

HOUSE BILL No. 2799

By Committee on Appropriations

1 AN ACT concerning education; relating to the Kansas school equity and
 2 enhancement act; BASE aid amounts; school district local option
 3 budgets; school district bonding authority; making and concerning
 4 appropriations for the fiscal years ending June 30, 2019, June 30, 2020,
 5 June 30, 2021, June 30, 2022, and June 30, 2023, for the department of
 6 education; amending K.S.A. 2017 Supp. 72-5132, as amended by
 7 section 2 of 2018 Substitute for Senate Bill No. 423, 72-5143, as
 8 amended by section 4 of 2018 Substitute for Senate Bill No. 423, and
 9 72-5461, as amended by section 16 of 2018 Substitute for Senate Bill
 10 No. 423, and repealing the existing sections.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1.

14 DEPARTMENT OF EDUCATION

15 (a) 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).....\$135,525,000

18 Special education services aid (652-00-1000-0700).....\$10,000,000

19 ABC early childhood intervention program.....\$1,760,000

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

36 Parent education program.....\$3,000,000

1 *Provided*, That expenditures from the parent education program account
2 for each such grant shall be matched by the school district in an amount
3 that is equal to not less than 50% of the grant.

4 (b) On July 1, 2018, during the fiscal year ending June 30, 2019, any
5 expenditures from the parent education program account (652-00-2000-
6 2510) of the children's initiatives fund by section 2(c) of chapter 95 of the
7 2017 Session Laws of Kansas for each grant shall be matched by the
8 school district in an amount that is equal to not less than 50% of the grant,
9 and on July 1, 2018, the provisions of section 2(c) of chapter 95 of the
10 2017 Session Laws of Kansas that provide for such match to be in an
11 amount that is equal to not less than 65% of the grant are hereby declared
12 to be null and void and shall have no force and effect.

13 Sec. 2.

14 DEPARTMENT OF EDUCATION

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

17 Special education services aid (652-00-1000-0700).....\$20,000,000
18 ABC early childhood intervention program.....\$3,520,000

19 *Provided*, That expenditures shall be made by the above agency to
20 implement the ABC early childhood intervention program: *Provided*, That
21 such program shall use scientific, evidence-based practices to identify
22 early childhood at-risk indicators: *Provided further*, That such program
23 shall connect parents and legal guardians of children between the ages of
24 six months and four years who are identified as early childhood at-risk
25 with services to be provided by trained parent coaches: *And provided*
26 *further*, That the above agency shall work in collaboration with and
27 operationally fund the bureau of family health in the department for health
28 and environment in the development, implementation and expansion of
29 such program: *And provided further*, That both the above agency and the
30 bureau of family health in the department for health and environment shall
31 consult with the united methodist health ministry fund for the duration of
32 the program: *And provided further*, That the above agency may expend an
33 amount not to exceed \$528,000 from such account for research and
34 evaluation of processes utilized by or related to such program.

35 Sec. 3.

36 DEPARTMENT OF EDUCATION

37 (a) There is appropriated for the above agency from the state general
38 fund for the fiscal year ending June 30, 2021, the following:

39 Special education services aid (652-00-1000-0700).....\$30,000,000
40 ABC early childhood intervention program.....\$5,280,000

41 *Provided*, That expenditures shall be made by the above agency to
42 implement the ABC early childhood intervention program: *Provided*, That
43 such program shall use scientific, evidence-based practices to identify

1 early childhood at-risk indicators: *Provided further*, That such program
 2 shall connect parents and legal guardians of children between the ages of
 3 six months and four years who are identified as early childhood at-risk
 4 with services to be provided by trained parent coaches: *And provided*
 5 *further*, That the above agency shall work in collaboration with and
 6 operationally fund the bureau of family health in the department for health
 7 and environment in the development, implementation and expansion of
 8 such program: *And provided further*, That both the above agency and the
 9 bureau of family health in the department for health and environment shall
 10 consult with the united methodist health ministry fund for the duration of
 11 the program: *And provided further*, That the above agency may expend an
 12 amount not to exceed \$792,000 from such account for research and
 13 evaluation of processes utilized by or related to such program.

14 Sec. 4.

15 DEPARTMENT OF EDUCATION

16 (a) There is appropriated for the above agency from the state general
 17 fund for the fiscal year ending June 30, 2022, the following:
 18 Special education services aid (652-00-1000-0700).....\$40,000,000

19 Sec. 5.

20 DEPARTMENT OF EDUCATION

21 (a) There is appropriated for the above agency from the state general
 22 fund for the fiscal year ending June 30, 2023, the following:
 23 Special education services aid (652-00-1000-0700).....\$40,000,000

24 New Sec. 6. (a) (1) Subject to the provisions of subsection (e), the
 25 provisions of this subsection shall apply in any school year in which the
 26 amount of BASE aid is \$4,490 or less.

27 (2) The board of education of a school district may adopt a local
 28 option budget that does not exceed the local option budget calculated as if
 29 the BASE aid was \$4,490, or that does not exceed the local option budget
 30 as calculated pursuant to K.S.A. 2017 Supp. 72-5143, and amendments
 31 thereto, whichever is greater.

32 (b) The board of education of a school district may adopt a local
 33 option budget that does not exceed the local option budget calculated as if
 34 the school district received state aid for special education and related
 35 services equal to the amount of state aid for special education and related
 36 services received in school year 2008-2009, or that does not exceed the
 37 local option budget as calculated pursuant to K.S.A. 2017 Supp. 72-5143,
 38 and amendments thereto, whichever is greater.

39 (c) The board of any school district may exercise the authority
 40 granted under subsection (a) or (b) or both subsections (a) and (b).

41 (d) To the extent that the provisions of K.S.A. 2017 Supp. 72-5143,
 42 and amendments thereto, conflict with this section, this section shall
 43 control.

1 (e) For school year 2019-2020, and each school year thereafter, the
2 specified dollar amount used in subsection (a) for purposes of determining
3 the local option budget of a school district shall be the specified dollar
4 amount used for the immediately preceding school year plus an amount
5 equal to the average percentage increase in the consumer price index for
6 all urban consumers in the midwest region as published by the bureau of
7 labor statistics of the United States department of labor during the three
8 immediately preceding school years.

9 Sec. 7. K.S.A. 2017 Supp. 72-5132, as amended by section 2 of 2018
10 Substitute for Senate Bill No. 423, is hereby amended to read as follows:
11 72-5132. As used in the Kansas school equity and enhancement act,
12 K.S.A. 2017 Supp. 72-5131 et seq., and amendments thereto:

13 (a) "Adjusted enrollment" means the enrollment of a school district
14 adjusted by adding the following weightings, if any, to the enrollment of a
15 school district: At-risk student weighting; bilingual weighting; career
16 technical education weighting; high-density at-risk student weighting; high
17 enrollment weighting; low enrollment weighting; school facilities
18 weighting; ancillary school facilities weighting; cost-of-living weighting;
19 special education and related services weighting; and transportation
20 weighting.

21 (b) "Ancillary school facilities weighting" means an addend
22 component assigned to the enrollment of school districts pursuant to
23 K.S.A. 2017 Supp. 72-5158, and amendments thereto, on the basis of costs
24 attributable to commencing operation of one or more new school facilities
25 by such school districts.

26 (c) (1) "At-risk student" means a student who is eligible for free
27 meals under the national school lunch act, and who is enrolled in a school
28 district that maintains an approved at-risk student assistance program.

29 (2) The term "at-risk student" shall not include any student enrolled
30 in any of the grades one through 12 who is in attendance less than full
31 time, or any student who is over 19 years of age. The provisions of this
32 paragraph shall not apply to any student who has an individualized
33 education program.

34 (d) "At-risk student weighting" means an addend component assigned
35 to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-
36 5151(a), and amendments thereto, on the basis of costs attributable to the
37 maintenance of at-risk educational programs by such school districts.

38 (e) "Base aid for student excellence" or "BASE aid" means an amount
39 appropriated by the legislature in a fiscal year for the designated year. The
40 amount of BASE aid shall be as follows:

- 41 (1) For school year 2018-2019, ~~\$4,900~~ \$4,360;
- 42 (2) for school year 2019-2020, ~~\$5,061~~ \$4,555;
- 43 (3) for school year 2020-2021, ~~\$5,222~~ \$4,750;

1 (4) for school year 2021-2022, ~~\$5,384~~ \$4,945;
2 (5) for school year 2022-2023, ~~\$5,545~~ \$5,140; and
3 (6) for school year 2023-2024, and each school year thereafter, the
4 BASE aid shall be the BASE aid amount for the immediately preceding
5 school year plus an amount equal to the average percentage increase in the
6 consumer price index for all urban consumers in the midwest region as
7 published by the bureau of labor statistics of the United States department
8 of labor during the three immediately preceding school years rounded to
9 the nearest whole dollar amount.

10 (f) "Bilingual weighting" means an addend component assigned to
11 the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-5150,
12 and amendments thereto, on the basis of costs attributable to the
13 maintenance of bilingual educational programs by such school districts.

14 (g) "Board" means the board of education of a school district.

15 (h) "Budget per student" means the general fund budget of a school
16 district divided by the enrollment of the school district.

17 (i) "Categorical fund" means and includes the following funds of a
18 school district: Adult education fund; adult supplementary education fund;
19 at-risk education fund; bilingual education fund; career and postsecondary
20 education fund; driver training fund; educational excellence grant program
21 fund; extraordinary school program fund; food service fund; parent
22 education program fund; preschool-aged at-risk education fund;
23 professional development fund; special education fund; and summer
24 program fund.

25 (j) "Cost-of-living weighting" means an addend component assigned
26 to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-
27 5159, and amendments thereto, on the basis of costs attributable to the cost
28 of living in such school districts.

29 (k) "Current school year" means the school year during which state
30 foundation aid is determined by the state board under K.S.A. 2017 Supp.
31 72-5134, and amendments thereto.

32 (l) "Enrollment" means:

33 (1) The number of students regularly enrolled in kindergarten and
34 grades one through 12 in the school district on September 20 of the
35 preceding school year plus the number of preschool-aged at-risk students
36 regularly enrolled in the school district on September 20 of the current
37 school year, except a student who is a foreign exchange student shall not
38 be counted unless such student is regularly enrolled in the school district
39 on September 20 and attending kindergarten or any of the grades one
40 through 12 maintained by the school district for at least one semester or
41 two quarters, or the equivalent thereof.

42 (2) If the enrollment in a school district in the preceding school year
43 has decreased from enrollment in the second preceding school year, the

1 enrollment of the school district in the current school year means the sum
2 of:

3 (A) The enrollment in the second preceding school year, excluding
4 students under paragraph (2)(B), minus enrollment in the preceding school
5 year of preschool-aged at-risk students, if any, plus enrollment in the
6 current school year of preschool-aged at-risk students, if any; and

7 (B) the adjusted enrollment in the second preceding school year of
8 any students participating in the tax credit for low income students
9 scholarship program pursuant to K.S.A. 2017 Supp. 72-4351 et seq., and
10 amendments thereto, in the preceding school year, if any, plus the adjusted
11 enrollment in the preceding school year of preschool-aged at-risk students
12 who are participating in the tax credit for low income students scholarship
13 program pursuant to K.S.A. 2017 Supp. 72-4351 et seq., and amendments
14 thereto, in the current school year, if any.

15 (3) For any school district that has a military student, as that term is
16 defined in K.S.A. 2017 Supp. 72-5139, and amendments thereto, enrolled
17 in such district, and that received federal impact aid for the preceding
18 school year, if the enrollment in such school district in the preceding
19 school year has decreased from enrollment in the second preceding school
20 year, the enrollment of the school district in the current school year means
21 whichever is the greater of:

22 (A) The enrollment determined under paragraph (2); or

23 (B) the sum of the enrollment in the preceding school year of
24 preschool-aged at-risk students, if any, and the arithmetic mean of the sum
25 of:

26 (i) The enrollment of the school district in the preceding school year
27 minus the enrollment in such school year of preschool-aged at-risk
28 students, if any;

29 (ii) the enrollment in the second preceding school year minus the
30 enrollment in such school year of preschool-aged at-risk students, if any;
31 and

32 (iii) the enrollment in the third preceding school year minus the
33 enrollment in such school year of preschool-aged at-risk students, if any.

34 (4) The enrollment determined under paragraph (1), (2) or (3), except
35 if the school district begins to offer kindergarten on a full-time basis in
36 such school year, students regularly enrolled in kindergarten in the school
37 district in the preceding school year shall be counted as one student
38 regardless of actual attendance during such preceding school year.

39 (m) "February 20" has its usual meaning, except that in any year in
40 which February 20 is not a day on which school is maintained, it means
41 the first day after February 20 on which school is maintained.

42 (n) "Federal impact aid" means an amount equal to the federally
43 qualified percentage of the amount of moneys a school district receives in

1 the current school year under the provisions of title I of public law 874 and
2 congressional appropriations therefor, excluding amounts received for
3 assistance in cases of major disaster and amounts received under the low-
4 rent housing program. The amount of federal impact aid shall be
5 determined by the state board in accordance with terms and conditions
6 imposed under the provisions of the public law and rules and regulations
7 thereunder.

8 (o) "General fund" means the fund of a school district from which
9 operating expenses are paid and in which is deposited all amounts of state
10 foundation aid provided under this act, payments under K.S.A. 2017 Supp.
11 72-528, and amendments thereto, payments of federal funds made
12 available under the provisions of title I of public law 874, except amounts
13 received for assistance in cases of major disaster and amounts received
14 under the low-rent housing program and such other moneys as are
15 provided by law.

16 (p) "General fund budget" means the amount budgeted for operating
17 expenses in the general fund of a school district.

18 (q) "High-density at-risk student weighting" means an addend
19 component assigned to the enrollment of school districts pursuant to
20 K.S.A. 2017 Supp. 72-5151(b), and amendments thereto, on the basis of
21 costs attributable to the maintenance of at-risk educational programs by
22 such school districts.

23 (r) "High enrollment weighting" means an addend component
24 assigned to the enrollment of school districts pursuant to K.S.A. 2017
25 Supp. 72-5149(b), and amendments thereto, on the basis of costs
26 attributable to maintenance of educational programs by such school
27 districts.

28 (s) "Juvenile detention facility" means the same as such term is
29 defined in K.S.A. 2017 Supp. 72-1173, and amendments thereto.

30 (t) "Local foundation aid" means the sum of the following amounts:

31 ~~(1) The amount of the proceeds from the tax levied under the~~
32 ~~authority of K.S.A. 2017 Supp. 72-5147, and amendments thereto, that is~~
33 ~~levied to finance that portion of the school district's local option budget~~
34 ~~that is required pursuant to K.S.A. 2017 Supp. 72-5143(a), and~~
35 ~~amendments thereto, and not financed from any other source provided by~~
36 ~~law;~~

37 ~~(2) an amount equal to that portion of the school district's~~
38 ~~supplemental state aid determined pursuant to K.S.A. 2017 Supp. 72-5145,~~
39 ~~and amendments thereto, to equalize that portion of the school district's~~
40 ~~local option budget that is required pursuant to K.S.A. 2017 Supp. 72-~~
41 ~~5143(a), and amendments thereto, and not financed from any other source~~
42 ~~provided by law;~~

43 (3) An amount equal to any unexpended and unencumbered balance

1 remaining in the general fund of the school district, except moneys
2 received by the school district and authorized to be expended for the
3 purposes specified in K.S.A. 2017 Supp. 72-5168, and amendments
4 thereto;

5 ~~(4)~~(2) an amount equal to any remaining proceeds from taxes levied
6 under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto,
7 prior to their repeal;

8 ~~(5)~~(3) an amount equal to the amount deposited in the general fund in
9 the current school year from moneys received in such school year by the
10 school district under the provisions of K.S.A. 2017 Supp. 72-3123(a), and
11 amendments thereto;

12 ~~(6)~~(4) an amount equal to the amount deposited in the general fund in
13 the current school year from moneys received in such school year by the
14 school district pursuant to contracts made and entered into under authority
15 of K.S.A. 2017 Supp. 72-3125, and amendments thereto;

16 ~~(7)~~(5) an amount equal to the amount credited to the general fund in
17 the current school year from moneys distributed in such school year to the
18 school district under the provisions of articles 17 and 34 of chapter 12 of
19 the Kansas Statutes Annotated, and amendments thereto, and under the
20 provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes
21 Annotated, and amendments thereto;

22 ~~(8)~~(6) an amount equal to the amount of payments received by the
23 school district under the provisions of K.S.A. 2017 Supp. 72-3423, and
24 amendments thereto;

25 ~~(9)~~(7) an amount equal to the amount of any grant received by the
26 school district under the provisions of K.S.A. 2017 Supp. 72-3425, and
27 amendments thereto; and

28 ~~(10)~~(8) an amount equal to 70% of the federal impact aid of the
29 school district.

30 (u) "Low enrollment weighting" means an addend component
31 assigned to the enrollment of school districts pursuant to K.S.A. 2017
32 Supp. 72-5149(a), and amendments thereto, on the basis of costs
33 attributable to maintenance of educational programs by such school
34 districts.

35 (v) "Operating expenses" means the total expenditures and lawful
36 transfers from the general fund of a school district during a school year for
37 all purposes, except expenditures for the purposes specified in K.S.A.
38 2017 Supp. 72-5168, and amendments thereto.

39 (w) "Preceding school year" means the school year immediately
40 before the current school year.

41 (x) "Preschool-aged at-risk student" means an at-risk student who has
42 attained the age of three years, is under the age of eligibility for attendance
43 at kindergarten, and has been selected by the state board in accordance

1 with guidelines governing the selection of students for participation in
2 head start programs.

3 (y) "Preschool-aged exceptional children" means exceptional
4 children, except gifted children, who have attained the age of three years
5 but are under the age of eligibility for attendance at kindergarten. The
6 terms "exceptional children" and "gifted children" have the same meaning
7 as those terms are defined in K.S.A. 2017 Supp. 72-3404, and amendments
8 thereto.

9 (z) "Psychiatric residential treatment facility" means the same as such
10 term is defined in K.S.A. 2017 Supp. 72-1173, and amendments thereto.

11 (aa) "School district" means a school district organized under the
12 laws of this state that is maintaining public school for a school term in
13 accordance with the provisions of K.S.A. 2017 Supp. 72-3115, and
14 amendments thereto.

15 (bb) "School facilities weighting" means an ~~added~~ *addend* component
16 assigned to the enrollment of school districts pursuant to K.S.A. 2017
17 Supp. 72-5156, and amendments thereto, on the basis of costs attributable
18 to commencing operation of one or more new school facilities by such
19 school districts.

20 (cc) "School year" means the 12-month period ending June 30.

21 (dd) "September 20" has its usual meaning, except that in any year in
22 which September 20 is not a day on which school is maintained, it means
23 the first day after September 20 on which school is maintained.

24 (ee) "Special education and related services weighting" means an
25 addend component assigned to the enrollment of school districts pursuant
26 to K.S.A. 2017 Supp. 72-5157, and amendments thereto, on the basis of
27 costs attributable to the maintenance of special education and related
28 services by such school districts.

29 (ff) "State board" means the state board of education.

30 (gg) "State foundation aid" means the amount of aid distributed to a
31 school district as determined by the state board pursuant to K.S.A. 2017
32 Supp. 72-5134, and amendments thereto.

33 (hh) (1) "Student" means any person who is regularly enrolled in a
34 school district and attending kindergarten or any of the grades one through
35 12 maintained by the school district or who is regularly enrolled in a
36 school district and attending kindergarten or any of the grades one through
37 12 in another school district in accordance with an agreement entered into
38 under authority of K.S.A. 2017 Supp. 72-13,101, and amendments thereto,
39 or who is regularly enrolled in a school district and attending special
40 education services provided for preschool-aged exceptional children by the
41 school district.

42 (2) (A) Except as otherwise provided in this subsection, the following
43 shall be counted as one student:

1 (i) A student in attendance full-time; and
2 (ii) a student enrolled in a school district and attending special
3 education and related services, provided for by the school district.

4 (B) The following shall be counted as $\frac{1}{2}$ student:

5 (i) A student enrolled in a school district and attending special
6 education and related services for preschool-aged exceptional children
7 provided for by the school district; and

8 (ii) a preschool-aged at-risk student enrolled in a school district and
9 receiving services under an approved at-risk student assistance plan
10 maintained by the school district.

11 (C) A student in attendance part-time shall be counted as that
12 proportion of one student (to the nearest $\frac{1}{10}$) that the student's attendance
13 bears to full-time attendance.

14 (D) A student enrolled in and attending an institution of
15 postsecondary education that is authorized under the laws of this state to
16 award academic degrees shall be counted as one student if the student's
17 postsecondary education enrollment and attendance together with the
18 student's attendance in either of the grades 11 or 12 is at least $\frac{5}{6}$ time,
19 otherwise the student shall be counted as that proportion of one student (to
20 the nearest $\frac{1}{10}$) that the total time of the student's postsecondary education
21 attendance and attendance in grades 11 or 12, as applicable, bears to full-
22 time attendance.

23 (E) A student enrolled in and attending a technical college, a career
24 technical education program of a community college or other approved
25 career technical education program shall be counted as one student, if the
26 student's career technical education attendance together with the student's
27 attendance in any of grades nine through 12 is at least $\frac{5}{6}$ time, otherwise
28 the student shall be counted as that proportion of one student (to the
29 nearest $\frac{1}{10}$) that the total time of the student's career technical education
30 attendance and attendance in any of grades nine through 12 bears to full-
31 time attendance.

32 (F) A student enrolled in a school district and attending a non-virtual
33 school and also attending a virtual school shall be counted as that
34 proportion of one student (to the nearest $\frac{1}{10}$) that the student's attendance
35 at the non-virtual school bears to full-time attendance.

36 (G) A student enrolled in a school district and attending special
37 education and related services provided for by the school district and also
38 attending a virtual school shall be counted as that proportion of one
39 student (to the nearest $\frac{1}{10}$) that the student's attendance at the non-virtual
40 school bears to full-time attendance.

41 (H) (i) Except as provided in clause (ii), a student enrolled in a school
42 district who is not a resident of Kansas shall be counted as follows:

43 (a) For school year 2018-2019, one student;

1 (b) for school years 2019-2020 and 2020-2021, $\frac{3}{4}$ of a student; and
 2 (c) for school year 2021-2022 and each school year thereafter, $\frac{1}{2}$ of a
 3 student.

4 (ii) This subparagraph (H) shall not apply to:

5 (a) A student whose parent or legal guardian is an employee of the
 6 school district where such student is enrolled; or

7 (b) a student who attended public school in Kansas during school
 8 year 2016-2017 and who attended public school in Kansas during the
 9 immediately preceding school year.

10 (3) The following shall not be counted as a student:

11 (A) An individual residing at the Flint Hills job corps center;

12 (B) except as provided in paragraph (2), an individual confined in and
 13 receiving educational services provided for by a school district at a
 14 juvenile detention facility; and

15 (C) an individual enrolled in a school district but housed, maintained
 16 and receiving educational services at a state institution or a psychiatric
 17 residential treatment facility.

18 (4) A student enrolled in virtual school pursuant to K.S.A. 72-3711 et
 19 seq., and amendments thereto, shall be counted in accordance with the
 20 provisions of K.S.A. 2017 Supp. 72-3715, and amendments thereto.

21 (ii) "Total foundation aid" means an amount equal to the product
 22 obtained by multiplying the BASE aid by the adjusted enrollment of a
 23 school district.

24 (jj) "Transportation weighting" means an addend component assigned
 25 to the enrollment of school districts pursuant to K.S.A. 2017 Supp. 72-
 26 5148, and amendments thereto, on the basis of costs attributable to the
 27 provision or furnishing of transportation.

28 (kk) "Virtual school" means the same as such term is defined in
 29 K.S.A. 2017 Supp. 72-3712, and amendments thereto.

30 Sec. 8. K.S.A. 2017 Supp. 72-5143, as amended by section 4 of 2018
 31 Substitute for Senate Bill No. 423, is hereby amended to read as follows:
 32 72-5143. (a) In each school year, the board of education of a school district
 33 shall ~~may~~ adopt, by resolution, a local option budget ~~equal to 15% of the~~
 34 ~~school district's total foundation aid that does not exceed the state~~
 35 ~~prescribed percentage.~~

36 (b) ~~Subject to the limitations of subsection (a), in each school year,~~
 37 ~~the board of education of a school district desires local option budget~~
 38 ~~authority above the amount required under subsection (a), the board may~~
 39 adopt, by resolution, a local option budget in an amount that does not
 40 exceed ~~27.5% of the school district's total foundation aid the statewide~~
 41 ~~average for the preceding school year as determined by the state board~~
 42 ~~pursuant to subsection (j).~~ The adoption of a resolution pursuant to this
 43 section shall require a majority vote of the members of the board. Such

1 resolution shall be effective upon adoption and shall require no other
2 procedure, authorization or approval.

3 (c) If the board of a school district desires local option budget
4 authority above the amount authorized under subsection (b), the board may
5 adopt, by resolution, such budget in an amount not to exceed the state
6 prescribed percentage. The adoption of a resolution pursuant to this
7 subsection shall require a majority vote of the members of the board. The
8 resolution shall be published at least once in a newspaper having general
9 circulation in the school district. The resolution shall be published in
10 substantial compliance with the following form:

11 Unified School District No. _____,
12 _____ County, Kansas.

13 RESOLUTION

14 Be It Resolved that:

15 The board of education of the above-named school district shall be
16 authorized to adopt a local option budget in each school year in an amount
17 not to exceed ____% of the amount of total foundation aid. The local
18 option budget authorized by this resolution may be adopted, unless a
19 petition in opposition to the same, signed by not less than 10% of the
20 qualified electors of the school district, is filed with the county election
21 officer of the home county of the school district within 40 days after
22 publication of this resolution. If a petition is filed, the county election
23 officer shall submit the question of whether adoption of the local option
24 budget shall be authorized to the electors of the school district at an
25 election called for the purpose or at the next general election, as is
26 specified by the board of education of the school district.

27 CERTIFICATE

28 This is to certify that the above resolution was duly adopted by the
29 board of education of unified school district No. _____, _____ County,
30 Kansas, on the _____ day of _____, _____.

31 _____
32 Clerk of the board of education.

33 All of the blanks in the resolution shall be filled appropriately. If a
34 sufficient petition is not filed, the board may adopt a local option budget.
35 If a sufficient petition is filed, the board may notify the county election
36 officer of the date of an election to be held to submit the question of
37 whether adoption of a local option budget shall be authorized. Any such
38 election shall be noticed, called and held in the manner provided by K.S.A.
39 10-120, and amendments thereto. If the board fails to notify the county
40 election officer within 30 days after a sufficient petition is filed, the
41 resolution shall be deemed abandoned and no like resolution shall be
42 adopted by the board within the nine months following publication of the
43 resolution.

1 (d) Unless specifically stated otherwise in the resolution, the authority
2 to adopt a local option budget shall be continuous and permanent. *The*
3 *board of any school district that is authorized to adopt a local option*
4 *budget may choose not to adopt such a budget or may adopt a budget in*
5 *an amount less than the amount authorized. If the board of any school*
6 *district whose authority to adopt a local option budget is not continuous*
7 *and permanent refrains from adopting a local option budget, the authority*
8 *of such school district to adopt a local option budget shall not be extended*
9 *by such refrainment beyond the period specified in the resolution*
10 *authorizing adoption of such budget.*

11 (e) The board of any school district may initiate procedures to renew
12 or increase the authority to adopt a local option budget at any time during
13 a school year after the tax levied pursuant to K.S.A. 2017 Supp. 72-5147,
14 and amendments thereto, is certified to the county clerk under any existing
15 authorization.

16 (f) (1) Except as provided in paragraph (2), the board of any school
17 district authorized to adopt a local option budget prior to July 1, 2017,
18 under a resolution that authorized the adoption of such budget in
19 accordance with the provisions of K.S.A. 2017 Supp. 72-6471, prior to
20 July 1, 2017, may continue to operate under such resolution for the period
21 of time specified in the resolution ~~if such resolution adopted a local option~~
22 ~~budget equal to or greater than the amount required in subsection (a),~~ or
23 may abandon the resolution and operate under the provisions of this
24 section. Any such school district shall operate under the provisions of this
25 section after the period of time specified in any previously adopted
26 resolution has expired.

27 (2) Any resolution adopted prior to July 1, 2017, pursuant to K.S.A.
28 72-6433(e)(2), prior to its repeal, that authorized the adoption of a local
29 option budget and that was not subsequently submitted to and approved by
30 a majority of the qualified electors of the school district voting at an
31 election called and held thereon shall expire on June 30, 2018, and shall
32 have no force and effect during school year 2018-2019 or any subsequent
33 school year.

34 (g) Any resolution adopted pursuant to this section may revoke or
35 repeal any resolution previously adopted by the board. If the resolution
36 does not revoke or repeal previously adopted resolutions, all resolutions
37 that are in effect shall expire on the same date. The maximum amount of
38 the local option budget of a school district under all resolutions in effect
39 shall not exceed the state prescribed percentage in any school year.

40 (h) For school year 2019-2020 and each school year thereafter, the
41 board of any school district that desires to increase its local option budget
42 authority for the immediately succeeding school year shall submit written
43 notice of such intent to the state board by April 1 of the current school

1 year. Such notice shall include the local option budget authority, expressed
2 as a percentage of the school district's total foundation aid, to be adopted
3 for the immediately succeeding school year. The board of a school district
4 shall not adopt a local option budget in excess of the authority stated in a
5 notice submitted pursuant to this subsection.

6 (i) (1) There is hereby established in each school district that adopts a
7 local option budget a supplemental general fund, which shall consist of all
8 amounts deposited therein or credited thereto according to law.

9 (2) (A) Of the moneys deposited in or otherwise credited to the
10 supplemental general fund of a school district pursuant to K.S.A. 2017
11 Supp. 72-5147, and amendments thereto, an amount that is proportional to
12 that amount of such school district's total foundation aid attributable to the
13 at-risk student weighting as compared to such district's total foundation aid
14 shall be transferred to the at-risk education fund of such school district and
15 shall be expended in accordance with K.S.A. 2017 Supp. 72-5153, and
16 amendments thereto.

17 (B) Of the moneys deposited in or otherwise credited to the
18 supplemental general fund of a school district pursuant to K.S.A. 2017
19 Supp. 72-5147, and amendments thereto, an amount that is proportional to
20 that amount of such school district's total foundation aid attributable to the
21 bilingual weighting as compared to such district's total foundation aid shall
22 be transferred to the bilingual education fund of such school district and
23 shall be expended in accordance with K.S.A. 2017 Supp. 72-3613, and
24 amendments thereto.

25 (3) Subject to the limitations imposed under paragraph (4), amounts
26 in the supplemental general fund may be expended for any purpose for
27 which expenditures from the general fund are authorized or may be
28 transferred to any categorical fund of the school district. Amounts in the
29 supplemental general fund attributable to any percentage over 25% of total
30 foundation aid determined for the current school year may be transferred
31 to the capital improvements fund of the school district and the capital
32 outlay fund of the school district if such transfers are specified in the
33 resolution authorizing the adoption of a local option budget in excess of
34 25%.

35 (4) Amounts in the supplemental general fund may not be expended
36 for the purpose of making payments under any lease-purchase agreement
37 involving the acquisition of land or buildings that is entered into pursuant
38 to the provisions of K.S.A. 2017 Supp. 72-1149, and amendments thereto.

39 (5) (A) Except as provided in subparagraph (B), any unexpended
40 moneys remaining in the supplemental general fund of a school district at
41 the conclusion of any school year in which a local option budget is
42 adopted shall be maintained in such fund.

43 (B) If the school district received supplemental state aid in the school

1 year, the state board shall determine the ratio of the amount of
 2 supplemental general state aid received to the amount of the local option
 3 budget of the school district for the school year and multiply the total
 4 amount of the unexpended moneys remaining by such ratio. An amount
 5 equal to the amount of the product shall be transferred to the general fund
 6 of the school district or remitted to the state treasurer in accordance with
 7 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
 8 of any such remittance, the state treasurer shall deposit the same in the
 9 state treasury to the credit of the state school district finance fund.

10 (j) *Each year, the state board shall determine the statewide average*
 11 *percentage of local option budgets legally adopted by school districts for*
 12 *the preceding school year.*

13 (k) The provisions of this section shall be subject to the provisions of
 14 K.S.A. 2017 Supp. 72-5144 section 6, and amendments thereto.

15 ~~(l)~~ (l) As used in this section:

16 (1) "Authorized to adopt a local option budget" means that a school
 17 district has adopted a resolution pursuant to subsection (c).

18 (2) "State prescribed percentage" means ~~30.5%~~ 33% of the total
 19 foundation aid of the school district in the current school year.

20 (3) ~~For purposes of determining the school district's local option~~
 21 ~~budget under subsections (a), (b) and (c), "Total foundation aid" means the~~
 22 ~~same as such term is defined in K.S.A. 2017 Supp. 72-5132, and~~
 23 ~~amendments thereto, except the state aid for special education and related~~
 24 ~~services shall be divided by an amount equal to 85% of the BASE aid~~
 25 ~~amount, and the resulting quotient shall be used in determining the school~~
 26 ~~district's total foundation aid.~~

27 Sec. 9. K.S.A. 2017 Supp. 72-5461, as amended by section 16 of
 28 2018 Substitute for Senate Bill No. 423, is hereby amended to read as
 29 follows: 72-5461. (a) Upon receiving an application under K.S.A. 2017
 30 Supp. 72-5460, and amendments thereto, the state board of education shall
 31 review the application and examine the evidence furnished in support of
 32 the application.

33 ~~(b)-(1) Commencing in school year 2017-2018, the state board of~~
 34 ~~education shall not approve any application submitted during the current~~
 35 ~~school year if such approval would result in the aggregate amount of all~~
 36 ~~general obligation bonds approved by the state board for such school year~~
 37 ~~exceeding the aggregate principal amount of all general obligation bonds~~
 38 ~~retired in the immediately preceding school year adjusted for inflation~~
 39 ~~pursuant to paragraph (4). For any application submitted during the current~~
 40 ~~school year in excess of \$175,000,000, the state board shall apply only an~~
 41 ~~amount of \$175,000,000 of such application when determining whether~~
 42 ~~the aggregate principal amount of all general obligation bonds retired in~~
 43 ~~the immediately preceding school year has been exceeded. In determining~~

1 whether to approve an application, the state board shall prioritize
2 applications in accordance with the priorities set forth as follows in order
3 of highest priority to lowest priority:

4 (A) ~~Safety of the current facility and disability access to such facility~~
5 ~~as demonstrated by a state fire marshal report, an inspection under the~~
6 ~~Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar~~
7 ~~evaluation;~~

8 (B) ~~enrollment growth and imminent overcrowding as demonstrated~~
9 ~~by successive increases in enrollment of the school district in the~~
10 ~~immediately preceding three school years;~~

11 (C) ~~impact on the delivery of educational services as demonstrated by~~
12 ~~restrictive inflexible design or limitations on installation of technology;~~
13 ~~and~~

14 (D) ~~energy usage and other operational inefficiencies as demonstrated~~
15 ~~by a district-wide energy usage analysis, district-wide architectural~~
16 ~~analysis or other similar evaluation.~~

17 (2) ~~The state board shall not consider a school district's eligibility for~~
18 ~~capital improvement state aid, or the amount of capital improvement state~~
19 ~~aid a school district would be eligible to receive, in determining whether to~~
20 ~~approve such district's application.~~

21 (3) ~~The provisions of subsection (b)(1) shall not apply to school~~
22 ~~districts that have not issued any general obligation bonds in the 25 years~~
23 ~~prior to the current school year.~~

24 (4) ~~The state board shall adjust the aggregate principal amount of all~~
25 ~~general obligation bonds retired in the immediately preceding school year~~
26 ~~by adding an amount equal to the five-year compounded percentage~~
27 ~~increase in the producer price index industry data for new school building~~
28 ~~construction as published by the bureau of labor statistics of the United~~
29 ~~States department of labor for the five immediately preceding school~~
30 ~~years.~~

31 (e) After reviewing the application and examining the supportive
32 evidence, the state board of education shall issue an order either granting
33 or denying the application. If the application is approved, the applicant
34 board of education shall request the county election officer to hold an
35 election to vote upon the question of issuing the increased amount of
36 bonds in the manner provided by law.

37 (d) ~~Any application that is denied pursuant to subsection (b) may be~~
38 ~~tentatively approved by the state board of education for the immediately~~
39 ~~succeeding school year. The amount of general obligation bonds approved~~
40 ~~in any such application shall be counted first towards the aggregate~~
41 ~~amount of all general obligation bonds approved by the state board for~~
42 ~~such school year.~~

43 (e) ~~Commencing in school year 2017-2018, the state board of~~

1 ~~education shall determine the aggregate principal amount of general~~
2 ~~obligation bonds retired in the immediately preceding school year.~~

3 ~~(f) The provisions of subsections (b), (d) and (e) shall expire on June~~
4 ~~30, 2022.~~

5 Sec. 10. K.S.A. 2017 Supp. 72-5132, as amended by section 2 of
6 2018 Substitute for Senate Bill No. 423, 72-5143, as amended by section 4
7 of 2018 Substitute for Senate Bill No. 423, and 72-5461, as amended by
8 section 16 of 2018 Substitute for Senate Bill No. 423, are hereby repealed.

9 Sec. 11. This act shall take effect and be in force from and after its
10 publication in the statute book.