt or 2 increase such budget or chooses, in any school year, to adopt or increase 3 such budget in an amount less than the amount authorized, such board of education may so choose. If the board of any district refrains from 4 $\mathbf{5}$ adopting or increasing a local option budget in any one or more school 6 years or refrains from budgeting the total amount authorized for any one 7 or more school years, the amount authorized to be budgeted in any sue-8 eceding school year shall not be increased by such refrainment, nor shall 9 the authority of the district to increase its local option budget be extended 10 by such refrainment beyond the period of time specified in the resolution authorizing an increase in the local option budget if the resolution spec-11 12ified such a period of time. 13 - (7) Whenever an initial resolution has been adopted under this sub-14section, and such resolution specified a percentage which together with 15the percentage of the amount of state financial aid budgeted under sub-16section (a) is less than the state prescribed percentage, the board of the 17district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and shall be authorized 1819to increase the percentage as specified in any such subsequent resolution. 20If the initial resolution specified a definite period of time for which the 21district is authorized to increase its local option budget, the authority to 22 inerease such budget by the percentage specified in any subsequent res-23 olution shall be limited to the remainder of the period of time specified 24 in the initial resolution. Any percentage specified in a subsequent reso-25lution or in subsequent resolutions shall be limited so that the sum of the 26percentage authorized in the initial resolution and the percentage au-27 thorized in the subsequent resolution or in subsequent resolutions to-28gether with the percentage of the amount of state financial aid budgeted 29 under subsection (a) is not in excess of the state preseribed percentage 30 in any school year. 31 (8) (A) Subject to the provisions of subpart (B), the board of any district 32 that has adopted a local option budget under subsection (a), has been 33 authorized to increase such budget under a resolution which specified a 34 definite period of time for retention of such authorization, and has levied 35 a tax under authority of K.S.A. 72-6435, and amendments thereto, may 36 initiate, at any time after the final levy is certified to the county clerk 37 under any current authorization, procedures to renew the authority to 38 increase the local option budget subject to the conditions and in the 39 manner specified in provisions (2) and (3) of this subsection. 40 (B) The provisions of subpart (A) do not apply to the board of any 41district that is continuously and permanently authorized to increase the 42local option budget of the district.

43 - (9) As used in this subsection:

1 -(A) "Authorized to increase a local option budget" means either that a district has held a special election under provision (2)(B) by which au-2 3 thority of the board to increase a local option budget was approved, or 4 that a district has adopted a resolution under provision (2) (A), has pub-5lished the same, and either that the resolution was not protested or that 6 it was protested and an election was held by which the authority of the 7 board to increase a local option budget was approved. 8 - (B) "State preseribed percentage" means 25% 30%. 9 - (e) To the extent the provisions of the foregoing subsections conflict with this subsection, this subsection shall control. Any district that is au-10 thorized to adopt a local option budget in the 1997-98 school year under 11 12 a resolution which authorized the adoption of such budget in accordance 13 with the provisions of this section prior to its amendment by this act may 14continue to operate under such resolution for the period of time specified 15in the resolution or may abandon the resolution and operate under the 16provisions of this section as amended by this act. Any such district shall 17operate under the provisions of this section as amended by this act after 18the period of time specified in the resolution has expired. 19(d) (1) There is hereby established in every district that adopts a local 20option budget a fund which shall be called the supplemental general fund. 21The fund shall consist of all amounts deposited therein or credited thereto 22according to law. 23 - (2) Subject to the limitation imposed under provision (3), amounts in the supplemental general fund may be expended for any purpose for 24 25which expenditures from the general fund are authorized or may be trans-26ferred to the general fund of the district or to any program weighted fund 27 or categorical fund of the district. 28-(3) Amounts in the supplemental general fund may not be expended 29 nor transferred to the general fund of the district for the purpose of 30 making payments under any lease-purchase agreement involving the ae-31 quisition of land or buildings which is entered into pursuant to the pro-32 visions of K.S.A. 72-8225, and amendments thereto. 33 (4) Any unexpended and unencumbered cash balance remaining in the 34 supplemental general fund of a district at the conclusion of any school 35 year in which a local option budget is adopted shall be disposed of as 36 provided in this subsection. If the district did not receive supplemental 37 general state aid in the school year and the board of the district deter-38 mines that it will be necessary to adopt a local option budget in the en-39 suing school year, the total amount of the eash balance remaining in the 40 supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If the board of such a district 4142determines that it will not be necessary to adopt a local option budget in 43 the ensuing school year, the total amount of the cash balance remaining

in the supplemental general fund shall be transferred to the general fund 1 2 of the district. If the district received supplemental general state aid in 3 the school year, transferred or expended the entire amount budgeted in the local option budget for the school year, and determines that it will be 4 $\mathbf{5}$ necessary to adopt a local option budget in the ensuing school year, the 6 total amount of the cash balance remaining in the supplemental general 7 fund shall be maintained in such fund or transferred to the general fund 8 of the district. If such a district determines that it will not be necessary 9 to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be 10transferred to the general fund of the district. If the district received 11 12supplemental general state aid in the school year, did not transfer or 13 expend the entire amount budgeted in the local option budget for the school year, and determines that it will not be necessary to adopt a local 1415option budget in the ensuing school year, the total amount of the eash 16balance remaining in the supplemental general fund shall be transferred 17to the general fund of the district. If the district received supplemental 18general state aid in the school year, did not transfer or expend the entire 19amount budgeted in the local option budget for the school year, and 20determines that it will be necessary to adopt a local option budget in the 21ensuing school year, the state board shall determine the ratio of the 22 amount of supplemental general state aid received to the amount of the 23 local option budget of the district for the school year and multiply the 24 total amount of the eash balance remaining in the supplemental general 25fund by such ratio. An amount equal to the amount of the product shall 26be transferred to the general fund of the district. The amount remaining in the supplemental general fund may be maintained in such fund or 27 28transferred to the general fund of the district.

(a) In each school year, commencing with school year 2005-2006,
the state board shall compute, on a per pupil basis, the state-wide
average amount for the preceding school year of the general fund
budget and the local option budget.

33 (b) Except as provided by subsection (c) or (d), the board of 34 education of any school district, by resolution, may adopt a local 35 option budget which does not exceed the state-wide average 36 amount of general fund and supplemental general fund as deter-37 mined by the state board under subsection (a), but not more than 38 25% of the general fund budget of the district. Such resolution 39 shall be effective upon publication thereof in a newspaper of gen-40 eral circulation in the district. The resolution shall be published in substantial compliance with the following form: 4142Unified School District No. _

43

____ County, Kansas.

RESOLUTION

1 2 Be It Resolved that: 3 The board of education of the above-named school district shall be authorized 4 to adopt a local option budget in each school year for a period of time not to exceed 5_ years in an amount not to exceed _____% of the amount of state financial 6 aid determined for the current school year. 7 CERTIFICATE 8 This is to certify that the above resolution was duly adopted by the board of 9 education of Unified School District No. _____, ____ _____ County, Kansas, on 10 the _____ day of ___ 11 12Clerk of the board of education. 13 All of the blanks in the resolution shall be filled as appropriate. The blank preceding the work "years" shall be filled with a specific 1415 number, and the blank preceding the percentage symbol shall be 16filled with a specific number. 17If a school district has adopted a local option budget which does 18not exceed the statewide average in school year 2004-2005 as de-19termined by the state board, such school district is authorized to 20adopt a local option budget up to the same amount by adoption of 21a resolution in school year 2005-2006 and each school year there-22after. 23 Except as provided by subsection (d), the board of educa-(c) 24 tion of any school district, by resolution, may adopt a local option 25budget which exceeds the state-wide average of general fund and 26supplemental general fund budgets per pupil, but not exceeding 2730% of the general fund budget of the district. The resolution shall 28be published in substantial compliance with the following form: 29 Unified School District No. 30 County, Kansas. 31RESOLUTION 32 Be It Resolved that: 33 The board of education of the above-named school district shall be authorized 34 to adopt a local option budget in each school year for a period of time not to exceed 35 _ years in an amount not to exceed _____% of the amount of state financial 36 aid determined for the current school year. The local option budget authorized by 37 this resolution may be adopted, unless a petition in opposition to the same, signed 38 by not less than 5% of the qualified electors of the school district, is filed with the 39 county election officer of the home county of the school district within 30 days after 40 publication of this resolution. In the event a petition is filed, the county election 41 officer shall submit the question of whether adoption of the local option budget 42shall be authorized to the electors of the school district at an election called for the 43 purpose or at the next general election, as is specified by the board of education

1 of the school district.

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CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of 4 education of Unified School District No. _____, ____ County, Kansas, on 5the _____ day of _

7 Clerk of the board of education. 8 All of the blanks in the resolution shall be filled as appropriate. 9 The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the percentage symbol shall be 10filled with a specific number. The resolution shall be published 11 12once in a newspaper having general circulation in the school dis-13 trict. If no petition as specified above is filed in accordance with 14the provisions of the resolution, the board may adopt a local option 15 budget. If a petition is filed as provided in the resolution, the board 16may notify the county election officer of the date of an election to 17be held to submit the question of whether adoption of a local op-18tion budget shall be authorized. If the board fails to notify the 19county election officer within 30 days after a petition is filed, the 20resolution shall be deemed abandoned and no like resolution shall 21be adopted by the board within the nine months following publi-22 cation of the resolution. 23 A school district which adopts a local option budget pursuant to a resolution under this subsection in school year 2005-2006 and 24 no protest petition is filed or if the resolution is approved at an 25

26election such school district is authorized to adopt a local option 27 budget up to the same amount by adoption of a resolution in school 28year 2006-2007 and each school year thereafter. Such resolution 29 shall be effective upon publication in a newspaper of general cir-30 culation in the district.

31(**d**) If a school district has adopted a local option budget equal 32 to 25% of the general fund budget of the district in school year 33 2004-2005, such school district is authorized to adopt a local option 34 budget up to the same amount by adoption of a resolution in school 35 year 2005-2006 and each school year thereafter. Such resolution 36 shall be in the form and published in the manner provided by 37 subsection (b).

38 (e) As used in this section, "state prescribed percentage" 39 means 30%.

Sec. 18. K.S.A. 2004 Supp. 72-6434 is hereby amended to read as fol-4041lows: 72-6434. (a) Subject to the limitations of subsection (b) in each 42school year, each district that has adopted a local option budget is eligible 43

for entitlement to an amount of supplemental general state aid. Entitle-

7

8

1 ment of a district to supplemental general state aid shall be determined

2 by the state board as provided in this subsection. The state board shall:

3 (1) Determine the amount of the assessed valuation per pupil in the4 preceding school year of each district in the state;

5 (2) rank the districts from low to high on the basis of the amounts of 6 assessed valuation per pupil determined under (1);

(3) identify the amount of the assessed valuation per pupil located at the 75th percentile of the amounts ranked under (2);

9 (4) divide the assessed valuation per pupil of the district in the preced-10 ing school year by the amount identified under (3);

(5) subtract the ratio obtained under (4) from 1.0. If the resulting ratio 11 12equals or exceeds 1.0, the eligibility of the district for entitlement to 13 supplemental general state aid shall lapse. If the resulting ratio is less than 141.0, the district is entitled to receive supplemental general state aid in an 15amount which shall be determined by the state board by multiplying the 16amount of the local option budget of the district by such ratio. The prod-17uct is the amount of supplemental general state aid the district is entitled 18to receive for the school year.

(b) Districts shall not be paid supplemental general state aid for that
portion of the local option budget in excess of the state prescribed percentage in effect prior to the effective date of this act. [26% in school
year 2005-2006 and 28% in school year 2006-2007.]

(c) If the amount of appropriations for supplemental general 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.

27 (e) (d) The state board of education shall prescribe the dates upon 28which the distribution of payments of supplemental general state aid to 29 school districts shall be due. Payments of supplemental general state aid 30 shall be distributed to districts on the dates prescribed by the state board. 31The state board shall certify to the director of accounts and reports the 32 amount due each district, and the director of accounts and reports shall 33 draw a warrant on the state treasurer payable to the treasurer of the 34 district. Upon receipt of the warrant, the treasurer of the district shall 35 credit the amount thereof to the supplemental general fund of the district 36 to be used for the purposes of such fund.

37 (d) (e) If any amount of supplemental general state aid that is due to 38 be paid during the month of June of a school year pursuant to the other 39 provisions of this section is not paid on or before June 30 of such school 40 year, then such payment shall be paid on or after the ensuing July 1, as 41 soon as moneys are available therefor. Any payment of supplemental gen-42 eral state aid that is due to be paid during the month of June of a school 43 year and that is paid to school districts on or after the ensuing July 1 shall 1 be recorded and accounted for by school districts as a receipt for the 2 school year ending on the preceding June 30.

New Sec. 19. (a) There is hereby established in the state treasury the
school district capital outlay supplemental fund. The fund shall consist of
all amounts transferred thereto under the provisions of subsection (c).

6 (b) In each school year, each school district which is obligated to make 7 payments from its capital outlay fund established pursuant to K.S.A. 72-8 8803, and amendments thereto, shall be entitled to receive payment from 9 the school district capital outlay supplemental fund in an amount deter-10 mined by the state board of education as provided in this subsection. The 11 state board of education shall:

(1) Determine the amount of the assessed valuation per pupil (AVPP)
of each school district in the state and round such amount to the nearest
\$1,000. The rounded amount is the AVPP of a school district for the
purposes of this section;

16 (2) determine the median AVPP of all school districts;

17(3) prepare a schedule of dollar amounts using the amount of the me-18dian AVPP of all school districts as the point of beginning. The schedule 19of dollar amounts shall range upward in equal \$1,000 intervals from the 20point of beginning to and including an amount that is equal to the amount 21of the AVPP of the school district with the highest AVPP of all school 22 districts and shall range downward in equal \$1,000 intervals from the 23 point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the lowest AVPP of all school 24 25districts:

26(4) determine a state aid percentage factor for each school district by 27assigning a state aid computation percentage to the amount of the median 28AVPP shown on the schedule, decreasing the state aid computation per-29 centage assigned to the amount of the median AVPP by one percentage 30 point for each \$1,000 interval above the amount of the median AVPP, 31 and increasing the state aid computation percentage assigned to the 32 amount of the median AVPP by one percentage point for each \$1,000 33 interval below the amount of the median AVPP. The state aid percentage 34 factor of a school district is the percentage assigned to the schedule 35 amount that is equal to the amount of the AVPP of the school district, 36 except that the state aid percentage factor of a school district shall not 37 exceed 100%. The state aid computation percentage is 25% for capital 38 outlay obligations incurred by a school district on or after the effective 39 date of this act under K.S.A. 72-8801 et seq., and amendments thereto; 40 (5) determine the amount that a school district levied pursuant to 41K.S.A. 72-8801 et seq., and amendments thereto, but not to exceed four

42 mills; or and

43 (6) multiply the amount determined under paragraph (5) by the appli-

cable state aid percentage factor. The product is the amount of payment
 the school district is entitled to receive from the school district capital
 outlay supplemental fund in the school year.

4 (c) The state board of education shall certify to the director of accounts 5 and reports the entitlements of school districts determined under the 6 provisions of subsection (b), and an amount equal thereto shall be trans-7 ferred by the director from the state general fund to the school district 8 capital outlay supplemental fund for distribution to school districts. All 9 transfers made in accordance with the provisions of this subsection shall 10 be considered to be demand transfers from the state general fund.

(d) Payments from the school district capital outlay supplemental fund 11 12shall be distributed to school districts at times determined by the state 13 board of education to be necessary to assist school districts in making 14scheduled payments pursuant to capital outlay obligations. The state 15board of education shall certify to the director of accounts and reports 16the amount due each school district entitled to payment from the fund, 17and the director of accounts and reports shall draw a warrant on the state 18treasurer payable to the treasurer of the school district. Upon receipt of 19the warrant, the treasurer of the school district shall credit the amount 20thereof to the capital outlay fund of the school district to be used for the 21purposes of such fund.

22Sec. 20. K.S.A. 72-8801 is hereby amended to read as follows: 72-8801. 23 (a) The board of education of any school district may make an annual tax 24 levy at a mill rate not to exceed the statutorily prescribed mill rate for a 25period of not to exceed five years upon the taxable tangible property in 26the school district for the purposes specified in this act and for the pur-27 pose of paying a portion of the principal and interest on bonds issued by 28cities under the authority of K.S.A. 12-1774, and amendments thereto, 29 for the financing of redevelopment projects upon property located within 30 the school district. No levy shall be made under this act until a resolution 31 is adopted by the board of education in the following form:

32 Unified School District No.

33 34

RESOLUTION

— County. Kansas.

35 Be It Resolved that:

36 The above-named school board shall be authorized to make an annual tax levy for a period 37 not to exceed _____ years in an amount not to exceed _____ mills upon the taxable 38 tangible property in the school district for the purpose of acquisition, construction, recon-39 struction, repair, remodeling, additions to, furnishing and equipping of buildings necessary 40 for school district purposes, including housing and boarding pupils enrolled in an area vo-41cational school operated under the board, architectural expenses incidental thereto, the 42acquisition of building sites, the undertaking and maintenance of asbestos control projects, 43 the acquisition of school buses and the acquisition of other equipment and for the purpose

1 of paying a portion of the principal and interest on bonds issued by cities under the authority 2 of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects 3 upon property located within the school district. The tax levy authorized by this resolution 4 may be made, unless a petition in opposition to the same, signed by not less than 10% of 5the qualified electors of the school district, is filed with the county election officer of the 6 home county of the school district within 40 days after the last publication of this resolution. 7 In the event a petition is filed the county election officer shall submit the question of whether 8 the tax levy shall be authorized to the electors in the school district at an election called for 9 the purpose or at the next general election, as is specified by the board of education of the 10 above school district. 11 CERTIFICATE 12 This is to certify that the above resolution was duly adopted by the board of education of 13 Unified School District No. _____, County, Kansas, on the _____ day of 14_____, 19____. 15 16 Clerk of the above board of education. 17All of the blanks in the above resolution shall be appropriately filled. 18The blank preceding the word "years" shall be filled with a specific num-19ber, and the blank preceding the word "mills" shall be filled with a specific 20number, and no word shall be inserted in either of the blanks. The res-21olution shall be published once a week for two consecutive weeks in a 22newspaper having general circulation in the school district. If no petition 23 as specified above is filed in accordance with the provisions of the reso-24 lution, the board of education may make the tax levy specified in the resolution. If a petition is filed as provided in the resolution, the board 2526 of education may notify the county election officer of the date of an 27election to be held to submit the question of whether the tax levy shall 28be authorized. If the board of education fails to notify the county election 29 officer within 60 days after a petition is filed, the resolution shall be 30 deemed abandoned and no like resolution shall be adopted by the board 31 of education within the nine months following the first publication of the 32 resolution. 33 (b) As used in this act: 34 (1) "Unconditionally authorized to make a capital outlay tax levy" 35 means that the school district has adopted a resolution under this section, 36 has published the same, and either that the resolution was not protested 37 or that it was protested and an election has been held by which the tax 38 levy specified in the resolution was approved; 39 (2) "statutorily prescribed mill rate" means: (A) Four mills or the mill 40 rate necessary to produce the same amount of money that would have been produced by a levy of four mills in the 1988-89 school year [eight 41

42 **mills**]; (B) the mill levy rate in excess of four [eight] mills if the resolution

43 fixing such rate was approved at an election prior to the effective date of

34

1 this act; or (C) the mill levy rate in excess of four [eight] mills if no petition

2 or no sufficient petition was filed in protest to a resolution fixing such rate

3 in excess of four [eight] mills and the protest period for filing such petition
4 has expired;

(3) "asbestos control project" means any activity which is necessary or $\mathbf{5}$ 6 incidental to the control of asbestos-containing material in buildings of 7 school districts and includes, but not by way of limitation, any activity 8 undertaken for the removal or encapsulation of asbestos-containing ma-9 terial, for any remodeling, renovation, replacement, rehabilitation or 10 other restoration necessitated by such removal or encapsulation, for con-11 ducting inspections, reinspections and periodic surveillance of buildings, 12performing response actions, and developing, implementing and updating

13 operations and maintenance programs and management plans;

(4) "asbestos" means the asbestiform varieties of chrysotile (serpentine), crocidolite (riebeckite), amosite (cummingtonitegrunerite), anthophyllite, tremolite, and actinolite; and

(5) "asbestos-containing material" means any material or product whichcontains more than 1% asbestos.

19 New Sec. 21. From and after the effective date of this act no school 20 district may adopt or renew a resolution imposing a tax levy in excess of 21 the statutorily prescribed mill rate fixed by subsection (b)(2)(A) of K.S.A. 22 72-8801, and amendments thereto. Any school district making a levy in 23 excess of such amount may continue to make such levy until the expiration

24 of the resolution under which such levy is made.

Sec. 22. K.S.A. 2004 Supp. 79-5040 is hereby amended to read as follows: 79-5040. (a) In 1999, and in each year thereafter, All existing statutory fund mill levy rate and aggregate levy rate limitations on taxing subdivisions are hereby suspended.

(b) The provisions of subsection (a) shall not apply to the fund mill levy
rate and aggregate levy rate limitations imposed by K.S.A. 72-8801 et
seq., and amendments thereto.

New Sec. 23. (a) As used in this section:

32

(1) "School district" or "district" means a school district which
has an extraordinary declining enrollment and which has adopted
a local option budget in an amount which equals the state prescribed percentage under K.S.A. 72-6433, and amendments
thereto.

(2) "Extraordinary declining enrollment" means an enrollment
which has declined during the preceding three school years at an
average rate of at least 5% or by at least 50 pupils.

41 (3) "Joint committee" means the joint committee on state42 building construction.

43 (b) The board of education of any school district shall not au-

1 thorize the issuance of any bonds for the construction of a new building without having first advised and consulted with the joint 2 3 committee. Prior to the date of the hearing of the joint committee at which the board is scheduled to appear, the board shall submit 4 any information requested by the joint committee. Following such $\mathbf{5}$ hearing, the committee shall make a recommendation on the ad-6 7 visability of the proposed issuance of bonds. A copy of the com-8 mittee's recommendation shall be provided to the school district 9 and to the state board of education within 15 days of the date of 10 the hearing. (c) If the joint committee recommends against the issuance of 11 12any bonds for the construction of a new building and the district proceeds to issue bonds for such construction, the district shall not

proceeds to issue bonds for such construction, the district shall not
 be entitled to, and shall not receive, state aid for such bonds under
 K.S.A. 75-2319, and amendments thereto.

16 New Sec. 24. (a) As used in this section:

(1) "School district" or "district" means a school district which:
(A) Has an extraordinary declining enrollment; (B) does not qualify
for low enrollment weighting; and (C) has adopted a local option
budget in an amount which equals the state prescribed percentage
under K.S.A. 72-6433, and amendments thereto.

(2) "Extraordinary declining enrollment" means an enrollment
which has declined during the preceding three school years at an
average rate of at least 15% or by at least 150 pupils.

25(b) (1) The board of any district to which the provisions of this 26subsection apply may levy an ad valorem tax on the taxable tan-27 gible property of the district each year in an amount not to exceed 28the amount authorized by the state board of tax appeals under this 29 section for the purpose of replacing revenues lost as a result of the 30 declining enrollment of the district. The state board of tax appeals 31may authorize the district to make a levy which will produce an 32 amount that is not greater than the amount of revenues lost which 33 are directly attributable to the decline in enrollment of the district. 34 (2) The board of tax appeals shall certify to the state board of 35 education the amount authorized to be produced by the levy of a 36 tax under this subsection.

(3) The state board of tax appeals may adopt rules and regulations necessary to properly effectuate the provisions of this subsection, including rules relating to the evidence required in support of a district's claim that reductions in state funding under the provisions of the school district finance and quality performance act as a result of the district's declining enrollment exceed the district's ability to make expenditure reductions. 1 (4) Any district is authorized to adopt and has adopted a local 2 option budget in an amount equal to the state prescribed per-3 centage of the amount of state financial aid determined for the 4 district in the current school year.

5 (c) The board of education may continue to levy such tax under 6 authority of this section for each year the district continues to sus-7 tain the three-year average decline in either the numerical or per-8 centage specified in subsection (a).

9 There is hereby established in every district a fund which (**d**) shall be called the declining enrollment fund. Such fund shall con-10 sist of all moneys deposited therein or transferred thereto accord-11 12ing to law. The proceeds from the tax levied by a district under 13 authority of this section shall be credited to the declining enroll-14ment fund of the district. Moneys in such fund shall be used for 15the payment of expenses of the school district as determined by 16the board of education of the district.

17New Sec. 25. For school year 2007-2008, and for each school 18year thereafter, the total amount of state aid, except for state aid 19for special education and related services, aid shall be increased 20by a percentage equal to the percentage increase in the CPI (ur-21 ban) from the calendar year in which the second preceding school 22year ended to the calendar year in which the preceding school year 23 commenced. If there is a percentage decrease or no change in the 24 CPI (urban) from the calendar year in which the second preceding 25school year ended to the calendar year in which the preceding 26school year commenced, the amount of state aid, excluding state 27 aid for special education and related services, shall be the same 28amount of such aid in the preceding school year.

29 New Sec. 26. All moneys appropriated for general state aid 30 and supplemental general state aid to school districts shall be paid 31first from the revenue derived from the levy imposed pursuant to 32 K.S.A. 72-6431, and amendments thereto. If the amount of reve-33 nue derived from the levy imposed under K.S.A. 72-6431, and 34 amendments thereto, is insufficient to pay such state aid, 50% of 35 the balance shall be paid from existing revenues derived from the 36 Kansas retailers' sales tax and 50% shall be paid from existing rev-37 enues derived from the Kansas income tax.

38 New Sec. 27. (a) As used in this section:

(1) "School district" means any school district in which is located a redevelopment district for which bonds have been issued
pursuant to K.S.A. 12-1770 et seq., and amendments thereto.

42 (2) "Base year assessed valuation", "redevelopment district" 43 and "redevelopment project" shall have the meanings ascribed 1 thereto by K.S.A. 12-1770a, and amendments thereto.

2 No later than November 1 of each year, the county clerk of 3 each county shall certify to the state board of education the assessed valuation of any school district located within a redevelop-4 ment district in such county. For the purposes of this section and $\mathbf{5}$ for determining the amount of state aid for school districts under 6 7 K.S.A. 72-6434 and 75-2319, and amendments thereto, the base 8 year assessed valuation of property within the boundaries of a re-9 development district shall be used when determining the assessed 10valuation of a school district until the bonds issued pursuant to K.S.A. 12-1770 et seq., and amendments thereto, to finance rede-11 12velopment projects in the redevelopment district have been re-13 tired. 14New Sec. 28. (a) The state board of education shall design and 15 implement an administrative reorganization plan for school districts. 1617- See. 29. K.S.A. 2004 Supp. 72-8205 is hereby amended to read 18as follows: 72-8205. (a) The board shall meet at least once each 19month. During the month of July of each year, the board shall 20adopt a resolution specifying a regular meeting time of the board 21 and the regular hour of commencement of the meeting, as well as 22the day of the week and the week of the month. Such resolution 23 also shall specify the alternative date and time of any meeting if 24 the regular meeting date occurs on a Sunday or on a legal holiday 25or on a holiday specified by the board. Such resolution also shall 26 specify the regular meeting place of the board and may specify 27 that any regular meeting may be adjourned to another time and 28place. If the board cancels a regularly-scheduled meeting because 29 of an emergency, within 24 hours of such cancellation, the board 30 shall establish and give notice of the new meeting date and time. 31Special meetings may be called at any time by the president of the 32 board or by joint action of any three members of the board. Unless 33 waived, written notice, stating the time and place of any special 34 meeting and the purpose for which called shall be given each mem-35 ber of the board at least two days in advance of the special meeting 36 and no business other than that stated in the notice shall be trans-37 acted at such meeting. A majority of the full membership of the 38 board shall constitute a quorum for the purpose of conducting any 39 business of the school district, and the vote of a majority of the full 40 membership of the board shall be required for the passage of any 41motion or resolution. Any member who abstains from voting shall 42be counted as having voted against the motion or resolution. If a

43 member announces a conflict of interest with regard to the issue,

1 the member may leave the meeting until the voting on the issue is

39

2 concluded and the member who abstains from voting thereby shall

3 not be counted as having voted.

4 (b) Except as otherwise provided by law, the board shall have

5 and may exercise the same powers and authorities as were im-

6 mediately prior to this act conferred uniformly upon boards of

7 education in cities of the first class, and, in addition thereto, the

8 powers and authority expressly conferred by law.

9 (c) The board shall have authority to prescribe courses of study

10 for each year of the school program and to adopt rules and regu-

11 lations for teaching in the school district and general government

12 thereof, and to approve and adopt suitable textbooks and study 13 material for use therein subject to the plans, methods, rules and

10 material for use therein subject to the plans, methods, rules and

14 **regulations of the state board of education.**

15(d) The board may provide legal counsel at district expense to 16any members of the board of education, or school district officers 17or employees who are sued in situations relating to and arising out of the performance of their office or employment. No teacher or 18 19other employment contract shall make reference to or incorporate 20the provisions of this subsection, nor shall the provisions of this 21subsection be construed as any part of the consideration of em-22ployment of any teacher, officer or other employee of the board. 23 - (c) (1) The board may transact all school district business and 24 adopt policies that the board deems appropriate to perform its

25 constitutional duty to maintain, develop and operate local public
 26 schools.

27 (2) The power granted by this subsection shall not be con-

28 strued to relieve a board from compliance with the provisions of 29 section 28, and amendments thereto, and any other provision of state

30 law.

31 — The power granted by this subsection shall not be construed to

32 relieve any other unit of government of its duties and responsibil-

33 ities which are prescribed by law, nor to create any responsibility

34 on the part of a school district to assume the duties or responsi-

35 **bilities which are required of another unit of government.**

36 (3) The board shall exercise the power granted by this subsec 37 tion by resolution of the board of education.

38 Sec. 30. [28.] K.S.A. 72-6757 is hereby amended to read as fol-39 lows: 72-6757. (a) As used in this section:

40 (1) "Receiving school district" means a school district of non-41 residence of a pupil who attends school in such school district.

42 (2) "Sending school district" means a school district of resi-

43 dence of a pupil who attends school in a school district not of the

1 pupil's residence.

2 (b) The board of education of any school district may make and 3 enter into contracts with the board of education of any receiving school district located in this state for the purpose of providing for 4 the attendance of pupils at school in the receiving school district. 5(c) The board of education of any school district may make and 6 7 enter into contracts with the governing authority of any accredited 8 school district located in another state for the purpose of providing 9 for the attendance of pupils from this state at school in such other state or for the attendance of pupils from such other state at school 10in this state. 11 12(**d**) Pupils attending school in a receiving school district in ac-13 cordance with a contract authorized by this section and made and entered into by such receiving school district with a sending school 1415district located in this state shall be counted as regularly enrolled 16in and attending school in the sending school district for the pur-17pose of computations under the school district finance and quality performance act. 1819 (e) Any contract made and entered into under authority of this 20section is subject to the following conditions: 21 The contract shall be for the benefit of pupils who reside (1)22 at inconvenient or unreasonable distances from the schools main-23 tained by the sending school district or for pupils who, for any 24 other reason deemed sufficient by the board of education of the 25sending school district, should attend school in a receiving school 26 district; 27(2)the contract shall make provision for the payment of tuition 28by the sending school district to the receiving school district; 29 (3) if a sending school district is located in this state and the receiving 30 school district is located in another state, the amount of tuition provided 31 to be paid for the attendance of a pupil or pupils at school in the receiving 32 school district shall not exceed 1/2 of the amount of the budget per pupil of the sending school district under the school district finance and quality 33 34 performance act for the current school year; and 35 -(4) the contract shall make provision for transportation of pu-36 pils to and from the school attended on every school day. 37 (f) Amounts received pursuant to contracts made and entered 38 into under authority of this section by a school district located in 39 this state for enrollment and attendance of pupils at school in reg-40 ular educational programs shall be deposited in the general fund 41of the school district. 42The provisions of subsection (e)(3) do not apply to unified school district No. 104, Jewell county. 43

40

1 —(h) The provisions of this section do not apply to contracts 2 made and entered into under authority of the special education 3 for exceptional children act.

4 (i) (h) The provisions of this section are deemed to be alter-5 native to the provisions of K.S.A. 72-8233, and amendments 6 thereto, and no procedure or authorization under K.S.A. 72-8233, 7 and amendments thereto, shall be limited by the provisions of this 8 section.

9 New Sec. 31. [29.] (a) This section applies to the board of education of any school district that has, or knows that it will have in 10 the next school year, one or more pupils enrolled who do not live 11 12in Kansas. Such school board shall utilize its good faith efforts to 13 negotiate an agreement with the out-of-state school board of the 14school district in which the pupil resides. Such agreement shall 15 address the payment of costs to the Kansas school district for ed-16ucating any out-of-state pupils.

(b) The state board of education shall provide assistance and
advice to Kansas school districts that are subject to the provisions
of subsection (a).

New Sec. 32. [30.] (a) Any Kansas school district that is subject to section 31, and amendments thereto, that has failed to reach agreement pursuant to section 31, and amendments thereto, may make a hardship application to the state board of education for the release of some or all of the funds attributable to out-of-state pupils attending school in such school district. Unless waived by the state board of education, the application shall include:

(1) A detailed description of the school districts efforts in negotiating with the out-of-state school district pursuant to section
31, and amendments thereto, including copies of related documents and a narrative describing each negotiating session;

(2) the amount of state funds the out-of-state school district
would receive if the pupil attended the non-Kansas school district
where the pupil resides;

34 (3) the amount of funds requested for each such pupil and the35 justification therefor; and

36 (4) such other information as may be requested by the state
37 board of education.

38 (b) The state board of education is authorized to approve, mod-

39 ify and approve as modified or reject any hardship application au-

40 thorized by this section. No [Except as provided in subsection (c),

no] payment per out-of-state pupil shall exceed the state average
general fund budget per pupil amount.

43 [(c) Notwithstanding the provisions of K.S.A. 72-6407, and

1 amendments thereto, a pupil enrolled in any school district in this

2 state who does not live in Kansas shall be counted as a pupil for3 state financial aid purposes:

4 [(1) If a parent or guardian of the pupil is an employee of the 5 school district where the pupil is enrolled;

6 [(2) if a parent or guardian of the pupil has paid property taxes 7 in Kansas during the current or preceding school year; or

8 [(3) if the pupil attended public school in Kansas during the 9 2004-2005 school year.]

10 New Sec. 33. [31.] (a) As used in this section, "enrollment 11 weighting" means payments attributable to low enrollment 12 weighting pursuant to K.S.A. 72-6412 and amendments thereto.

(b) For pupils residing in this state who do not meet the
requirements of K.S.A. 72-1046, and amendments thereto, and
who attend school in another school district in this state, the state
board shall adjust the [fund] enrollment weighting for the school
district that is attributable to each such pupil. Such adjustment
shall be made to pay the enrollment weighting that is attributable
to each pupil that would have been paid had the pupil attended

20 the school district where the child resides if such amount is less 21 than the amount paid to the school district where the pupil attends

22 school. [that such pupil attends.]

31

New Sec. 34. [32.] As used in sections 35 through 39, and amendments thereto:

(a) "District" or "school district" means any school district in
the state of Kansas;

(b) "program" means the Kansas skills for success in schoolprogram;

29 (c) "department" or "department of education" means the 30 Kansas department of education; and

(d) "state board" means the state board of education.

32 New Sec. 35. [33.] (a) Each school district shall prepare a plan 33 for identifying grade-level markers which indicate whether a child 34 is progressing adequately toward acquisition of the reading and 35 mathematics skill-sets designed by the state board of education and for diagnosing each child's skill level in mathematics and read-36 37 ing. The district shall use assessments or diagnostic reviews during 38 kindergarten and each of the grades one through three to deter-39 mine a child's level of performance and to target specialized in-40 terventions to bring the child up to grade-level in reading and

41 mathematics. The district's plan shall embed such assessments or

42 diagnostic reviews into the curriculum and implement a measure

43 $\,$ to check each child's progress during the fall or spring semesters,

1 or both.

2 **(b)** The district shall establish a plan for providing each child 3 needing assistance with locally-determined interventions based on input from teachers and parents for the individual child. The plan 4 may include a restructured school day, additional school days, 5summer school, individualized instruction and any other interven-6 7 tion the district deems necessary. The district may require attend-8 ance at such interventions unless a parent requests in writing that 9 the child not attend. The plan shall not include a requirement for full-day kindergarten attendance. In addition, any plan providing 10for interventions shall include implementation of a first grade 11 12 reading intervention which meets the following specifications: A 13 research-based reading intervention method designed for first-14graders with a proven track record of success, with sustained learn-15ing over time using a short-term, one-on-one tutoring intervention 16when deemed necessary or intensive research-based small group 17tutoring. The diagnostic reviews or assessments may be imple-18mented in addition to current assessments or diagnostic reviews, 19or in lieu of current assessments or diagnostic reviews. If the district currently has appropriate grade level markers, or offers ap-2021propriate diagnostic reviews or assessments or tracking procedures for interventions, the district may continue to use such locally 22 23 determined practices as long as the district continues to meet qual-24 ity performance accreditation requirements. School districts shall 25continue to implement the second grade reading diagnostic cur-26rently required by the state board. 27 (c) If a child has been identified as needing assistance, the dis-28trict's plan shall create a mechanism to track the child's interven-29 tions and progress. The district shall determine the methods by 30 which the child's progress is measured. When a child has accom-31plished the district-determined level of accomplishment, no fur-32 ther tracking will be necessary unless the child falls behind in an-33 other grade. If the child does not achieve the appropriate 34 grade-level markers in reading or mathematics despite interven-35 tion, the district shall take whatever action which it deems is in the 36 best educational interest of the child to reach the grade-level 37 markers. Such action may include, but is not limited to, other more 38 intensive interventions or retention at current grade-level unless 39 a parent refuses in writing to allow the child to be retained. If a 40 parent refuses to allow retention, the parent shall be provided information on the skills the child requires to succeed at the next 41

42 grade-level.

43 (d) When it is appropriate, districts are encouraged to utilize

1 community volunteers or community-based organizations in the carrying out of intervention plans adopted pursuant to this section. 2 3 New Sec. 36. [34.] (a) In school year 2006-2007 and each school year thereafter, any district which has established a plan of 4 interventions pursuant to section 35, and amendments thereto, $\mathbf{5}$ shall be entitled to receive a grant from the state board to supple-6 7 ment amounts expended by the district for maintenance of such 8 plan of interventions. The board of education of any such district 9 may submit an application for a grant under the Kansas skills for success in school program. The application shall be prepared in 10 such form and manner as required by the state board. Such appli-11 12cation shall be accompanied by any information required by the 13 state board. No grant may be awarded pursuant to this section unless the state board approves the district's plan of interventions. 1415 (b) Grant moneys received under subsection (a) shall be de-16posited in the general fund of the school district and shall be considered reimbursements for the purpose of the school district fi-1718nance and quality performance act. 19 The board of education of any district which is awarded a (c) 20grant for maintenance of a plan of interventions under the Kansas 21skills for success in school program shall make such periodic and 22 special reports to the state board of education as it may request. 23 New Sec. 37. [35.] (a) On or before January 1, 2006, the state board of education shall adopt rules and regulations for the im-24 plementation of this act and the awarding and administration of 25grants to school districts for maintenance of plans of interventions 26 27 under the Kansas skills for success in school program. 28**(b)** The state board shall: 29 Establish standards and criteria for reviewing, evaluating (1) 30 and approving plans of interventions and applications for grants; 31(2) conduct a needs-assessment survey of school districts ap-32 plying for grants; 33 (3) evaluate and approve plans of interventions; 34 establish priorities in accordance with the findings of the (4)

35 needs-assessment survey for the award of grants and the amount 36 of such grants;

37 $(\mathbf{5})$ be responsible for awarding grants to school districts; and 38 request of and receive from each school district which is (6) 39 awarded a grant for maintenance of a plan of interventions reports 40 containing information with regard to the effectiveness of the plan. (c) In evaluating and approving plans of interventions main-41

tained under the Kansas skills for success in school program and 4243

for the awarding of grants, the state board shall consider:

1 (1) The level of effort exhibited by districts in the establish-2 ment and maintenance of plans of interventions;

3 (2) the amounts budgeted by districts for the establishment
4 and maintenance of plans of interventions; and

5 (3) the potential effectiveness of the plans of interventions for 6 which applications for the grants are made.

7 (d) The amount of a grant shall be determined by the state 8 board in accordance with established priorities, but shall not ex-9 ceed the amount of actual expenses incurred by the district in the 10 establishment and maintenance of the district's plan of interven-11 tions.

(e) Upon request of the board of education of any school district, the state board of education shall provide technical advice
and assistance regarding the establishment and maintenance of a
plan of skills for success in school interventions or an application
for a grant.

17New Sec. 38. [36.] On or before November 1, 2005, the state 18board of education shall report its progress on the implementation 19of the Kansas skills for success in school program to the legislative 20education council. The board shall submit other reports as re-21 quested by the chairperson of the legislative education council. On 22or before September 1, 2006, and each year thereafter, the state 23 board shall make an annual report on the program to the legisla-24 tive education council. Annual reports also shall include data re-25lating to and supporting evaluations of goals, objectives and out-26comes established by the state board of education and other 27 information requested by the council. On or before the first day 28of the 2007 legislative session and each year thereafter, the legis-29 lative education council shall prepare and submit to the legislature 30 a report on the program and any recommendations relating 31 thereto.

New Sec. 39. [37.] Within the limits of appropriations therefor, the state department of education shall provide for teacher
training to implement the interventions authorized by this act.

New Sec. 40. [38.] The legislature shall make appropriations necessary for the implementation of the provisions of sections 34 through 39, and amendments thereto. Such appropriations shall not exceed \$20,000,000, in the aggregate, from one or more funds in the state treasury.

40 New Sec. 41. No ad valorem tax exemption for real or personal

41 property granted after the effective date of this act by the govern-

42 ing body of any city or the board of county commissioners of any

43 **county pursuant to the provisions of section 13 of article 11 of the**

1 Kansas constitution shall be deemed to exempt any such property 2 from the ad valorem property tax levied by a school district pur-3 suant to K.S.A. 72-6431, and amendments thereto. The provisions of this section shall not be deemed to apply to any such exemptions 4 $\mathbf{5}$ granted prior to the effective date of this act for any calendar year 6 for which any such exemption was granted. 7 New Sec. 42. No abatement of ad valorem property tax for real 8 or personal property granted after the effective date of this act by 9 the governing body of any city or the board of county commission-10 ers of any county or other taxing subdivision of the state shall be 11 deemed to abate the ad valorem property tax levied by a school 12district pursuant to K.S.A. 72-6431, and amendments thereto. The 13 provisions of this section shall not be deemed to apply to any abate-14ment granted prior to the effective date of this act for any calendar 15year for which any such exemption was granted. 16Sec. 43. [39.] K.S.A. 2004 Supp. 79-201a is hereby amended to 17read as follows: 79-201a. The following described property, to the extent herein specified, shall be exempt from all property or ad 18 19valorem taxes levied under the laws of the state of Kansas unless 20otherwise more specifically provided: 21 First. All property belonging exclusively to the United States, ex-22cept property which congress has expressly declared to be subject 23 to state and local taxation. 24 Second. All property used exclusively by the state or any munic-25ipality or political subdivision of the state. All property owned, 26being acquired pursuant to a lease-purchase agreement or oper-27 ated by the state or any municipality or political subdivision of the 28state, including property which is vacant or lying dormant, which 29 is used or is to be used for any governmental or proprietary func-30 tion and for which bonds may be issued or taxes levied to finance 31the same, shall be considered to be used exclusively by the state, 32 municipality or political subdivision for the purposes of this sec-33 tion. The lease by a municipality or political subdivision of the state 34 of any real property owned or being acquired pursuant to a lease-35 purchase agreement for the purpose of providing office space nec-36 essary for the performance of medical services by a person li-37 censed to practice medicine and surgery or osteopathic medicine 38 by the board of healing arts pursuant to K.S.A. 65-2801 et seq., and 39 amendments thereto, dentistry services by a person licensed by 40 the Kansas dental board pursuant to K.S.A. 65-1401 et seq., and 41amendments thereto, optometry services by a person licensed by 42the board of examiners in optometry pursuant to K.S.A. 65-1501

43 et seq., and amendments thereto, or K.S.A. 74-1501 et seq., and

1 amendments thereto, podiatry services by a person licensed by the 2 board of healing arts pursuant to K.S.A. 65-2001 et seq., and 3 amendments thereto, or the practice of psychology by a person 4 licensed by the behavioral sciences regulatory board pursuant to 5K.S.A. 74-5301 et seq., and amendments thereto, shall be construed 6 to be a governmental function, and such property actually and reg-7 ularly used for such purpose shall be deemed to be used exclusively 8 for the purposes of this paragraph. The lease by a municipality or 9 political subdivision of the state of any real property, or portion 10 thereof, owned or being acquired pursuant to a lease-purchase agreement to any entity for the exclusive use by it for an exempt 11 12purpose, including the purpose of displaying or exhibiting per-13 sonal property by a museum or historical society, if no portion of 14the lease payments include compensation for return on the in-15 vestment in such leased property shall be deemed to be used ex-16clusively for the purposes of this paragraph. All property leased, 17other than property being acquired pursuant to a lease-purchase 18agreement, to the state or any municipality or political subdivision 19of the state by any private entity shall not be considered to be used 20exclusively by the state or any municipality or political subdivision 21of the state for the purposes of this section except that the provi-22 sions of this sentence shall not apply to any such property subject 23 to lease on the effective date of this act until the term of such lease 24 expires but property taxes levied upon any such property prior to 25tax year 1989, shall not be abated or refunded. Any property con-26structed or purchased with the proceeds of industrial revenue 27 bonds issued prior to July 1, 1963, as authorized by K.S.A. 12-1740 28to 12-1749, or purchased with proceeds of improvement district 29 bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-2776, 30 or with proceeds of bonds issued prior to July 1, 1963, as author-31 ized by K.S.A. 19-3815a and 19-3815b, or any property improved, 32 purchased, constructed, reconstructed or repaired with the pro-33 ceeds of revenue bonds issued prior to July 1, 1963, as authorized 34 by K.S.A. 13-1238 to 13-1245, inclusive, or any property improved, 35 reimproved, reconstructed or repaired with the proceeds of rev-36 enue bonds issued after July 1, 1963, under the authority of K.S.A. 37 13-1238 to 13-1245, inclusive, which had previously been im-38 proved, reconstructed or repaired with the proceeds of revenue 39 bonds issued under such act on or before July 1, 1963, shall be 40 exempt from taxation for so long as any of the revenue bonds is-41sued to finance such construction, reconstruction, improvement, 42repair or purchase shall be outstanding and unpaid. Any property 43 constructed or purchased with the proceeds of any revenue bonds

1 authorized by K.S.A. 13-1238 to 13-1245, inclusive, 19-2776, 19-3815a and 19-3815b, and amendments thereto, issued on or after 2 3 July 1, 1963, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were 4 issued. Any property, all or any portion of which is constructed or 5purchased with the proceeds of revenue bonds authorized by 6 7 K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, is-8 sued on or after July 1, 1963 and prior to July 1, 1981, and prior to 9 the effective date of this act shall be exempt from taxation only for a 10 period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property 11 12constructed or purchased wholly with the proceeds of revenue 13 bonds issued on or after July 1, 1981, and prior to the effective date 14of this act under the authority of K.S.A. 12-1740 to 12-1749, inclu-15 sive, and amendments thereto, shall be exempt from taxation only 16for a period of 10 calendar years after the calendar year in which 17the bonds were issued. Except as hereinafter provided, any prop-18erty constructed or purchased in part with the proceeds of revenue bonds issued on or after July 1, 1981, and prior to the effective date 1920of this act under the authority of K.S.A. 12-1740 to 12-1749, inclu-21sive, and amendments thereto, shall be exempt from taxation to 22the extent of the value of that portion of the property financed by 23 the revenue bonds and only for a period of 10 calendar years after 24 the calendar year in which the bonds were issued. The exemption 25of that portion of the property constructed or purchased with the 26proceeds of revenue bonds shall terminate upon the failure to pay 27 all taxes levied on that portion of the property which is not exempt 28and the entire property shall be subject to sale in the manner pre-29 scribed by K.S.A. 79-2301 et seq., and amendments thereto. Any 30 property constructed or purchased wholly with the proceeds of revenue 31 bonds issued on or after the effective date of this act under the authority 32 of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall 33 be exempt from all property or ad valorem taxes levied except the ad 34 valorem tax levied by a school district pursuant to K.S.A. 72-6431, and 35 amendments thereto. All such property shall be exempt from taxation to 36 the extent herein provided only for a period of 10 calendar years after the 37 calendar year in which the bonds were issued. Such exemption shall ter-38 minate upon the failure to pay all taxes levied upon the property, and the 39 entire property shall be subject to sale in the manner prescribed by K.S.A. 40 79-2301 et seq., and amendments thereto. Any property constructed or 41purchased in part with the proceeds of revenue bonds issued on or after 42the effective date of this act under the authority of K.S.A. 12-1740 to 12-43 1749, inclusive, and amendments thereto, to the extent of the value of that

1 portion of the property financed by the revenue bonds, shall be exempt 2 from all property or ad valorem taxes levied, except the ad valorem tax 3 levied by a school district pursuant to K.S.A. 72-6431, and amendments thereto. All such property to the extent herein provided shall be exempt 4 from taxation to the extent herein provided only for a period of 10 cal-5endar years after the calendar year in which the bonds were issued. Such 6 7 exemption shall terminate upon the failure to pay all taxes levied on the 8 property, and the entire property shall be subject to sale in the manner 9 prescribed by K.S.A. 79-2301 et seq., and amendments thereto. Property constructed or purchased in whole or in part with the proceeds of 10 revenue bonds issued on or after January 1, 1995, under the au-11 12thority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments 13 thereto, and used in any retail enterprise identified under the stan-14dard industrial classification codes, major groups 52 through 59, 15 inclusive, except facilities used exclusively to house the headquar-16ters or back office operations of such retail enterprises identified 17thereunder, shall not be exempt from taxation. For the purposes 18of the preceding provision "standard industrial classification code" 19 means a standard industrial classification code published in the 20Standard Industrial Classification manual, 1987, as prepared by 21 the statistical policy division of the office of management and 22budget of the office of the president of the United States. "Head-23 quarters or back office operations" means a facility from which the enterprise is provided direction, management, administrative 24 25services, or distribution or warehousing functions in support of 26transactions made by the enterprise. Property purchased, con-27 structed, reconstructed, equipped, maintained or repaired with 28the proceeds of industrial revenue bonds issued under the au-29 thority of K.S.A. 12-1740 et seq., and amendments thereto, which 30 is located in a redevelopment project area established under the 31 authority of K.S.A. 12-1770 et seq. shall not be exempt from taxa-32 tion. Property purchased, acquired, constructed, reconstructed, 33 improved, equipped, furnished, repaired, enlarged or remodeled 34 with all or any part of the proceeds of revenue bonds issued under 35 authority of K.S.A. 12-1740 to 12-1749a, inclusive, and amend-36 ments thereto for any poultry confinement facility on agricultural 37 land which is owned, acquired, obtained or leased by a corpora-38 tion, as such terms are defined by K.S.A. 17-5903 and amendments 39 thereto, shall not be exempt from such taxation. Property pur-40 constructed, chased, acquired, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or 4142any part of the proceeds of revenue bonds issued under the au-43 thority of K.S.A. 12-1740 to 12-1749a, inclusive, and amendments 1 thereto, for a rabbit confinement facility on agricultural land

which is owned, acquired, obtained or leased by a corporation, as
such terms are defined by K.S.A. 17-5903 and amendments
thereto, shall not be exempt from such taxation.

Third. All works, machinery and fixtures used exclusively by any $\mathbf{5}$ rural water district or township water district for conveying or pro-6 7 duction of potable water in such rural water district or township 8 water district, and all works, machinery and fixtures used exclu-9 sively by any entity which performed the functions of a rural water district on and after January 1, 1990, and the works, machinery 10and equipment of which were exempted hereunder on March 13, 11 121995.

Fourth. All fire engines and other implements used for the extinguishment of fires, with the buildings used exclusively for the safekeeping thereof, and for the meeting of fire companies, whether belonging to any rural fire district, township fire district, town, city or village, or to any fire company organized therein or therefor.

Fifth. All property, real and personal, owned by county fair associations organized and operating under the provisions of K.S.A.
20 2-125 *et seq.* and amendments thereto.

Sixth. Property acquired and held by any municipality under the
municipal housing law (K.S.A. 17-2337 *et seq.*) and amendments
thereto, except that such exemption shall not apply to any portion
of the project used by a nondwelling facility for profit making enterprise.

Seventh. All property of a municipality, acquired or held under and for the purposes of the urban renewal law (K.S.A. 17-4742 et seq.) and amendments thereto except that such tax exemption shall terminate when the municipality sells, leases or otherwise disposes of such property in an urban renewal area to a purchaser or lessee which is not a public body entitled to tax exemption with respect to such property.

Eighth. All property acquired and held by the Kansas armory
 board for armory purposes under the provisions of K.S.A. 48-317,
 and amendments thereto.

Ninth. All property acquired and used by the Kansas turnpike authority under the authority of K.S.A. 68-2001 *et seq.*, and amendments thereto, K.S.A. 68-2030 *et seq.*, and amendments thereto, K.S.A. 68-2051 *et seq.*, and amendments thereto, and K.S.A. 68-2070 *et seq.*, and amendments thereto.

Tenth. All property acquired and used for state park purposes by
the Kansas department of wildlife and parks.

43 *Eleventh.* The state office building constructed under authority

1 of K.S.A. 75-3607 *et seq.*, and amendments thereto, and the site 2 upon which such building is located.

51

Twelfth. All buildings erected under the authority of K.S.A. 766a01 et seq., and amendments thereto, and all other student union
buildings and student dormitories erected upon the campus of any
institution mentioned in K.S.A. 76-6a01, and amendments thereto,

7 by any other nonprofit corporation.

8 Thirteenth. All buildings, as the same is defined in subsection (c) 9 of K.S.A. 76-6a13, and amendments thereto, which are erected, 10 constructed or acquired under the authority of K.S.A. 76-6a13 *et* 11 seq., and amendments thereto, and building sites acquired there-

12 **for.**

Fourteenth. All that portion of the waterworks plant and system
of the city of Kansas City, Missouri, now or hereafter located within
the territory of the state of Kansas pursuant to the compact and
agreement adopted by chapter 304 of the 1921 Session Laws of
the state of Kansas. [See K.S.A. 79-205.]

Fifteenth. All property, real and personal, owned by a groundwater management district organized and operating pursuant to
K.S.A. 82a-1020, and amendments thereto.

21 Sixteenth. All property, real and personal, owned by the joint wa-22 ter district organized and operating pursuant to K.S.A. 80-1616 *et* 23 seq., and amendments thereto.

24 Seventeenth. All property, including interests less than fee own-25 ership, acquired for the state of Kansas by the secretary of trans-26 portation or a predecessor in interest which is used in the admin-27 istration, construction, maintenance or operation of the state 28 system of highways, regardless of how or when acquired.

29 Eighteenth. Any building used primarily as an industrial training 30 center for academic or vocational education programs designed 31for and operated under contract with private industry, and located 32 upon a site owned, leased or being acquired by or for an area 33 vocational school, an area vocational-technical school, a technical 34 college, or a community college, as defined by K.S.A. 72-4412, and 35 amendments thereto, and the site upon which any such building is 36 located.

Nineteenth. For all taxable years commencing after December
31, 1997, all buildings of an area vocational school, an area voca-

39 tional-technical school, a technical college or a community college,

40 as defined by K.S.A. 72-4412, and amendments thereto, which are

41 owned and operated by any such school or college as a student

42 union or dormitory and the site upon which any such building is 43 located. 1 Twentieth. For all taxable years commencing after December

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- 2 31, 1997, all personal property which is contained within a dor 3 mitory that is exempt from property taxation and which is neces-
- 4 sary for the accommodation of the students residing therein.
- 5 Except as otherwise specifically provided, the provisions of this 6 section shall apply to all taxable years commencing after Decem-7 ber 31, 2000.
- 8 Sec. $\frac{23}{44}$ [40.]. K.S.A. 72-6405 is hereby amended to read as follows: 9 72-6405. (a) [(a)] K.S.A. 72-6405 through 72-6440, *sections 14, 15, 16* 10 *and 19,* 19, 23, 24, 25 and 26, and amendments thereto, shall be known 11 and may be cited as the school district finance and quality performance 12 act.

(b) The provisions of this section shall take effect and be in force from
 and after July 1, 1992.

15 [(b) The provisions of this act are severable. If any provision of 16 this act is held to be invalid or unconstitutional, it shall be pre-17 sumed conclusively that the legislature would have enacted the 18 remainder of this act without such invalid or unconstitutional pro-19 vision.]

20 Sec. 24 45. [41.] K.S.A. 46-1225, 72-979, 72-6405, 72-6410, 72-6412,

- 21 72-6413, 72-6414, 72-6415, 72-6433, **[72-6440,]** 72-6442, 72-6433b, **72-**
- 22 6444, 72-6757 and 72-8801 and K.S.A. 2004 Supp. 46-1208a, 46-1225,
- 23 72-978, 72-6407, 72-6434, 72-8205, 79-201a and 79-5040 are hereby
 24 repealed.

25 Sec. 25 **46**. **[42.]** This act shall take effect and be in force from and 26 after its publication in the statute book.