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## K-12 EDUCATION LEGISLATION FROM 2012 LEGISLATIVE SESSION

### **Transportation of Non-Resident Pupil, Special Education State Aid Formula, Alternative Formula for Calculating Local Option Budget, Contingency Reserve Fund, and Use of Unencumbered Funds; SB 11**

**SB 11** deals with transportation of non-resident pupils, the special education state aid formula, an alternative formula for calculating the local option budget, flexibility in the use of unencumbered funds, and balances in the contingency reserve fund.

#### ***Transportation of Non-Resident Pupils***

The bill changes the school finance law to redefine non-resident pupil. The bill defines a non-resident pupil as a student or member of the student's family who lives 2.5 or more miles from the attendance center the student would attend in the district in which the student resides. (Prior law defined a non-resident pupil as a student or member of the student's family who lives ten miles or more from the resident attendance center.) The bill clarifies that provisions of the bill do not apply to school districts located in Johnson, Sedgwick, Shawnee, or Wyandotte counties.

#### ***Special Education State Aid Formula***

The bill repeals the portion of the special education state aid formula that determines the minimum and maximum amount of special education state aid a school district may receive.

#### ***Alternative Formula for Calculating Local Option Budget***

The bill provides an alternative formula for calculation of the local option budget of a school district. The bill allows a school district to choose the 2008–09 special education state aid or the current year's special education state aid, whichever amount is greater, to calculate the amount of state aid that the district receives for its local option budget.

#### ***Flexibility of Unencumbered Funds***

The bill allows a school district to continue to transfer unencumbered cash balances for the 2012–13 school year for general operating expenses of the district from each of the following funds: at-risk education, bilingual education, contingency reserve, driver training,

*Legislative Educational Planning* Committee

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parent education program, preschool-aged at-risk education, professional development, summer program, textbook and student materials, special education, virtual school, and vocational education. Up to one-third of the textbook and student materials and special education funds could be transferred for general operating expenditures of the district.

The maximum allowed to be transferred from the unencumbered funds could not exceed \$250 multiplied by the adjusted enrollment of the district.

### ***Contingency Reserve Funds***

Finally, the bill allows a school district to keep up to 10.0 percent of the district's general fund budget in a contingency reserve fund. The bill does not have an expiration date related to this provision. (Prior law would have reduced the amount to six percent for the 2012–13 school year and the years thereafter.)

### **Career Technical Education for Secondary Students; Technical College Boards; At-Risk Students; High-Density At-Risk Pupil Weighting; SB 155**

**SB 155** concerns career technical education for secondary students, amends the powers and duties of technical college boards by allowing the technical college boards to acquire property by lease-purchase, makes changes to the school finance formula related to at-risk students, and revises the provision in the school finance law concerning the calculation of the high-density at-risk pupil weighting.

### ***Career Technical Education***

The bill requires the State Board of Education (State Board) to conduct or contract for a study of the implementation of a new requirement that each school district maintain an individual career plan of study for each student enrolled in grades 8 through 12. The State Board must submit findings from the study to the Legislature by January 15, 2014. This provision will go into effect on July 1, 2013. The State Board also is required to report to the Legislature by January 15, 2014, regarding a proposed strategy and a proposed plan for providing state aid to career technical education programs or courses in school districts and shall consider the funding scheme under the Postsecondary Tiered Technical Education State Aid Act.

The bill also requires the State Board of Regents to establish a career technical education incentive program, which will award \$1,000, subject to appropriation, to a school district for each high school graduate who graduates from that district with an industry-recognized credential in a high-need occupation, as identified by the Secretary of Labor, in consultation with the State Board of Regents and the State Board. The bill allows the State Board of Regents to adopt rules and regulations necessary to administer the program. A school district must reimburse a pupil who has not obtained a high school diploma and is currently or previously was enrolled in a career technical education course or program in the district an amount up to half of the cost of the industry-recognized credential assessment (assessment). This reimbursement will be taken out of the \$1,000 incentive award to the school district. No school district will be required to pay for three or more assessments for the same or substantially the same credential if the pupil fails to earn the credential within two attempts of taking the assessment. After payment for assessments, the school district is allowed to use any remaining portion of the \$1,000 award for the district's operating expenses.

The same provisions apply to students from a private secondary school, attending a community or technical college or institute of technology, except that the State Board of Regents must reimburse a community or technical college or institute of technology for payment of the cost of assessments up to \$1,000 per student. The bill also clarifies that the State Board of Regents is required to distribute state funds to community colleges, technical colleges, and the Institute of Technology at Washburn University for the costs associated with secondary students enrolled at postsecondary career technical educational programs, to the extent sufficient moneys are appropriated to the program.

The bill allows the governing board of a community college, technical college, or institute of technology to apply to the State Board of Regents for permission to establish a career technical education program outside of the institution's service area if the program is not currently being offered in that service area. The provisions of this section go into effect on July 1, 2013.

High school students admitted to a vocational education course or program conducted by a community college, technical college, or institute of technology may be charged fees, but not tuition. Tuition for secondary career technical education students is subject to appropriation.

The bill requires the State Board of Regents to initiate the development of a statewide articulation agreement on career technical education programs among high schools, community colleges, technical colleges, and the Institute of Technology at Washburn University. This provision goes into effect on July 1, 2013.

The bill maintains the vocational education program weighting of 0.5 which is used to compute the full-time equivalent enrollment in any approved vocational education program, with no sunset on this provision.

### ***Technical College Boards' Ability to Acquire Property by Lease-Purchase***

Additionally, the bill amends the powers and duties of technical college boards by allowing the boards to acquire any property by lease-purchase which is necessary or desirable for technical college purposes. The lease-purchase agreement is limited to ten years, may provide for annual or other payment of rent or rental fees, including maintenance or other expenses, and is subject to change or termination at any time by the Legislature; the agreement must contain a clause containing such termination language.

### ***At-Risk Students***

The bill also makes changes to the school finance formula related to at-risk students. If a student submits an application for free meals under the National School Lunch Act, and it is later determined that the student should not have been eligible, the school district or the State Department of Education must notify the State Board. After the notification, the State Board must recompute the general fund budget of the school district based upon the adjusted enrollment, excluding the at-risk student. The amount of state aid to the affected district is adjusted accordingly.

In addition, if a student became ineligible to receive free meals under the National School Lunch Act for failure to submit, in a timely manner, documentation necessary for

verification of eligibility, the district has until January 14 of the school year to submit the student's required documentation and avoid exclusion from the district's at-risk student count.

This portion of the bill becomes effective in school year 2012–13.

### ***High-Density At-Risk Pupil Weighting***

Finally, the bill provides for a linear transition formula to calculate the high-density at-risk pupil weighting for districts having between 35.0 percent and 50.0 percent at-risk pupils. For those districts having an at-risk pupil percentage of 50.0 percent or more, or for districts having an enrollment of at least 35.1 percent at-risk pupils and an enrollment density of at least 212.1 pupils per square mile, the district will multiply the number of at-risk pupils by 0.105 to determine the high-density at-risk weighting. For those districts having between 35.0 percent to less than 50.0 percent at-risk pupils, the district will subtract 35.0 percent from the percentage of at-risk enrollment in the district and multiply that result by 0.7. The product of this calculation multiplied by the at-risk student enrollment is the high density at-risk weighting.

### **Alternative Learning Plans; Sub. for HB 2477**

**Sub. for HB 2477** requires that students age 16 or 17 who withdraw from school be informed of educational alternatives during a final counseling session, which includes an alternative learning plan for the student. The alternative learning plan identifies educational programs located in the area where the student resides and designed to aid the student in obtaining a high school diploma, general educational development (GED) credential, or other completion certificate. Prior law required other items be discussed in the final counseling session.

### **Payment for Paraprofessional Services to Districts; HB 2777**

**HB 2777** includes special teachers who assist in providing special education and related services to students at the Kansas State School for the Blind (KSSB) and Kansas State School for the Deaf (KSSD) when calculating special education state aid for each district and allows KSSB and KSSD to receive payment from the district for providing services to students at each of the schools.

### **Elections-Related Provisions: Extension and Drainage District Elections; Voter Identification; Campaign Contributions for State Board of Education Candidates; House Sub. for SB 129**

**House Sub. for SB 129** amends requirements for extension and drainage district elections, adds a form of identification acceptable for voting, provides for free birth certificates for purposes of voting, and increases the campaign contribution limit for State Board of Education candidates from \$500 to \$1,000.

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### ***Campaign Contribution Limits for State Board of Education***

The bill increases the campaign contribution for State Board of Education candidates from \$500 to \$1,000 for each primary or general election. This limit applies to these types of contributions:

- The aggregate amount contributed to a candidate, the candidate's candidate committee, and all party committees and political committees dedicated to the candidate's campaign, by any political committee or any person except a party committee, the candidate, or the candidate's spouse; and

The amount contributed by each individual party committee of the same political party other than a national party committee to any candidate for office, for any primary election at which two or more candidates are seeking the party's nomination.

### **Kansas Public Employees Retirement System Omnibus Bill (Including New Tier 3 Plan); Senate Sub. for Sub. for HB 2333**

**Senate Sub. for Sub. for HB 2333** is the designated Kansas Public Employees Retirement System (KPERs) Omnibus bill for 2012, containing numerous new provisions and modified provisions of the retirement as well as death and long-term disability statutes administered by the KPERs Board of Trustees (KPERs Board).

### ***Making Major Changes in KPERs***

The omnibus bill implements the following major changes:

- Adds a Cash Balance plan to be established as a new Tier 3 within the existing KPERs defined benefit plans, effective January 1, 2015;
- Provides for death and long-term disability insurance that would continue coverage as long as the active Tier 3 member is working for a participating employer;
- Includes revenue enhancing (increased employer and employee contributions) provisions to be implemented beginning July 1, 2014, to address the Tier 1 and Tier 2 unfunded actuarial liability;
- Requires use of a single, actuarially-determined employer contribution rate covering all three KPERs tiers and calculated for each KPERs group, subject to new, higher statutory annual caps on increased participating employer contributions;
- Extends for three years to July 1, 2015, a salary cap exemption for school professionals who go back to work after retiring from KPERs and are employed full time by the same KPERs participating employer who will continue to pay a special KPERs contribution rate for retired members;

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- Changes the basis of calculation for legislator KPERS retirement benefits and contributions based on reducing the annual period from 372 days to 365 days; and
- Provides for a fourth quarter moratorium (April 1 to June 30) in FY 2012 for KPERS participating employers' contributions to the death and long-term disability program.

## HIGHER EDUCATION LEGISLATION FROM 2012 LEGISLATIVE SESSION

### **Postsecondary Savings Accounts Incentive Program; Senate Sub. for Sub. for HB 2004**

**Senate Sub. for Sub. for HB 2004** amends statutes governing the low-income family postsecondary savings accounts incentive program. The bill allows a third-party contributor, other than the account owner, to contribute money to a family postsecondary savings account.

The bill clarifies the terms "account holder" and "participant" and defines "third-party contributor." The bill defines an individual or family qualified to establish a postsecondary savings account to mean an individual or family residing in Kansas and having a household income that is positive and not more than 200.0 percent of the federal poverty level for the tax year prior to the year in which the application is submitted.

### **State Educational Institution Project Delivery Construction Procurement Act; HB 2429**

**HB 2429** removes the expiration date on the State Educational Institution Project Delivery Construction Procurement Act, which applies only to university construction projects and services funded totally with non-state money.

### **Vocational Education Scholarship, Negotiated Contracts at State Universities, Private and Out-of-State Postsecondary Fees, Remedial Education, and Qualified Admissions; HB 2435**

**HB 2435** amends the Vocational Education Scholarship statutes, deals with state universities and negotiated contracts, extends a sunset on private and out-of-state postsecondary fees, changes requirements related to remedial education and the qualified admissions standards at state education institutions, and authorizes individual plans for success for students admitted under the minimum admissions standards.

#### ***Vocational Education Scholarship***

The bill replaces the existing Vocational Education Scholarship with the new Career Technical Workforce Grant. The grant is available for students at or accepted into a designated career technical education program at the postsecondary level as designated by the Kansas Board of Regents. The Kansas Board of Regents, within the limits of appropriations, could award grants to those applicants who exhibit financial need. Under the bill, a grant for a full-time student will be up to \$1,000 per year, but could not exceed the cost of tuition and fees.

The Kansas Board of Regents will administer the grant using guidelines detailed in the bill. The Career Technical Workforce Grant will be evaluated by the Kansas Board of Regents each year and a report will be provided to the Governor and the Legislature. The bill allows the Kansas Board of Regents to adopt rules and regulations to carry out its duties.

If a student were to discontinue attendance, the refunded tuition and fees will go to the Career Technical Workforce Grant Discontinued Attendance Fund to be used for future grants. This also would be true for the state's share of any federal funding involved.

### ***State Universities and Negotiated Contracts***

The bill allows a state university employee to provide factual information, advice, or recommendations related to the negotiated terms of a technology licensing agreement or other research or development agreement between the university and a company in which the employee has a substantial interest, with two exceptions: employees who have the authority to negotiate or to approve the agreement on behalf of the university will not be allowed to provide factual information, advice, or recommendations; and any employee acting as a state university employee and who would receive a direct financial benefit will be limited to providing factual information in relation to the negotiated terms of an agreement.

The bill will become part of the governmental ethics laws.

### ***Private and Out-of-State Postsecondary Fees***

The bill extends the authority until June 30, 2017, for the Kansas Board of Regents to fix, charge, and collect fees for Kansas private and out-of-state postsecondary institutions operating in Kansas. Without passage of this bill, this authority would have expired on June 30, 2012.

### ***Remedial Education, Qualified Admissions Standards, and Individual Plans for Success***

The bill prohibits State General Fund dollars from being used for remedial courses at state universities effective August 15, 2015, but does not prohibit the courses from being provided with funding from other sources. Exceptions to this provision include a student who is in military service, is 21 years of age or older, or is an international student enrolled in a remedial English as a second language course. (State General Fund moneys could be used for remedial courses offered to those in the exception categories.)

Also, the bill allows the development of individual student plans for success by each state educational institution admitting a student under the 10.0 percent exception to the minimum admissions standards. In academic years 2012–13 and 2013–14, development of the plans is voluntary. In academic year 2014–15, individual plans for success become a requirement, prior to enrollment, of students admitted under the 10.0 percent exception window. An individual plan for success will be reviewed by the student and the student's advisor at least once during the 12-month period immediately preceding the initial adoption of the plan. The plan can be revised upon mutual agreement of the student and the student's advisory.

An individual plan for success will be a written statement jointly developed by the student, student's advisory, and any other employee designated by the state educational institution for the purpose of developing the plan. The plan can address a student's extracurricular activities, financial needs, and any other aspect of student life having a bearing on a student's academic success.

The bill requires the Kansas Board of Regents to conduct a study regarding the retention and graduation rates of students who are accepted into state universities through the exception

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to the minimum admissions standards. The Kansas Board of Regents is required to report the study's findings to the Senate and House Committees on Education by January 13, 2014.

### **KAN-ED; Senate Sub. for HB 2390**

**Senate Sub. for HB 2390** amends the KAN-ED Act to phase out the KAN-ED network. The bill provides funding for the KAN-ED program from the Kansas Universal Service Fund (KUSF) for fiscal year 2013, subject to the provisions of appropriations acts. The purpose of the program is to facilitate use by schools, libraries, and hospitals of broadband technology-based video communication for distance learning and telemedicine.

The bill directs the Kansas Board of Regents (Board) to administer the KAN-ED program and authorizes the Board to contract for goods and services necessary to administer the program. The program cannot provide for the following:

- Impairment of any existing contract for telecommunications or internet service to any school, library, or hospital;
- State ownership or construction of any network facilities other than those owned or under construction on the effective date of the act;
- Switched voice access, except to the extent it is being provided by state facilities on the effective date of the act;
- Transmission of voice over internet protocol (VoIP), except to the extent necessary to facilitate interactive two-way video;
- Content; or
- Use of the program for purposes inconsistent with the purposes of the act.

The Board will transition schools, libraries, and hospitals with a KAN-ED connection as of January 1, 2012, to a commercial broadband internet connection by June 30, 2013. Participants will receive up to \$350 per month for the cost of broadband service from the time they transition off the KAN-ED network until June 30, 2013. The Board will assist schools, libraries, and hospitals in applying for federal grants, including e-rate, consistent with the purposes of the act.

The Secretary of Commerce (Secretary) will contract for a needs assessment for schools, libraries, and hospitals connected to the network as of January 1, 2012. For each such entity, the assessment will include current and future broadband service and quality needs, as well as a determination of all KAN-ED expenses for shared services or infrastructure that are providing services and network connections. The contractor is required to have expertise in telecommunication services for educational institutions.

Based on the results of the needs assessment, the Secretary, in coordination with the contractor, shall create a report that includes the analysis described below. The cost of the

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needs assessment and report will be paid by the Board, cannot exceed \$250,000, and must be submitted to the Board by January 1, 2013. The report will:

- Compare the utilization, efficiency, and effectiveness of KAN-ED to other similar programs in other states for schools, libraries, and hospitals;
- Determine if the KAN-ED program, as of the effective date of this act, is worth its cost in terms of price, service, quality, needed network upgrades, and increased utilization of broadband by schools, libraries, and hospitals;
- Determine whether there are alternative models or opportunities for broadband procurement by schools, libraries, and hospitals;
- Determine if the services and applications offered by KAN-ED lead to full utilization of broadband technology by schools, libraries, hospitals and their surrounding communities; and
- Recommend any cost-effective broadband services that are available.

The Board is required to develop a plan, based on the needs assessment or collected data, to facilitate distance learning and telemedicine by schools, libraries, and hospitals and to transition entities with a direct KAN-ED connection as of January 1, 2012, to a commercial broadband internet connection no later than June 30, 2013.

The Board must submit a report to several legislative committees by January 15, 2013, that addresses, among other things, distance learning and telemedicine usage, options for a shared fee structure, options for funding the program for fiscal year 2014, and the transition plan described above.

The bill creates two new definitions. "Program" is defined as the KAN-ED program, created to facilitate schools', libraries', and hospitals' use of broadband technology-based video communication for distance learning and telemedicine. "Broadband technology-based video communications" is defined as a class of communications technologies which may include switched ethernet services, digital subscriber line (DSL), cable modem, private line service, multiprotocol label switching based networks, managed or dedicated internet technologies, and other future technologies capable of supporting such applications.

### **University of Kansas Medical Center as a Health Care Provider Group; HB 2428**

**HB 2428** adds the University of Kansas Medical Center to the list of Health Care Providers Groups, as defined by KSA 2011 Supp. 65-4915, for the purpose of peer review.

## **Extend Time To Title and Register a Vehicle; New Specialty License Plates; Allow County Treasurers To Accept Payment for License Plate Royalties; SB 300**

**SB 300** extends the time to provide title to and to register a vehicle, authorizes two new specialized license plates, and allows a county treasurer to accept royalties to be paid to sponsoring organizations for use of their logos on certain specialized license plates.

### ***County Treasurer Acceptance of Royalties for Certain Specialized License Plates***

As of January 1, 2013, the bill allows a county treasurer to accept royalties to be paid to sponsoring organizations for use of their logos on certain specialized license plates. The bill will allow this royalty payment option for Ducks Unlimited and Masonic Lodge license plates and amend statutes to make this type of change for these license plates (and benefiting this organization or fund):

- Any distinctive license plate issued after January 1, 2013, for which a royalty fee is to be paid;
- Educational institutions (including Kansas Board of Regents' institutions, any municipal university, certain not-for-profit independent institutions of higher education, any Kansas community college, and Haskell Indian Nations University) (paid to the institution's officially recognized alumni association or foundation);
- Children's Trust Fund (Family and Children Trust Account of the Family and Children Investment Fund);
- Kansas Foundation for Agriculture in the Classroom (Kansas Foundation for Agriculture in the Classroom);
- Shriners (Shrine Temple);
- Helping Schools (State Board of Education Helping Schools License Plate Program Fund);
- Breast Cancer Research and Outreach (University of Kansas Cancer Center);
- Support Kansas Arts (Kansas Arts Commission Special Gifts Fund);
- Boy Scouts of America (Boy Scouts of America); and
- I'm Pet Friendly (Kansas State University Veterinary Medical Center).

For the listed license plates already available and the new Ducks Unlimited and Masonic Lodge license plates, the bill allows the Director of Vehicles to transfer these license plates from a leased vehicle to a purchased vehicle and allows a county treasurer to accept a faxed emblem or logo use authorization statement.

The bill requires an applicant for one of these license plates to allow the Division of Vehicles to release certain motor vehicle record information (applicant's name, address, logo use royalty payment amount, plate number, school district, and vehicle type) to the organization to which the royalty payment is to be made and to the State Treasurer.

The bill creates these funds in the state treasury to receive royalty payments for use of emblems or logos:

- Educational Institutions Emblem Royalty Fund to receive royalties for educational institutions which are not state educational institutions (e.g., Washburn University) (fees for state educational institutions will be deposited in the state treasury to the credit of the appropriate account of the restricted fees fund of such state educational institution);
- Agriculture in the Classroom Royalty Fund;
- Shriner's Royalty Fund;
- Breast Cancer Research Royalty Fund; and
- Boy Scouts of America Royalty Fund.

The State Treasurer will credit royalty payments received for distinctive license plates issued after January 1, 2013, into a segregated royalty fund, with payments to be made to the entity benefiting from the plate's issuance.

The bill also removes or replaces outdated language and makes technical corrections in license plate statutes.