

Senate Substitute for HOUSE BILL No. 2353

AN ACT concerning education; relating to the financing and instruction thereof; relating to the state board of regents; concerning university support staff; making and concerning appropriations for the fiscal years ending June 30, 2016, and June 30, 2017, for the department of education; amending K.S.A. 72-5423 and K.S.A. 2014 Supp. 72-1046b, as amended by section 29 of 2015 House Substitute for Senate Bill No. 7, 72-3715, as amended by section 36 of 2015 House Substitute for Senate Bill No. 7, 72-5413, 72-6434, as amended by section 38 of 2015 House Substitute for Senate Bill No. 7, 72-8814, as amended by section 63 of 2015 House Substitute for Senate Bill No. 7, 75-2319, as amended by section 72 of 2015 House Substitute for Senate Bill No. 7, 76-715a and 76-715b and Sections 5 and 6 of 2015 House Substitute for Senate Bill No. 7 and repealing the existing sections; also repealing K.S.A. 2014 Supp. 72-6434, as amended by section 7 of this act, and 72-8814, as amended by section 8 of this act.

Be it enacted by the Legislature of the State of Kansas:

Section 1.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2016, the following:

Block grants to USDs..... \$4,500,000

Sec. 2.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

Block grants to USDs..... \$4,500,000

Sec. 3. Section 5 of 2015 House Substitute for Senate Bill No. 7 is hereby amended to read as follows: Sec. 5. (a) As used in sections 4 through 22 of 2015 House Substitute for Senate Bill No. 7, and amendments thereto:

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

(B) The term "at-risk pupils" shall not include any pupil: (i) Enrolled in any of the grades one through 12 who is in attendance less than full time; or (ii) who is over 19 years of age. The provisions of this paragraph shall not apply to any pupil who has an individualized education program.

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

(3) "Current school year" means the school year during which general state aid is determined by the state board under section 6 of 2015 House Substitute for Senate Bill No. 7, and amendments thereto.

(4) "Enrollment" means: (A) (i) Subject to the provisions of subsection (a)(4)(A)(ii), for school districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the number of pupils regularly enrolled in the district on September 20 plus the number of pupils regularly enrolled in the school district on February 20 less the number of pupils regularly enrolled on February 20 who were counted in the enrollment of the school district on September 20;

(ii) for school districts not described in subsection (a)(4)(A)(i), the number of pupils regularly enrolled in the school district on September 20; and

(iii) a pupil 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;

(B) if enrollment in a school district in any school year has decreased from enrollment in the preceding school year, enrollment of the school district in the current school year means whichever is the greater of:

(i) Enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled; or

(ii) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled and the average of the sum of:

(a) Enrollment of the school district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled;

(b) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled; and

(c) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled.

(5) “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 shall mean the first day after February 20 on which school is maintained.

(6) “*Federal impact aid*” means an amount equal to the federally qualified percentage of the amount of moneys a district receives in the current school year under the provisions of title I of public law 874 and 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 defined herein as an amount equal to the federally qualified percentage of the amount of moneys provided for the district under title I of public law 874 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.

~~(6)~~(7) “Preceding school year” means the school year immediately before the current school year.

~~(7)~~(8) “Preschool-aged at-risk pupil” means an at-risk pupil who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines consonant with guidelines governing the selection of pupils for participation in head start programs.

~~(8)~~(9) “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.

~~(9)~~(10) “Pupil” means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district, or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district.

~~(10)~~(11) “School district” means a unified school district organized and operated under the laws of this state.

~~(11)~~(12) “School year” means the 12-month period ending June 30.

~~(12)~~(13) “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 shall mean the first day after September 20 on which school is maintained.

~~(13)~~(14) “State board” means the state board of education.

(b) The provisions of this section shall be effective from and after July 1, 2015, through June 30, 2017.

Sec. 4. Section 6 of 2015 House Substitute for Senate Bill No. 7 is hereby amended to read as follows: Sec. 6. (a) For school year 2015-2016 and school year 2016-2017, the state board shall disburse general state aid to each school district in an amount equal to:

(1) Subject to the provisions of subsections (b) through ~~(e)~~ (f), the amount of general state aid such school district received for school year 2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as prorated in accordance with K.S.A. 72-6410, prior to its repeal, less:

(A) The amount directly attributable to the ancillary school facilities weighting as determined for school year 2014-2015 under K.S.A. 72-6443, prior to its repeal;

(B) the amount directly attributable to the cost of living weighting as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6450, prior to its repeal;

(C) the amount directly attributable to declining enrollment state aid as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6452, prior to its repeal; and

(D) the amount directly attributable to virtual school state aid as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-3715, and amendments thereto, plus;

(2) the amount of supplemental general state aid such school district received for school year 2014-2015, if any, pursuant to K.S.A. 72-6434,

prior to its repeal, as prorated in accordance with K.S.A. 72-6434, prior to its repeal, plus;

(3) the amount of capital outlay state aid such school district received for school year 2014-2015, if any, pursuant to K.S.A. 2014 Supp. 72-8814, prior to its repeal, plus;

(4) (A) an amount that is directly attributable to the proceeds of the tax levied by the school district pursuant to section 14 of *2015 House Substitute for Senate Bill No. 7*, and amendments thereto, provided, the school district has levied such tax;

(B) an amount that is directly attributable to the proceeds of the tax levied by the school district pursuant to section 15 of *2015 House Substitute for Senate Bill No. 7*, and amendments thereto, provided, the school district has levied such tax;

(C) an amount that is directly attributable to the proceeds of the tax levied by the school district pursuant to section 16 of *2015 House Substitute for Senate Bill No. 7*, and amendments thereto, provided, the school district has levied such tax, plus;

(5) the amount of virtual school state aid such school district is to receive under K.S.A. 2014 Supp. 72-3715, and amendments thereto, plus;

(6) an amount certified by the board of trustees of the Kansas public employees retirement system which is equal to the participating employer's obligation of such school district to the system, less;

(7) an amount equal to 0.4% of the amount determined under subsection (a)(1).

(b) For any school district whose school financing sources exceeded its state financial aid for school year 2014-2015 as calculated under the school district finance and quality performance act, prior to its repeal, the amount such school district is entitled to receive under subsection (a)(1) shall be the proceeds of the tax levied by the school district pursuant to section 11, and amendments thereto, less the difference between such school district's school financing sources and its state financial aid for school year 2014-2015 as calculated under the school district finance and quality performance act, prior to its repeal.

(c) For any school district formed by consolidation in accordance with article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, prior to the effective date of this act, and whose state financial aid for school year 2014-2015 was determined under K.S.A. 72-6445a, prior to its repeal, the amount of general state aid for such school district determined under subsection (a)(1) shall be determined as if such school district was not subject to K.S.A. 72-6445a, prior to its repeal, for school year 2014-2015.

(d) For any school district that consolidated in accordance with article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, and such consolidation becomes effective on or after July 1, 2015, the amount of general state aid for such school district determined under subsection (a)(1) shall be the sum of the general state aid each of the former school districts would have received under subsection (a)(1).

(e) (1) For any school district that was entitled to receive school facilities weighting for school year 2014-2015 under K.S.A. 72-6415b, prior to its repeal, and which would not have been eligible to receive such weighting for school year 2015-2016 under K.S.A. 72-6415b, prior to its repeal, an amount directly attributable to the school facilities weighting as determined for school year 2014-2015 under K.S.A. 72-6415, prior to its repeal, for such school district shall be subtracted from the amount of general state aid for such school district determined under subsection (a)(1).

(2) For any school district which would have been eligible to receive school facilities weighting for school year 2015-2016 under K.S.A. 72-6415b, prior to its repeal, but which did not receive such weighting for school year 2014-2015, an amount directly attributable to the school facilities weighting as would have been determined under K.S.A. 72-6415, prior to its repeal, for school year 2015-2016 shall be added to the amount of general state aid for such school district determined under subsection (a)(1).

(3) For any school district which would have been eligible to receive school facilities weighting for school year 2016-2017 under K.S.A. 72-6415b, prior to its repeal, but which did not receive such weighting for school year 2014-2015, and which would not have been eligible to receive

such weighting for school year 2015-2016 under K.S.A. 72-6415b, prior to its repeal, an amount directly attributable to the school facilities weighting as would have been determined under K.S.A. 72-6415, prior to its repeal, for school year 2016-2017 shall be added to the amount of general state aid for such school district determined under subsection (a)(1).

(f) (1) For any school district that received federal impact aid for school year 2014-2015, if such school district receives federal impact aid in school year 2015-2016 in an amount that is less than the amount such school district received in school year 2014-2015, then an amount equal to the difference between the amount of federal impact aid received by such school district in such school years shall be added to the amount of general state aid for such school district for school year 2015-2016 as determined under subsection (a)(1).

(2) For any school district that received federal impact aid for school year 2014-2015, if such school district receives federal impact aid in school year 2016-2017 in an amount that is less than the amount such school district received in school year 2014-2015, then an amount equal to the difference between the amount of federal impact aid received by such school district in such school years shall be added to the amount of general state aid for such school district for school year 2016-2017 as determined under subsection (a)(1).

~~(g)~~(g) The general state aid for each school district shall be disbursed in accordance with appropriation acts. In the event the appropriation for general state aid exceeds the amount determined under subsection (a) for any school year, then the state board shall disburse such excess amount to each school district in proportion to such school district's enrollment.

~~(g)~~(h) The provisions of this section shall be effective from and after July 1, 2015, through June 30, 2017.

Sec. 5. From and after July 1, 2015, K.S.A. 2014 Supp. 72-1046b, as amended by section 29 of 2015 House Substitute for Senate Bill No. 7, is hereby amended to read as follows: 72-1046b. (a) As used in this section:

(1) "School district" means a school district organized and operating under the laws of this state and no part of which is located in Johnson county, Sedgwick county, Shawnee county or Wyandotte county.

(2) "Non-resident pupil" or "pupil" means a pupil who is enrolled and in attendance at a school located in a district in which such pupil is not a resident and who: (A) Lives 2½ or more miles from the attendance center the pupil would attend in the district in which the pupil resides and is not a resident of Johnson county, Sedgwick county, Shawnee county or Wyandotte county; or (B) is a member of the family of a pupil meeting the condition prescribed in subpart (A).

(3) "Member of the family" means a brother or sister of the whole or half blood or by adoption, a stepbrother or stepsister, and a foster brother or foster sister.

(b) The board of education of any school district may allow any pupil who is not a resident of the district to enroll in and attend school in such district. The board of education of such district may furnish or provide transportation to any non-resident pupil who is enrolled in and attending school in the district pursuant to this section. If the district agrees to furnish or provide transportation to a non-resident pupil, such transportation shall be furnished or provided until the end of the school year. Prior to providing or furnishing transportation to a non-resident pupil, the district shall notify the board of education of the district in which the pupil resides that transportation will be furnished or provided.

(c) Pupils attending school in a school district in which the pupil does not reside pursuant to this section shall be counted as regularly enrolled in and attending school in the district where the pupil is enrolled for the purpose of computations under the classroom learning assuring student success act, section 4 of 2015 House Substitute for Senate Bill No. 7 et seq., and amendments thereto, and for the purposes of the statutory provisions contained in article 83 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto. Such non-resident pupil shall not be charged for the costs of attendance at school.

(d) Any pupil who was not a resident of the district in school year 2014-2015, but was allowed to enroll in and attend school in such district in school year 2014-2015 by the board of education of such district and

any member of the family of such pupil regardless of whether such family member enrolled in and attended school in such district in school year 2014-2015, shall be allowed to enroll in and attend school in such district in school years 2015-2016 and 2016-2017 regardless of whether such pupil or family member of such pupil is a resident of the district in either school year, provided such pupil or such pupil's family member is in compliance with any attendance and behavior policies of the district. If transportation was furnished or provided to such pupil in school year 2014-2015 by the district, then transportation shall be furnished or provided by the district to such pupil and any family member of such pupil in school years 2015-2016 and 2016-2017, provided there is no change in such pupil's residence and no requirement for the district to furnish transportation to any additional residence.

Sec. 6. From and after July 1, 2015, K.S.A. 2014 Supp. 72-3715, as amended by section 36 of 2015 House Substitute for Senate Bill No. 7, is hereby amended to read as follows: 72-3715. (a) In order to be included in the full-time equivalent enrollment of a virtual school, a pupil shall be in attendance at the virtual school on: (1) A single school day on or before September 19 of each school year; and (2) on a single school day on or after September 20, but before October 4 of each school year.

(b) A school district which offers a virtual school shall determine the full-time equivalent enrollment of each pupil enrolled in the virtual school on September 20 of each school year as follows:

(1) Determine the number of hours the pupil was in attendance on a single school day on or before September 19 of each school year;

(2) determine the number of hours the pupil was in attendance on a single school day on or after September 20, but before October 4 of each school year;

(3) add the numbers obtained under paragraphs (1) and (2);

(4) divide the sum obtained under paragraph (3) by 12. The quotient is the full-time equivalent enrollment of the pupil.

(c) The school days on which a district determines the full-time equivalent enrollment of a pupil under subsections (b)(1) and (2) shall be the school days on which the pupil has the highest number of hours of attendance at the virtual school. No more than six hours of attendance may be counted in a single school day. Attendance may be shown by a pupil's on-line activity or entries in the pupil's virtual school journal or log of activities.

(d) Subject to the availability of appropriations and within the limits of any such appropriations, each school year a school district which offers a virtual school shall receive virtual school state aid.

The state board of education shall determine the amount of virtual school state aid a school district is to receive as follows:

(1) For school year 2015-2016:

(A) Determine the number of pupils enrolled in virtual school on a full-time basis, excluding those pupils who are over 18 years of age, and multiply the total number of such pupils by \$5,000;

(B) determine the full-time equivalent enrollment of pupils enrolled in virtual school on a part-time basis, excluding those pupils who are over 18 years of age, and multiply the total full-time equivalent enrollment of such pupils by \$4,045;

(C) for pupils enrolled in a virtual school who are over 18 years of age, determine the number of one-hour credit courses such pupils have passed and multiply the total number of such courses by \$933; and

(D) add the amounts calculated under subsections (d)(1)(A) through (d)(1)(C). The resulting sum is the amount of virtual school state aid the school district shall receive.

(2) For school year 2016-2017:

(A) Determine the number of pupils enrolled in virtual school on a full-time basis, excluding those pupils who are over 18 years of age, and multiply the total number of such pupils by \$5,600;

(B) determine the full-time equivalent enrollment of pupils enrolled in virtual school on a part-time basis, excluding those pupils who are over 18 years of age, and multiply the total full-time equivalent enrollment of such pupils by \$1,700;

(C) for pupils enrolled in a virtual school who are over 18 years of

age, determine the number of one-hour credit courses such pupils have passed and multiply the total number of such courses by \$933; and

(D) add the amounts calculated under subsections (d)(2)(A) through (d)(2)(C). The resulting sum is the amount of virtual school state aid the school district shall receive.

(3) For purposes of this subsection:

(A) “Full-time” means attendance in a virtual school for no less than six hours as determined pursuant to subsection (b).

(B) “Part-time” means attendance in a virtual school for less than six hours as determined pursuant to subsection (b).

(e) There is hereby established in every school district a fund which shall be called the virtual school fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a school district directly attributable to virtual schools offered by a school district may be paid from the virtual school fund. The cost of an advance placement course provided to a pupil by a virtual school shall be paid by the virtual school. Amounts deposited in the virtual school fund may be transferred to the general fund of the school district as approved by the board of education.

Any balance remaining in the virtual school fund at the end of the budget year shall be carried forward into the virtual school fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto.

In preparing the budget of such school district, the amounts credited to and the amount on hand in the virtual school fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

(f) For the purposes of this section, a pupil enrolled in a virtual school who is not a resident of the state of Kansas shall not be counted in the full-time equivalent enrollment of the virtual school. The virtual school shall record the permanent address of any pupil enrolled in such virtual school.

Sec. 7. K.S.A. 2014 Supp. 72-6434, as amended by section 38 of 2015 House Substitute for Senate Bill No. 7, is hereby amended to read as follows: 72-6434. (a) For school year 2014-2015, each district that has adopted a local option budget is eligible for entitlement to an amount of supplemental general state aid. Except as provided by K.S.A. 2014 Supp. 72-6434b, and amendments thereto, entitlement of a district to supplemental general state aid shall be determined by the state board as provided in this subsection. The state board shall:

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

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

(3) identify the amount of the assessed valuation per pupil located at the 81.2 percentile of the amounts ranked under subsection (a)(2);

(4) divide the assessed valuation per pupil of the district as determined under subsection (a)(1) by the amount identified under subsection (a)(3);

(5) (A) if the quotient obtained under subsection (a)(4) is less than one, subtract the quotient obtained under subsection (a)(4) from one, and multiply such difference by the amount of the local option budget of the school district; or

(B) if the quotient obtained under subsection (a)(4) equals or exceeds one, the school district shall not be entitled to receive supplemental general state aid; and

(6) determine the amount of supplemental general state aid for each school district eligible to receive such state aid as follows:

(A) For those school districts ranked in the lowest quintile of those school districts eligible to receive supplemental general state aid under subsection (a)(5), multiply the product calculated under subsection (a)(5)(A) by 97%;

(B) for those school districts ranked in the second lowest quintile of those school districts eligible to receive supplemental general state aid under subsection (a)(5), multiply the product calculated under subsection (a)(5)(A) by 95%;

(C) for those school districts ranked in the third lowest quintile of those school districts eligible to receive supplemental general state aid under subsection (a)(5), multiply the product calculated under subsection (a)(5)(A) by 92%;

(D) for those school districts ranked in the second highest quintile of those school districts eligible to receive supplemental general state aid under subsection (a)(5), multiply the product calculated under subsection (a)(5)(A) by 82%; and

(E) for those school districts ranked in the highest quintile of those school districts eligible to receive supplemental general state aid under subsection (a)(5), multiply the product calculated under subsection (a)(5)(A) by 72%.

(b) If the amount of appropriations for supplemental general state aid is less than the amount each district is entitled to receive for the school year, the state board shall prorate the amount appropriated among the districts in proportion to the amount each district is entitled to receive.

(c) The state board shall prescribe the dates upon which the distribution of payments of supplemental general state aid to school districts shall be due. Payments of supplemental general state aid shall be distributed to districts on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due each district, and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of the district. Upon receipt of the warrant, the treasurer of the district shall credit the amount thereof to the supplemental general fund of the district to be used for the purposes of such fund.

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

(e) (1) Except as provided by paragraph (2), moneys received as supplemental general state aid shall be used to meet the requirements under the school performance accreditation system adopted by the state board, to provide programs and services required by law and to improve student performance.

(2) Amounts of supplemental general state aid attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%.

(f) For the purposes of determining the total amount of state moneys paid to school districts, all moneys appropriated as supplemental general state aid shall be deemed to be state moneys for educational and support services for school districts.

(g) For school year 2014-2015, for those school districts whose total assessed valuation for school year 2015-2016 is less than such district's total assessed valuation for school year 2014-2015, and the difference in total assessed valuation between school year 2014-2015 and school year 2015-2016 is an amount that is greater than 25% of the total assessed valuation of such district for school year 2014-2015, and such reduction in total assessed valuation is the ~~direct~~ result of the classification of tangible personal property within such district for property tax purposes ~~pursuant to K.S.A. 2014 Supp. 79-507, and amendments thereto~~, the assessed valuation per pupil for purposes of determining supplemental general state aid shall be based on such school district's total assessed valuation for school year 2015-2016.

Sec. 8. K.S.A. 2014 Supp. 72-8814, as amended by section 63 of 2015 Senate Bill No. 7, is hereby amended to read as follows: 72-8814. (a) There is hereby established in the state treasury the school district capital outlay state aid fund. Such fund shall consist of all amounts transferred thereto under the provisions of subsection (c).

(b) For school year 2014-2015, each school district which levies a tax pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall be entitled to receive payment from the school district capital outlay state aid fund in an amount determined by the state board of education as provided in this subsection. The state board of education shall:

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

(2) prepare a schedule of dollar amounts using the amount of the AVPP of the school district with the lowest AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal \$1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts;

(3) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the lowest AVPP shown on the schedule and decreasing the state aid computation percentage assigned to the amount of the lowest AVPP by one percentage point for each \$1,000 interval above the amount of the lowest AVPP. Except as provided by K.S.A. 2014 Supp. 72-8814b, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid computation percentage is 75%;

(4) determine the amount levied by each school district pursuant to K.S.A. 72-8801 et seq., and amendments thereto; and

(5) multiply the amount computed under subsection (b)(4), but not to exceed 8 mills, by the applicable state aid percentage factor for the school district. The product is the amount of payment the school district is entitled to receive from the school district capital outlay state aid fund in the school year.

(c) During the fiscal year ending June 30, 2015:

(1) On February 20, 2015, the director of accounts and reports shall transfer \$25,300,000 from the state general fund to the school district capital outlay state aid fund. The state board of education shall distribute such moneys to pay the proportionate share of the entitlements to each school district as determined under the provisions of subsection (b); and

(2) on June 20, 2015, the director of accounts and reports shall transfer the remaining amount of moneys to which the school districts are entitled to receive from the state general fund to the school district capital outlay state aid fund pursuant to the provisions of subsection (b). Such transferred amount shall not exceed ~~\$2,202,500~~ \$3,958,900. The state board of education shall distribute such moneys to pay the share of the entitlement to each school district as determined under the provisions of subsection (b).

(d) Payments from the school district capital outlay state aid fund shall be distributed to school districts at times determined by the state board of education. The state board of education shall certify to the director of accounts and reports the amount due each school district entitled to payment from the fund, and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of the school district. Upon receipt of the warrant, the treasurer of the school district shall credit the amount thereof to the capital outlay fund of the school district to be used for the purposes of such fund.

(e) Amounts transferred to the capital outlay fund of a school district as authorized by K.S.A. 72-6433, and amendments thereto, shall not be included in the computation when determining the amount of state aid to which a district is entitled to receive under this section.

(f) For school year 2014-2015, for those school districts whose total assessed valuation for school year 2015-2016 is less than such district's total assessed valuation for school year 2014-2015, and the difference in total assessed valuation between school year 2014-2015 and school year 2015-2016 is an amount that is greater than 25% of the total assessed valuation of such district for school year 2014-2015, and such reduction in total assessed valuation is the ~~direct~~ result of the classification of tangible personal property within such district for property tax purposes pursuant to K.S.A. 2014 Supp. 79-507, and amendments thereto, the assessed

valuation per pupil for purposes of determining capital outlay state aid shall be based on such school district's total assessed valuation for school year 2015-2016.

Sec. 9. From and after July 1, 2015, K.S.A. 2014 Supp. 75-2319, as amended by section 72 of 2015 House Substitute for Senate Bill No. 7, is hereby amended to read as follows: 75-2319. (a) There is hereby established in the state treasury the school district capital improvements fund. The fund shall consist of all amounts transferred thereto under the provisions of subsection (c).

(b) Subject to the provisions of subsection (f), in each school year, each school district which is obligated to make payments from its capital improvements fund shall be entitled to receive payment from the school district capital improvements fund in an amount determined by the state board of education as provided in this subsection.

(1) For general obligation bonds approved for issuance at an election held prior to July 1, 2015, the state board of education shall:

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

(B) determine the median AVPP of all school districts;

(C) prepare a schedule of dollar amounts using the amount of the median AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal \$1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts and shall range downward in equal \$1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the lowest AVPP of all school districts;

(D) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval below the amount of the median AVPP. Except as provided by K.S.A. 2014 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

(E) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to ~~contractual bond obligations incurred by the school district~~ *general obligation bonds approved for issuance at an election held prior to July 1, 2015*; and

(F) multiply the amount determined under subsection (b)(1)(E) by the applicable state aid percentage factor.

(2) For general obligation bonds approved for issuance at an election held on or after July 1, 2015, but prior to July 1, 2017, the state board of education shall:

(A) Determine the amount of the AVPP of each school district in the state and round such amount to the nearest \$1,000. The rounded amount is the AVPP of a school district for the purposes of this subsection (b)(2);

(B) prepare a schedule of dollar amounts using the amount of the AVPP of the school district with the lowest AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal \$1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts;

(C) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the lowest AVPP shown on the schedule and decreasing the state aid computation percentage assigned to the amount of the lowest AVPP by one percentage point for each \$1,000 interval above the amount of the lowest AVPP. Except as provided by K.S.A. 2014 Supp. 75-2319c, and amend-

ments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid computation percentage is 75%;

(D) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to ~~contractual bond obligations incurred by the school district~~ *general obligation bonds approved for issuance at an election held on or after July 1, 2015, but prior to July 1, 2017*; and

(E) multiply the amount determined under subsection (b)(2)(D) by the applicable state aid percentage factor.

(3) The sum of the amount determined under subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E) is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year.

(c) The state board of education shall certify to the director of accounts and reports the entitlements of school districts determined under the provisions of subsection (b), and an amount equal thereto shall be transferred by the director from the state general fund to the school district capital improvements fund for distribution to school districts. All transfers made in accordance with the provisions of this subsection shall be considered to be demand transfers from the state general fund, except that all such transfers during the fiscal years ending June 30, 2013, June 30, 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue transfers from the state general fund.

(d) Payments from the school district capital improvements fund shall be distributed to school districts at times determined by the state board of education to be necessary to assist school districts in making scheduled payments pursuant to contractual bond obligations. The state board of education shall certify to the director of accounts and reports the amount due each school district entitled to payment from the fund, and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of the school district. Upon receipt of the warrant, the treasurer of the school district shall credit the amount thereof to the bond and interest fund of the school district to be used for the purposes of such fund.

(e) The provisions of this section apply only to contractual obligations incurred by school districts pursuant to general obligation bonds issued upon approval of a majority of the qualified electors of the school district voting at an election upon the question of the issuance of such bonds.

Sec. 10. From and after July 1, 2015, K.S.A. 2014 Supp. 76-715a is hereby amended to read as follows: 76-715a. (a) The state board of regents, in accordance with the provisions of this section, may authorize any state institution of higher education to convert all classified staff employee positions or any portion thereof in the institution to the unclassified service of state employment. *Except as otherwise provided for leave time in K.S.A. 2014 Supp. 76-715b, and amendments thereto*, those classified staff employees whose positions are converted from classified to unclassified status shall retain all health and flexible benefits and leave and retirement benefits provided to them under the state classified employee system. Each institution designated by the board shall develop a plan for a system for administration of all other aspects of employment for these employees, including personnel policies and procedures, and each such system of administration shall be subject to approval by the state board of regents. Such personnel policies and procedures shall include a disciplinary and grievance process which provides for the right to appeal and due process procedures. Development of such plan shall be subject to input from affected classified employees. Implementation of this section shall not cause a salary reduction or layoff of any classified employee. This section shall not be implemented by the state board of regents at any state institution of higher education unless an election has been held for classified staff employees affected by such proposal at such institution and the classified staff employees voting at the election by majority vote approve the conversion of the classified staff employee positions affected by such proposal at that institution to unclassified positions. Any such election held after the effective date of this act shall be preceded by an official announcement providing at least 90 day's notice

of the date, time and place of the election. After a vote of approval, the state educational institution shall provide all affected employees with opportunities for input into the development of the plan that is to be presented to the state board of regents.

(b) For the limited purposes of this section, and K.S.A. 74-4925, and amendments thereto, these newly designated unclassified employees shall be referred to as “university support staff” and the university of Kansas medical center shall be considered a state institution of higher education separate from the university of Kansas, Lawrence, and its campuses.

(c) Nothing in this act shall affect the representation rights of collective bargaining organizations that represent employees of a state institution of higher education, nor shall the provisions of this act affect any term or condition of any collective bargaining agreement in effect on the effective date of this act.

Sec. 11. From and after July 1, 2015, K.S.A. 2014 Supp. 76-715b is hereby amended to read as follows: 76-715b. (a) As used in this section:

(1) “State board” means the state board of regents.

(2) “State educational institution” has the meaning ascribed thereto in K.S.A. 76-711, and amendments thereto.

(3) “Leave time” means vacation leave and discretionary day leave.

(b) The state board may adopt a policy which authorizes state educational institutions to provide leave time to the classified employees *and university support staff* of any such institution in an amount not to exceed the amount of leave time provided to unclassified employees of such institution.

(c) Subject to the policy of the state board adopted pursuant to this section, each state educational institution may provide leave time to classified employees *and university support staff* of such institution. The amount of leave time may vary from the amount of leave time provided to classified *or unclassified* employees of state agencies that are not state educational institutions.

(d) The state board shall adopt any rules and regulations necessary to implement the provisions of this act.

Sec. 12. From and after July 1, 2015, K.S.A. 2014 Supp. 72-5413 is hereby amended to read as follows: 72-5413. As used in this act, ~~and in acts amendatory thereof or supplemental~~ *amendments* thereto:

(a) The term “persons” includes one or more individuals, organizations, associations, corporations, boards, committees, commissions, agencies, or their representatives.

(b) “Board of education” means the state board of education pursuant to its authority under K.S.A. 76-1001a and 76-1101a, and amendments thereto, the board of education of any school district, the board of control of any area vocational-technical school and the board of trustees of any community college.

(c) “Professional employee” means any person employed by a board of education in a position which requires a certificate issued by the state board of education or employed by a board of education in a professional, educational or instructional capacity, but shall not mean any such person who is an administrative employee and, commencing in the 2006-2007 school year, shall not mean any person who is a retirant from school employment of the Kansas public employees retirement system, regardless of whether an agreement between a board of education and an exclusive representative of professional employees that covers terms and conditions of professional service provides to the contrary.

(d) “Administrative employee” means, in the case of a school district, any person who is employed by a board of education in an administrative capacity and who is fulfilling duties for which an administrator’s certificate is required under K.S.A. 72-7513, and amendments thereto; and, in the case of an area vocational-technical school or community college, any person who is employed by the board of control or the board of trustees in an administrative capacity and who is acting in that capacity and who has authority, in the interest of the board of control or the board of trustees, to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward or discipline other employees, or responsibly to direct them or to adjust their grievances, or effectively to recommend a preponderance of such actions, if in connection with the foregoing, the exercise of

such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

(e) “Professional employees’ organizations” means any one or more organizations, agencies, committees, councils or groups of any kind in which professional employees participate, and which exist for the purpose, in whole or part, of engaging in professional negotiation with boards of education with respect to the terms and conditions of professional service or for the purpose of professional development or liability protection.

(f) “Representative” means any professional employees’ organization or any person it authorizes or designates to act in its behalf or any person a board of education authorizes or designates to act in its behalf.

(g) “Professional negotiation” means meeting, conferring, consulting and discussing in a good faith effort by both parties to reach agreement with respect to the terms and conditions of professional service.

(h) “Mediation” means the effort through interpretation and advice by an impartial third party to assist in reconciling a dispute concerning terms and conditions of professional service which arose in the course of professional negotiation between a board of education or its representatives and representatives of the recognized professional employees’ organization.

(i) “Fact-finding” means the investigation by an individual or board of a dispute concerning terms and conditions of professional service which arose in the course of professional negotiation, and the submission of a report by such individual or board to the parties to such dispute which includes a determination of the issues involved, findings of fact regarding such issues, and the recommendation of the fact-finding individual or board for resolution of the dispute.

(j) “Strike” means an action taken for the purpose of coercing a change in the terms and conditions of professional service or the rights, privileges or obligations thereof, through any failure by concerted action with others to report for duty including, but not limited to, any work stoppage, slowdown, or refusal to work.

(k) “Lockout” means action taken by a board of education to provoke interruptions of or prevent the continuity of work normally and usually performed by the professional employees for the purpose of coercing professional employees into relinquishing rights guaranteed by this act and the act of which this section is amendatory.

(l) (1) “Terms and conditions of professional service” means: (A) Salaries and wages, including pay for duties under supplemental contracts; hours and amounts of work; vacation allowance, holiday, sick, extended, sabbatical, and other leave, and number of holidays; retirement; insurance benefits; wearing apparel; pay for overtime; jury duty; grievance procedure, including binding arbitration of grievances; disciplinary procedure; resignations; termination and nonrenewal of contracts; reemployment of professional employees; terms and form of the individual professional employee contract; probationary period; professional employee appraisal procedures; each of the foregoing being a term and condition of professional service, regardless of its impact on the employee or on the operation of the educational system; (B) matters which relate to privileges to be granted the recognized professional employees’ organization, including, but not limited to, voluntary payroll deductions; dissemination of information regarding the professional negotiation process and related matters to members of the bargaining unit on school or college premises through direct contact with members of the bargaining unit; reasonable leaves of absence for members of the bargaining unit for organizational purposes, such as engaging in professional negotiation and partaking of instructional programs properly related to the representation of the bargaining unit; any of the foregoing privileges which are granted the recognized professional employees’ organization through the professional negotiation process shall not be granted to any other professional employees’ organization; and (C) such other matters as the parties mutually agree upon as properly related to professional service including, but not limited to, employment incentive or retention bonuses authorized under K.S.A. 72-8246, and amendments thereto.

(2) Nothing in this act, and amendments thereto, shall authorize any professional employees’ organization to be granted the exclusive privilege of access to the use of school or college facilities for meetings, the use of

bulletin boards on or about the facility or the use of school or college mail systems.

(3) Nothing in this act, and amendments thereto, shall authorize the diminution of any right, duty or obligation of either the professional employee or the board of education which have been fixed by statute or by the constitution of this state. Except as otherwise expressly provided in this subsection (1), the fact that any matter may be the subject of a statute or the constitution of this state does not preclude negotiation thereon so long as the negotiation proposal would not prevent the fulfillment of the statutory or constitutional objective.

(4) Matters which relate to the duration of the school term, and specifically to consideration and determination by a board of education of the question of the development and adoption of a policy to provide for a school term consisting of school hours, are not included within the meaning of terms and conditions of professional service and are not subject to professional negotiation.

(m) “Secretary” means the secretary of labor or a designee thereof.

(n) “Statutory declaration of impasse date” means ~~June 1~~ July 31 in the current school year.

(o) “Supplemental contracts” means contracts for employment duties other than those services covered in the principal or primary contract of employment of the professional employee and shall include, but not be limited to, such services as coaching, supervising, directing and assisting extracurricular activities, chaperoning, ticket-taking, lunchroom supervision, and other similar and related activities.

Sec. 13. From and after July 1, 2015, K.S.A. 72-5423 is hereby amended to read as follows: 72-5423. (a) Nothing in this act, or the act of which this section is amendatory, shall be construed to change or affect any right or duty conferred or imposed by law upon any board of education, except that boards of education are required to comply with this act, and the act of which this section is amendatory, in recognizing professional employees’ organizations, and when such an organization is recognized, the board of education and the professional employees’ organization shall enter into professional negotiations on request of either party at any time during the school year prior to issuance or renewal of the annual teachers’ contracts. Notices to negotiate on new items or to amend an existing contract must be filed on or before ~~February 1~~ March 31 in any school year by either party, such notices shall be in writing and delivered to the chief administrative officer of the board of education or to the representative of the bargaining unit and shall contain in reasonable and understandable detail the purpose of the new or amended items desired.

(b)(1) *Upon entering negotiations pursuant to this section, the parties shall negotiate compensation of professional employees and hours and amounts of work. In addition, each party may select not more than three additional terms and conditions of professional service from the list described in K.S.A. 72-5413(l)(1), and amendments thereto, for negotiation. All other terms and conditions of professional service described in K.S.A. 72-5413(l)(1), and amendments thereto, shall be deemed permissive topics for negotiation and shall only be negotiated upon the mutual agreement of the parties.*

(2) *For purposes of this section, the term “compensation” means salary and wages, supplemental contract salaries and pay for overtime.*

(3) *The provisions of this subsection shall not apply to negotiations between a board of education and a professional employees’ organization negotiating for the purpose of reaching their first agreement.*

(c) Except as otherwise expressly provided in this subsection, every meeting, conference, consultation and discussion between a professional employees’ organization or its representatives and a board of education or its representatives during the course of professional negotiation and every hearing conducted by the secretary under K.S.A. 72-5426, and amendments thereto, for determination of the question of the existence of impasse is subject to the provisions of the Kansas open meetings law, and any amendments or supplements thereto. Meetings, conferences, consultations and discussions held by the secretary under K.S.A. 72-5426, and amendments thereto, for investigation of the question of the existence of impasse, and meetings, conferences, consultations and discus-

sions held during the course of and in connection with, and the meeting required at the conclusion of, impasse resolution proceedings, as provided for in K.S.A. 72-5427 and 72-5428, and amendments to such sections thereto, are specifically made exempt from the provisions of the Kansas open meetings law, and any amendments or supplements thereto.

~~(c)~~(d) Nothing in this act, or the act of which this section is amendatory, shall be construed to authorize a strike by professional employees.

~~(d)~~(e) Any agreement lawfully made under the provisions of this act, or the act of which this section is amendatory, may be adopted by reference and made a part of the employment contract between any professional employee of the applicable negotiating unit and a board of education for a period of not to exceed three years.

(f) Those individuals selected by the board of education and the professional employees' organization to conduct negotiations pursuant to this act shall complete training on conducting negotiations each year. The content and format of the training for these individuals shall be determined by the respective party each individual represents in negotiations.

Sec. 14. K.S.A. 2014 Supp. 72-6434, as amended by section 38 of 2015 House Substitute for Senate Bill No. 7, and 72-8814, as amended by section 63 of 2015 House Substitute for Senate Bill No. 7, are hereby repealed.

Sec. 15. From and after July 1, 2015, K.S.A. 72-5423 and K.S.A. 2014 Supp. 72-1046b, as amended by section 29 of 2015 House Substitute for Senate Bill No. 7, 72-3715, as amended by section 36 of 2015 House Substitute for Senate Bill No. 7, 72-5413, 72-6434, as amended by section 7 of this act, 72-8814, as amended by section 8 of this act, 75-2319, as amended by section 72 of 2015 House Substitute for Senate Bill No. 7, 76-715a and 76-715b and Sections 5 and 6 of 2015 House Substitute for Senate Bill No. 7 are hereby repealed.

Sec. 16. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.