Substitute for SENATE SENATE BILL No. 423

By Select Committee on Education Finance

4-4

AN ACT concerning education; relating to the instruction and financing thereof; Kansas school equity and enhancement act; BASE aid amount; enrollment weighting; preschool-aged at-risk students; consolidated school district total foundation aid; local option budget alternative calculation; funding reports; performance audits; bond authority; making and concerning appropriations for the fiscal years ending June 30, 2019, June 30, 2020, and June 30, 2021, for the department of education; making and concerning appropriations for the fiscal year ending June 30, 2019, for the state board of regents; amending K.S.A. 2017 Supp. 72-5132, 72-5141, 72-5144, 72-5149, 72-5155, 72-5171, 72-5173 and 72-5461 and repealing the existing sections.

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

15 DEPARTMENT OF EDUCATION There is appropriated for the above agency from the state general 16 fund for the fiscal year ending June 30, 2019, the following: 17 State foundation aid (652-00-1000-0820)......\$20,720,000 18 Special education services aid (652-00-1000-0700)......\$12,000,000 19 Supplemental state aid (652-00-1000-0840).....\$1,620,000 20 ACT and workkeys assessments program.....\$2,800,000 21 22 Provided, That expenditures shall be made by the above agency from the 23 ACT and workkeys assessments program account to provide the ACT 24 college entrance exam and the three ACT workkeys assessments that are 25 required to earn a national career readiness certificate to each student 26 enrolled in grades nine through 12: Provided further, That no student 27 enrolled in grades nine through 12 of any school district shall be required 28 to pay any fees or costs to take such exam and assessments: And provided 29 further, That in no event shall any school district be required to provide for 30 more than one exam and three assessments per student: And provided 31 further, That the state board of education may enter into any contracts that 32 are necessary to promote statewide cost savings to administer such exams 33 and assessments. Mentor teacher (652-00-1000-0440)......\$500,000 34 35 Professional development.....\$1,500,000 36 Statewide community mental health center

ABC early childhood intervention program.....\$1,760,000 Provided, That expenditures shall be made by the above agency to implement the ABC early childhood intervention program: *Provided*, That such program shall use scientific, evidence-based practices to identify early childhood at-risk indicators: Provided further, That such program shall connect parents and legal guardians of children between the ages of six months and four years who are identified as early childhood at-risk with services to be provided by trained parent coaches: And provided further, That the above agency shall work in collaboration with and operationally fund the bureau of family health in the department for health and environment in the development, implementation and expansion of such program: And provided further, That both the above agency and the bureau of family health in the department for health and environment shall consult with the united methodist health ministry fund for the duration of the program: And provided further, That the above agency may expend an amount not to exceed \$264,000 from such account for research and evaluation of processes utilized by or related to such program.

(b) On July 1, 2018, during the fiscal year ending June 30, 2019, any expenditures from the parent education program account (652-00-2000-2510) of the children's initiatives fund by section 2(c) of chapter 95 of the 2017 Session Laws of Kansas for each grant shall be matched by the school district in an amount that is equal to not less than 50% of the grant, and on July 1, 2018, the provisions of section 2(c) of chapter 95 of the 2017 Session Laws of Kansas that provide for such match to be in an amount that is equal to not less than 65% of the grant are hereby declared to be null and void and shall have no force and effect.

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further, That such program shall offer qualified students enrolled in grades nine through 12 in a school district during school year 2018-2019 the opportunity to take English composition I through a postsecondary advectional institution at the cost to such student.

educational institution at no cost to such student.

Sec. 3.

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(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2020, the following:

ABC early childhood intervention program......\$3,520,000

Provided, That expenditures shall be made by the above agency to implement the ABC early childhood intervention program: Provided, That such program shall use scientific, evidence-based practices to identify early childhood at-risk indicators: Provided further, That such program shall connect parents and legal guardians of children between the ages of six months and four years who are identified as early childhood at-risk with services to be provided by trained parent coaches: And provided further, That the above agency shall work in collaboration with and operationally fund the bureau of family health in the department for health and environment in the development, implementation and expansion of such program: And provided further, That both the above agency and the bureau of family health in the department for health and environment shall consult with the united methodist health ministry fund for the duration of the program: And provided further, That the above agency may expend an amount not to exceed \$528,000 from such account for research and

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DEPARTMENT OF EDUCATION

evaluation of processes utilized by or related to such program.

with services to be provided by trained parent coaches: And provided further. That the above agency shall work in collaboration with and operationally fund the bureau of family health in the department for health and environment in the development, implementation and expansion of such program: And provided further, That both the above agency and the bureau of family health in the department for health and environment shall consult with the united methodist health ministry fund for the duration of the program: And provided further, That the above agency may expend an amount not to exceed \$792,000 from such account for research and evaluation of processes utilized by or related to such program.

- Sec. 5. K.S.A. 2017 Supp. 72-5132 is hereby amended to read as follows: 72-5132. As used in the Kansas school equity and enhancement act, K.S.A. 2017 Supp. 72-5131 et seq., and amendments thereto:
- (a) "Adjusted enrollment" means the enrollment of a school district adjusted by adding the following weightings, if any, to the enrollment of a school district: At-risk student weighting; bilingual weighting; career technical education weighting; declining enrollment weighting; high-density at-risk student weighting; high-enrollment weighting; school facilities weighting; school facilities weighting; ancillary school facilities weighting; cost-of-living weighting; special education and related services weighting; and transportation weighting.
- (b) "Ancillary school facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5158, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.
- (c) (1) "At-risk student" means a student who is eligible for free meals under the national school lunch act, and who is enrolled in a school district that maintains an approved at-risk student assistance program.
- (2) The term "at-risk student" shall not include any student enrolled in *kindergarten or* any of the grades one through 12 who is in attendance less than full time, or any student who is over 19 years of age. The provisions of this paragraph shall not apply to any student who has an individualized education program.
- (d) "At-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5151(a), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.
- (e) "Base aid for student excellence" or "BASE aid" means an amount appropriated by the legislature in a fiscal year for the designated year. The amount of BASE aid shall be as follows:
 - (1) For school year 2017-2018, \$4,006;
 - (2) For school year 2018-2019, \$4,128 \$4,258;

- (2) for school year 2019-2020, \$4,334;
 - (3) for school year 2020-2021, \$4,412;
 - (4) for school year 2021-2022, \$4,492;
 - (5) for school year 2022-2023, \$4,574; and
 - (3)(6) for school year—2019-2020 2023-2024, and each school year thereafter, the BASE aid shall be the BASE aid amount for the immediately preceding school year plus an amount equal to the average percentage increase in the consumer price index for all urban consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor during the three immediately preceding school years.
 - (f) "Bilingual weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5150, and amendments thereto, on the basis of costs attributable to the maintenance of bilingual educational programs by such school districts.
 - (g) "Board" means the board of education of a school district.
 - (h) "Budget per student" means the general fund budget of a school district divided by the enrollment of the school district.
- (i) "Categorical fund" means and includes the following funds of a school district: Adult education fund; adult supplementary education fund; at-risk education fund; bilingual education fund; career and postsecondary education fund; driver training fund; educational excellence grant program fund; extraordinary school program fund; food service fund; parent education program fund; preschool-aged at-risk education fund; professional development fund; special education fund; and summer program fund.
- (j) "Cost-of-living weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5159, and amendments thereto, on the basis of costs attributable to the cost of living in such school districts.
- (k) "Current school year" means the school year during which state foundation aid is determined by the state board under K.S.A. 2017 Supp. 72-5134, and amendments thereto.
- (1) "Declining enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5160, and amendments thereto, on the basis of costs attributable to the declining enrollment of such school districts.
 - (m) "Enrollment" means:
- (1) The number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the preceding school year plus the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year, except a student who is a foreign exchange student shall not

 be counted unless such student is regularly enrolled in the school district on September 20 and attending kindergarten or any of the grades one through 12 maintained by the school district for at least one semester or two quarters, or the equivalent thereof.

- (2) If the enrollment in a school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means the sum of:
- (A) The enrollment in the second preceding school year, excluding students under paragraph (2)(B), minus enrollment in the preceding school year of preschool-aged at-risk students, if any, plus enrollment in the current school year of preschool-aged at-risk students, if any; and
- (B) the adjusted enrollment in the second preceding school year of any students participating in the tax credit for low income students scholarship program pursuant to K.S.A. 2017 Supp. 72-4351 et seq., and amendments thereto, in the preceding school year, if any, plus the adjusted enrollment in the preceding school year of preschool-aged at-risk students who are participating in the tax credit for low income students scholarship program pursuant to K.S.A. 2017 Supp. 72-4351 et seq., and amendments thereto, in the current school year, if any.
- (3) For any school district that has a military student, as that term is defined in K.S.A. 2017 Supp. 72-5139, and amendments thereto, enrolled in such district, and that received federal impact aid for the preceding school year, if the enrollment in such school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means whichever is the greater of:
 - (A) The enrollment determined under subsection (m)(2); or
- (B) the sum of the enrollment in the preceding school year of preschool-aged at-risk students, if any, and the arithmetic mean of the sum of:
- (i) The enrollment of the school district in the preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any;
- (ii) the enrollment in the second preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any; and
- (iii) the enrollment in the third preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any.
- (4) (A) For school year 2017-2018, the enrollment determined under paragraph (1), (2) or (3), except if the school district offers kindergarten on a full-time basis in such school year, students regularly enrolled in kindergarten in the school district in the preceding school year shall be

counted as one student regardless of actual attendance during such preceding school year.

- (B) For school year 2018-2019 and each school year thereafter, the enrollment determined under paragraph (1), (2) or (3), except if the school district begins to offer kindergarten on a full-time basis in such school year, students regularly enrolled in kindergarten in the school district in the preceding school year shall be counted as one student regardless of actual attendance during such preceding school year.
- (n) "Enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5149, and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.
- (o) "February 20" has its usual meaning, except that in any year in which February 20 is not a day on which school is maintained, it means the first day after February 20 on which school is maintained.
- (o)(p) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a school district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.
- (p)(q) "General fund" means the fund of a school district from which operating expenses are paid and in which is deposited all amounts of state foundation aid provided under this act, payments under K.S.A. 2017 Supp. 72-528, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program and such other moneys as are provided by law.
- $\frac{(q)}{r}$ "General fund budget" means the amount budgeted for operating expenses in the general fund of a school district.
- (r)(s) "High-density at-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5151(b), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.
- (s) "High enrollment weighting" means an addend component-assigned to the enrollment of school districts pursuant to K.S.A. 2017-Supp. 72-5149(b), and amendments thereto, on the basis of costs-attributable to maintenance of educational programs by such school-

districts.

- (t) "Juvenile detention facility" means the same as such term is defined in K.S.A. 2017 Supp. 72-1173, and amendments thereto.
 - (u) "Local foundation aid" means the sum of the following amounts:
- (1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and authorized to be expended for the purposes specified in K.S.A. 2017 Supp. 72-5168, and amendments thereto;
- (2) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to their repeal;
- (3) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 2017 Supp. 72-3123(a), and amendments thereto:
- (4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 2017 Supp. 72-3125, and amendments thereto;
- (5) an amount equal to the amount credited to the general fund in the current school year from moneys distributed in such school year to the school district under the provisions of articles 17 and 34 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto, and under the provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto;
- (6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 2017 Supp. 72-3423, and amendments thereto;
- (7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 2017 Supp. 72-3425, and amendments thereto; and
- (8) an amount equal to 70% of the federal impact aid of the school district.
- (v) "Low enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017-Supp. 72-5149(a), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school-districts.
- (w) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a school district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 2017 Supp. 72-5168, and amendments thereto.

 $\frac{(x)}{(w)}$ "Preceding school year" means the school year immediately before the current school year.

- $\frac{(y)}{(x)}$ "Preschool-aged at-risk student" means: (1) An at-risk student who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines governing the selection of students for participation in head start programs; and
- (2) an at-risk student who has attained the age of three years, is under the age of eligibility for attendance at kindergarten and has been selected by the state board in accordance with guidelines governing the selection of students for participation in head start programs as long as such students do not replace four-year old preschool-aged at-risk students and only fill available openings.
- $\frac{(z)}{(y)}$ "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten. The terms "exceptional children" and "gifted children" have the same meaning as those terms are defined in K.S.A. 2017 Supp. 72-3404, and amendments thereto.
- $\frac{\text{(aa)}(z)}{\text{(ab)}(z)}$ "Psychiatric residential treatment facility" means the same as such term is defined in K.S.A. 2017 Supp. 72-1173, and amendments thereto.
- (bb)(aa) "School district" means a school district organized under the laws of this state that is maintaining public school for a school term in accordance with the provisions of K.S.A. 2017 Supp. 72-3115, and amendments thereto.
- (ee)(bb) "School facilities weighting" means an added component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5156, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.
 - (dd)(cc) "School year" means the 12-month period ending June 30.
- (ee)(dd) "September 20" has its usual meaning, except that in any year in which September 20 is not a day on which school is maintained, it means the first day after September 20 on which school is maintained.
- (ff)(ee) "Special education and related services weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5157, and amendments thereto, on the basis of costs attributable to the maintenance of special education and related services by such school districts.
 - (gg)(ff) "State board" means the state board of education.
- $\frac{\text{(hh)}(gg)}{\text{(mass)}}$ "State foundation aid" means the amount of aid distributed to a school district as determined by the state board pursuant to K.S.A.

2017 Supp. 72-5134, and amendments thereto.

(ii)(hh) (1) "Student" means any person who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 maintained by the school district or who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 in another school district in accordance with an agreement entered into under authority of K.S.A. 2017 Supp. 72-13,101, and amendments thereto, or who is regularly enrolled in a school district and attending special education services provided for preschool-aged exceptional children by the school district.

- (2) (A) Except as otherwise provided in this subsection, the following shall be counted as one student:
 - (i) A student in attendance full-time; and
- (ii) a student enrolled in a school district and attending special education and related services, provided for by the school district.
 - (B) The following shall be counted as $\frac{1}{2}$ student:
- (i) A student enrolled in a school district and attending special education and related services for preschool-aged exceptional children provided for by the school district; and
- (ii) a preschool-aged at-risk student enrolled in a school district and receiving services under an approved at-risk student assistance plan maintained by the school district.
- (C) A student in attendance part-time shall be counted as that proportion of one student (to the nearest $^{1}/_{10}$) that the student's attendance bears to full-time attendance.
- (D) A student enrolled in and attending an institution of postsecondary education that is authorized under the laws of this state to award academic degrees shall be counted as one student if the student's postsecondary education enrollment and attendance together with the student's attendance in either of the grades 11 or 12 is at least $^{5}/_{6}$ time, otherwise the student shall be counted as that proportion of one student (to the nearest $^{1}/_{10}$) that the total time of the student's postsecondary education attendance and attendance in grades 11 or 12, as applicable, bears to full-time attendance.
- (E) A student enrolled in and attending a technical college, a career technical education program of a community college or other approved career technical education program shall be counted as one student, if the student's career technical education attendance together with the student's attendance in any of grades nine through 12 is at least ⁵/₆ time, otherwise the student shall be counted as that proportion of one student (to the nearest ¹/₁₀) that the total time of the student's career technical education attendance and attendance in any of grades nine through 12 bears to full-time attendance.

- (F) A student enrolled in a school district and attending a non-virtual school and also attending a virtual school shall be counted as that proportion of one student (to the nearest $^{1}/_{10}$) that the student's attendance at the non-virtual school bears to full-time attendance.
- (G) A student enrolled in a school district and attending special education and related services provided for by the school district and also attending a virtual school shall be counted as that proportion of one student (to the nearest $^{1}/_{10}$) that the student's attendance at the non-virtual school bears to full-time attendance.
- (H) (i) Except as provided in clause (ii), a student enrolled in a school district who is not a resident of Kansas shall be counted as follows:
 - (a) For school years 2017-2018 and 2018-2019, one student;
 - (b) for school year 2019-2020 and 2020-2021, $^{3}/_{4}$ of a student; and
 - (c) for school year 2021-2022 and each school year thereafter, $^{1}/_{2}$ of a student.
 - (ii) This subparagraph (H) shall not apply to:
 - (a) A student whose parent or legal guardian is an employee of the school district where such student is enrolled; or
- (b) a student who attended public school in Kansas during school year 2016-2017 and who attended public school in Kansas during the immediately preceding school year.
 - (3) The following shall not be counted as a student:
 - (A) An individual residing at the Flint Hills job corps center;
- (B) except as provided in subsection—(ii)(2) (hh)(2), an individual confined in and receiving educational services provided for by a school district at a juvenile detention facility; and
- (C) an individual enrolled in a school district but housed, maintained and receiving educational services at a state institution or a psychiatric residential treatment facility.
- (4) A student enrolled in virtual school pursuant to K.S.A. 72-3711 et seq., and amendments thereto, shall be counted in accordance with the provisions of K.S.A. 2017 Supp. 72-3715, and amendments thereto.
- (jj)(ii) "Total foundation aid" means an amount equal to the product obtained by multiplying the BASE aid by the adjusted enrollment of a school district.
- (kk)(jj) "Transportation weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5148, and amendments thereto, on the basis of costs attributable to the provision or furnishing of transportation.
- (II)(kk) "Virtual school" means the same as such term is defined in K.S.A. 2017 Supp. 72-3712, and amendments thereto.
- Sec. 6. K.S.A. 2017 Supp. 72-5141 is hereby amended to read as follows: 72-5141. (a) *Notwithstanding the provisions of subsection (b), for*

 any school district formed by consolidation in accordance with article 7 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, in school years 2018-2019, 2019-2020 and 2020-2021, the state board shall determine the total foundation aid of any such school district as the greater of either the amount determined under this act or the amount determined as follows:

- (1) Determine the sum of the amount of the total foundation aid received by each of the former school districts that comprise the consolidated school district in the school year preceding the date the consolidation was completed;
- (2) for the first school year following the date of consolidation, the total foundation aid shall be 105% of the sum determined under subsection (a)(1);
- (3) for the second school year following the date of consolidation, the total foundation aid shall be 104% of the sum determined under subsection (a)(1);
- (4) for the third school year following the date of consolidation, the total foundation aid shall be 103% of the sum determined under subsection (a)(1);
- (5) for the fourth school year following the date of consolidation, the total foundation aid shall be 102% of the sum determined under subsection (a)(1);
- (6) for the fifth school year following the date of consolidation, the total foundation aid shall be 101% of the sum determined under subsection (a)(1);
- (7) for the sixth school year following the date of consolidation, the total foundation aid shall be 100% of the sum determined under subsection (a)(1); and
- (8) for the seventh school year following the date of consolidation and each school year thereafter, the total foundation aid shall be determined as provided under this act.
- (b) (1) Except as provided in subsection (a), for the purposes of this act, the total foundation aid for any school district formed by consolidation in accordance with the statutory provisions contained in article 7 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, shall be computed by the state board by determining the amount of the total foundation aid each of the former school districts that comprise the consolidated school district received in the school year preceding the date the consolidation was completed, and calculating the sum of such amounts. The sum is the total foundation aid of the consolidated school district for the school year in which the consolidation was completed.
- (2) If any of the former school districts had an enrollment of less than 150 students in the school year preceding the consolidation, the total

 foundation aid of the newly consolidated school district for the two school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.

- (3) If all of the former school districts had an enrollment of at least 150 students, but any had less than 200 students in the school year preceding the consolidation, the total foundation aid of the newly consolidated school district for the three school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.
- (4) If all of the former school districts had an enrollment of 200 or more students in the school year preceding the consolidation, the total foundation aid of the newly consolidated school district for the four school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.
- (5) If the consolidation involved the consolidation of three or more school districts, regardless of the number of students enrolled in the school districts, the total foundation aid of the newly consolidated school district for the four school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.
- $\frac{\text{(b)}(c)}{\text{(1)}}$ The provisions of this subsection shall apply to school districts that have been enlarged by the attachment of territory pursuant to the procedure established in article 6 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto.
- (2) For the purposes of this act, the total foundation aid for any school district to which this subsection applies shall be computed by the state board of education as follows: (A) Determine the amount of the total foundation aid each of the former school districts that comprise the enlarged school district received in the school year preceding the date the attachment was completed; and (B) add the amounts determined under subparagraph (A). The sum is the total foundation aid of the enlarged school district for the school year in which the attachment is completed.
- (3) If any of the former school districts had an enrollment of less than 150 students in the school year preceding the attachment, the total foundation aid of the enlarged school district for the two school years following the school year in which the attachment was completed shall be

 the greater of: (A) The amount received in the school year in which the attachment was completed; or (B) the amount the school district would receive under this act.

- (4) If all of the former school districts had an enrollment of at least 150 students, but any had less than 200 students in the school year preceding the attachment, the total foundation aid of the enlarged school district for the three school years following the school year in which the attachment was completed shall be the greater of: (A) The amount received in the school year in which the attachment was completed; or (B) the amount the school district would receive under this act.
- (5) If all of the former school districts had an enrollment of 200 or more students in the school year preceding the attachment, the total foundation aid of the enlarged school district for the four school years following the school year in which the attachment was completed shall be the greater of: (A) The amount received in the school year in which the attachment was completed; or (B) the amount the school district would receive under this act.
- (6) If three or more school districts, regardless of the number of students enrolled in the school districts, are disorganized and attached to a single school district, the total foundation aid of the enlarged school district for the four school years following the school year in which the attachment was completed shall be the greater of: (A) The amount received in the school year in which the attachment was completed; or (B) the amount the school district would receive under this act.
- (7) Except as specifically provided by this paragraph for the allocation of total foundation aid among school districts, the provisions of paragraphs (1) through (6) shall be applicable to school districts to which this paragraph applies. If a school district is disorganized in accordance with article 6 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, and the territory of such school district is attached to more than one school district, the total foundation aid for each school district to which any territory from the disorganized school district is attached, shall be computed by the state board as follows: (A) Determine the amount of total foundation aid received by the former school district in the school year preceding the date the disorganization and attachment was completed; (B) determine the amount of total foundation aid received by the enlarged school district in the school year preceding the date the disorganization and attachment was completed; (C) determine the assessed valuation of the former school district in the school year preceding the date the disorganization and attachment was completed; (D) determine the assessed valuation of the territory attached to each enlarged school district; (E) allocate the amount of the total foundation aid received by the former school district in the school year preceding the date the disorganization

and attachment was completed to each of the enlarged school districts in the same proportion the assessed valuation of the territory attached to each school district bears to the assessed valuation of the former school district; and (F) add the amounts determined under subparagraphs (B) and (E). The sum is the total foundation aid of the enlarged school district for the school year in which the attachment is completed.

- Sec. 7. K.S.A. 2017 Supp. 72-5144 is hereby amended to read as follows: 72-5144. (a) (1) Subject to the provisions of subsection (e), the provisions of this subsection shall apply in any school year in which the amount of BASE aid is \$4,490 \$4,600 or less.
- (2) The board of education of a school district may adopt a local option budget that does not exceed the local option budget calculated as if the BASE aid was \$4,490 \$4,600, or that does not exceed the local option budget as calculated pursuant to K.S.A. 2017 Supp. 72-5143, and amendments thereto, whichever is greater.
- (b) The board of education of a school district may adopt a local option budget that does not exceed the local option budget calculated as if the school district received state aid for special education and related services equal to the amount of state aid for special education and related services received in school year 2008-2009, or that does not exceed the local option budget as calculated pursuant to K.S.A. 2017 Supp. 72-5143, and amendments thereto, whichever is greater.
- (c) The board of any school district may exercise the authority granted under subsection (a) or (b) or both subsections (a) and (b).
- (d) To the extent that the provisions of K.S.A. 2017 Supp. 72-5143, and amendments thereto, conflict with this section, this section shall control.
- (e) For school year 2019-2020, and each school year thereafter, the specified dollar amount used in subsection (a) for purposes of determining the local option budget of a school district shall be the specified dollar amount used for the immediately preceding school year plus an amount equal to the average percentage increase in the consumer price index for all urban consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor during the three immediately preceding school years.
- Sec. 8. K.S.A. 2017 Supp. 72-5149 is hereby amended to read as follows: 72-5149. (a) The—low enrollment weighting of—each *a* school district shall be determined by the state board as follows:
- (1)(a) For school districts with an enrollment of fewer than 100 students, multiply the enrollment of the school district by—1.014331-0.979291. The resulting product is the—low enrollment weighting of the school district;
 - (2)(b) for school districts with an enrollment of at least 100 students,

1 but fewer than 300 students:

- (A)(1) Subtract 100 from the enrollment of the school district;
- $\frac{\text{(B)}(2)}{\text{(1)}}$ multiply the difference obtained under subsection $\frac{\text{(a)}(2)(A)}{\text{(b)}}$ (b) 4 (1) by 9.655;
 - $\frac{(C)}{3}$ subtract the product obtained under subsection $\frac{(a)(2)(B)}{2}$ (b)(2) from 7,337;
 - $\frac{\text{(D)}(4)}{\text{(3)}}$ divide the difference obtained under subsection $\frac{\text{(a)}(2)(C)}{\text{(b)}}$ (b) (3) by 3,642.4;
 - (E)(5) subtract—one 1.03504 from the quotient obtained under subsection-(a)(2)(D) (b)(4); and
 - (F)(6) multiply the difference obtained under subsection (a)(2)(E)(b) (5) by the enrollment of the school district. The resulting product is the low enrollment weighting of the school district;
 - $\frac{(3)}{(c)}$ for school districts with an enrollment of at least 300 students, but fewer than 1,622 students:
 - (A)(1) Subtract 300 from the enrollment of the school district;
- $\frac{\text{(B)}(2)}{\text{(1)}}$ multiply the difference obtained under subsection $\frac{\text{(a)}(3)(A)}{\text{(c)}}$ (c) 18 (1) by 1.2375;
- (C)(3) subtract the product obtained under subsection-(a)(3)(B) (c)(2) 20 from 5,406;
- $(\cancel{D})(4)$ divide the difference obtained under subsection $(a)(3)(\cancel{C})$ (c) 22 (3) by 3.642.4;
 - $\frac{\text{(E)}(5)}{\text{(E)}(5)}$ subtract—one 1.03504 from the quotient obtained under subsection— $\frac{\text{(e)}(D)}{\text{(c)}(4)}$; and
 - (F)(6) multiply the difference obtained under subsection-(a)(3)(E) (c) (5) by the enrollment of the school district. The resulting product is the low enrollment weighting of the school district.
 - (b) For school districts with an enrollment of at least 1,622 students, multiply the enrollment of the school district by 0.03504. The resulting product is the high enrollment weighting of the school district.
 - Sec. 9. K.S.A. 2017 Supp. 72-5155 is hereby amended to read as follows: 72-5155. (a)—The career technical education weighting of each school district shall be determined by the state board by multiplying the full-time equivalent enrollment in approved career technical education programs during the preceding school year by 0.5. The resulting product is the career technical education weighting of the school district.
 - (b) The provisions of this section shall expire on July 1, 2019.
 - Sec. 10. K.S.A. 2017 Supp. 72-5171 is hereby amended to read as follows: 72-5171. (a) On or before January 15 of each year, the state department of education shall prepare and submit reports on school district funding for each school district to the governor and the legislature.
- 42 (b) Each report shall contain the information described in subsection 43 (c) for the school district in terms of actual dollar amounts for the second

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and immediately preceding school years and budgeted dollar amounts for the current school year.

- (c) Each report shall contain the following information for the school district:
 - (1) Full-time equivalent enrollment;
- (2) demographic information, including, but not limited to, gender, race, ethnicity, students who are economically disadvantaged, migrants, English language learners and students with disabilities;
- (3) total general and supplemental general funds, including a showing of funding provided by federal sources, state sources and local sources, and total funds per student;
- (4) total capital outlay funds, including a showing of such funding provided by federal sources, state sources and local sources, and capital outlay funds per student;
- (5) total bond and interest funds, including a showing of such funding provided by federal sources, state sources and local sources, and bond and interest funds per student;
- (6) total of all other funds not described in paragraphs (3), (4) and (5), excluding fund transfers, including a showing of such funding provided by federal sources, state sources and local sources, and total funds per student;
- 22 (7) total funds per student of all funds described in paragraphs (3) through (6);
 - (8) general fund moneys attributable to the following:
- 25 (A) BASE aid;
- 26 (B) high enrollment weighting:
 - (C) low-enrollment weighting;
- 28 (D)(C) school facilities weighting:
- 29 (E)(D) transportation weighting;
- (F)(E) at-risk student weighting;
- (G)(F) preschool-aged at-risk student weighting;
 - (H)(G) high-density at-risk student weighting;
- 33 (H) career technical education weighting;
 - (J)(I) special education and related services weighting;
- 35 $\frac{(K)}{(J)}$ bilingual weighting;
- 36 (L)(K) ancillary school facilities weighting;
- (M)(L) cost-of-living weighting;
- $\frac{N}{M}$ declining enrollment weighting; and
- 39 $(\Theta)(N)$ virtual school state aid;
- 40 (9) total expenditures on the following:
- 41 (A) At-risk education programs and services;
- 42 (B) preschool-aged at-risk education programs and services;
- 43 (C) bilingual education programs and services;

- (D) career and technical education programs and services;
- (E) special education and related services; and
- (F) virtual school programs and services; and
- (10) total expenditures from the special retirement contributions fund: and
 - (11) general obligation bond indebtedness.
- (d) The state board shall provide uniform guidelines for what constitutes total expenditures for the programs and services listed under subsection (c)(9).
- Sec. 11. K.S.A. 2017 Supp. 72-5173 is hereby amended to read as follows: 72-5173. The legislative post audit committee shall direct the legislative division of post audit to conduct the following performance audits in the fiscal year specified:
- (a) A performance audit of transportation services funding. The audit should include a comparison of the amount of transportation services funding school districts receive to the cost of providing transportation services. This performance audit shall be conducted during fiscal year 2018, and the final audit report shall be submitted to the legislature on or before January 15, 2018.
- (b) A performance audit of at-risk education funding. The audit should evaluate the method of counting students for at-risk education funding, the level of the at-risk student weighting and high-density at-risk student weighting under the act and how school districts are expending moneys provided for at-risk education. This performance audit shall be conducted during fiscal year-2020 2021, and the final audit report shall be submitted to the legislature on or before January 15, 2020 2021.
- (c) A performance audit of bilingual education funding. The audit should evaluate the method of counting students for bilingual education funding, the level of the bilingual weighting under the act and how school districts are expending moneys provided for bilingual education. This performance audit shall be conducted during fiscal year 2023, and the final audit report shall be submitted to the legislature on or before January 15, 2023.
- (d) A study of statewide virtual school programs administered in other states. The study shall include, but not be limited to, the following:
- (1) The aggregate cost incurred by each state administering a virtual school program, and the cost incurred by individual school districts or schools within each state;
- (2) the resources necessary for the implementation of each virtual school program, including, but not limited to, personnel, equipment, software and facility usage;
 - (3) the scope of each virtual school program; and
 - (4) the effectiveness of each virtual school program with respect to

 student performance and outcomes.

The audit shall be conducted during fiscal year 2024 2019, and the final audit report shall be submitted to the legislature on or before January 15, 2024 2019.

- (e) (1) A performance audit to provide a reasonable estimate of the cost of providing educational opportunities for every public school student in Kansas to achieve the performance outcome standards adopted by the state board of education. This performance audit shall be conducted three times as follows:
- (A) During fiscal year 2019, and the final report submitted to the legislature on or before January 15, 2019;
 - (B)—during fiscal year 2022, and the final report submitted to the legislature on or before January 15, 2022; and
 - (C) during fiscal year 2025, and the final report submitted to the legislature on or before January 15, 2025.
 - (2) Each The performance audit required under this subsection shall:
 - (A) Include reasonable estimates of the costs of providing specialized education services as required by law, including, but not limited to, special education and related services; bilingual education and at-risk programs; and
 - (B) account for other factors which may contribute to variations in costs incurred by school districts, including, but not limited to, total district enrollment and geographic location within the state.
 - (3) In conducting—each the performance audit required under this subsection:
 - (A) Any examination of historical data and expenditures shall correct any recognized inadequacy of such data or expenditure through a statistically valid method of extrapolation; and
 - (B) subject to the limitations of the division of legislative post audit budget and appropriations therefor, the legislative post auditor may enter into contracts with consultants as the post auditor deems necessary.
 - (f) A performance audit to—identify best practices in successful schools. The audit should include a comparison of the educational methods and other practices of demographically similar school districts that achieve significantly different student outcomes based on performance outcomestandards adopted by the state board of education. This performance audit shall be conducted during fiscal year 2021, and the final audit report shall be submitted to the legislature on or before January 15, 2021. The audit shall be conducted a second time during fiscal year 2026, and the final audit report shall be submitted to the legislature on or before January 15, 2026 provide a reasonable estimate of the costs of providing special education and related services, including, but not limited to, other factors which may contribute to variations in costs incurred by school districts.

 This performance audit shall be conducted during fiscal year 2020, and the final audit report shall be submitted to the legislature on or before January 15, 2020.

- Sec. 12. K.S.A. 2017 Supp. 72-5461 is hereby amended to read as follows: 72-5461. (a) Upon receiving an application under K.S.A. 2017 Supp. 72-5460, and amendments thereto, the state board of education shall review the application and examine the evidence furnished in support of the application.
- (b) (1) Commencing in school year 2017-2018, the state board of education shall not approve any application submitted during the current school year if such approval would result in the aggregate amount of all general obligation bonds approved by the state board for such school year exceeding the aggregate principal amount of all general obligation bonds retired in the immediately preceding school year as determined by the state board of education pursuant to subsection (e). For any application submitted during the current school year in excess of \$200,000,000, the state board shall apply an amount of \$200,000,000 when determining whether the aggregate principal amount of all general obligation bonds retired in the immediately preceding school year has been exceeded.
- (2) In determining whether to approve an application, the state board shall prioritize applications in accordance with the priorities set forth as follows in order of highest priority to lowest priority:
- (A) Safety of the current facility and disability access to such facility as demonstrated by a state fire marshal report, an inspection under the Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar evaluation;
- (B) enrollment growth and imminent overcrowding as demonstrated by successive increases in enrollment of the school district in the immediately preceding three school years;
- (C) impact on the delivery of educational services as demonstrated by restrictive inflexible design or limitations on installation of technology; and
- (D) energy usage and other operational inefficiencies as demonstrated by a district-wide energy usage analysis, district-wide architectural analysis or other similar evaluation.
- (2)(3) The state board shall not consider a school district's eligibility for capital improvement state aid, or the amount of capital improvement state aid a school district would be eligible to receive, in determining whether to approve such district's application.
- (3)(4) The provisions of subsection (b)(1) and (2) shall not apply to school districts that have not issued any general obligation bonds in the 25 years prior to the current school year.
 - (c) After reviewing the application and examining the supportive

evidence, the state board of education shall issue an order either granting or denying the application. If the application is approved, the applicant board of education shall request the county election officer to hold an election to vote upon the question of issuing the increased amount of bonds in the manner provided by law.

- (d) Any application that is denied pursuant to subsection (b) may be tentatively approved by the state board of education for the immediately succeeding school year. The amount of general obligation bonds approved in any such application shall be counted first towards the aggregate amount of all general obligation bonds approved by the state board for such school year.
- (e) Commencing in school year 2017-2018, the state board of education shall determine the aggregate principal amount of general obligation bonds retired in the immediately preceding school year. In determining such amount, the state board of education shall adjust the aggregate principal amount of general obligation bonds retired in the immediately preceding school year by the three-year compounded producer price index industry data for new school building as reported by the bureau of labor statistics.
- (f) The provisions of subsections (b), (d) and (e) shall expire on June 30, 2022.
- 22 Sec. 13. K.S.A. 2017 Supp. 72-5132, 72-5141, 72-5144, 72-5149, 72-23 5155, 72-5171, 72-5173 and 72-5461 are hereby repealed.
 - Sec. 14. This act shall take effect and be in force from and after its publication in the statute book.