

## **K-12—Education Appropriations and Other Provisions; House Sub. for SB 113**

**House Sub. for SB 113** makes appropriations for the Kansas State Department of Education (KSDE) for FY 2023, FY 2024, and FY 2025; amends the Kansas School Equity and Enhancement Act (KSEEA) with regard to the calculation of State Foundation Aid and specific weightings; extends the high density at-risk weighting sunset; and amends various provisions of law related to K-12 education.

The bill also reduces the eligibility requirements for students who wish to take part in the Low-Income Students Scholarship Program, as well as increases the tax credit provision of the Low-Income Students Scholarship Program. In addition, the bill authorizes certain nonpublic school students to participate in activities regulated by the Kansas State High School Activities Association (KSHSAA).

The bill extends the 20 mill *ad valorem* tax levy for two years and provides for the disposition of school district real property and allows the Legislature the right of first refusal to acquire the property.

### ***Appropriations for FY 2023, FY 2024, and FY 2025***

The bill makes appropriations for the KSDE.

#### ***FY 2023***

For KSDE, the bill:

- Appropriates \$5.9 million from the State General Fund (SGF) for Kansas Public Employees Retirement System (KPERs) school employer contributions of unified school districts (USDs);
- Appropriates \$541,000 from the SGF for Supplemental State Aid; and
- Deletes \$8.0 million SGF from the KPERs non-USDs account.

#### ***FY 2024***

For KSDE, the bill appropriates \$6.3 billion, including \$4.1 billion SGF. This amount includes \$5.2 billion, including \$4.1 billion SGF, for the major categories of school finance, KPERs-USDs, and KPERs non-USDs.

**State General Fund.** Appropriations from the SGF include the following:

- \$14.7 million for operating expenditures;
- \$577,309 for Supplemental State Aid;

- \$80,000 for the Center for READING;
- \$29.8 million for KPERS non-USDs;
- \$531.9 million for KPERS-USDs;
- \$2.8 million for the ACT and WorkKeys Assessments Program;
- \$528.0 million for Special Education;
- \$1.5 million for Career and Technical Education Transportation;
- \$300,000 for the Juvenile Transitional Crisis Center Pilot program;
- \$67,700 for Education Commission of the States dues;
- \$10,000 for the School Safety Hotline;
- \$5.0 million for School Safety and Security Grants;
  - Includes language to allow acquisition of naloxone hydrochloride products as an allowable expenditure in FY 2024;
- \$5.1 million for the School District Juvenile Detention Facilities and Flint Hills Job Corps Center Grants;
- \$2.5 million for School Food Assistance;
- \$1.3 million for the Mentor Teacher Program;
- \$110,000 for Educable Deaf-blind and Severely Handicapped Children's Programs Aid;
- \$360,693 for Governor's Teaching Excellence Scholarships and Awards;
- \$2.4 million for Supplemental State Aid;
- \$1.8 million for Professional Development State Aid;
- \$1.0 million for Computer Science Education Advancement Grants; and
- \$40,000 for the Computer Technical Education Pilot.

The bill deletes \$13.5 million for the Mental Health Intervention Team Pilot program. [Note: SB 25 appropriates this amount for FY 2024 to the KSDE for the Mental Health Intervention Team Pilot program.]

The bill authorizes school districts to expend School Safety and Security Grants for acquisition of communication devices and equipment necessary for effective communication among law enforcement, security services, and school, in addition to continuing allowable purposes.

**Special revenue funds.** The bill also appropriates funding from several no-limit special revenue funds, including federal funds and fee funds. The bill appropriates the following from the Children's Initiatives Fund (CIF):

- \$375,000 for the Children's Cabinet Accountability Fund;
- \$23.7 million for CIF grants;
- \$9.4 million for the Parent Education Program, also known as Parents as Teachers;
- \$4.2 million for the Pre-K Pilot Program and language to reappropriate the unencumbered ending balance;
- \$1.4 million for Early Childhood Infrastructure and language to reappropriate the unencumbered ending balance; and
- \$1.5 million for the Dolly Parton Imagination Library and language to reappropriate the unencumbered ending balance.

**Transfers.** The bill provides for the following transfers:

- \$50,000 on July 1, 2024, or as soon as moneys are available, from the Family and Children Trust Account of the Family and Children Investment Fund of KSDE to the Communities in Schools Program Fund of KSDE;
- \$550,000 on March 30, 2024, and \$550,000 on June 30, 2024, from the State Safety Fund to the SGF to reimburse costs associated with services provided by other state agencies on behalf of KSDE;
- \$81,250, quarterly, from the State Highway Fund of the Department of Transportation to the School Bus Safety Fund of KSDE;
- An amount certified by the Commissioner of Education from the Motorcycle Safety Fund of KSDE to the Motorcycle Safety Fund of the State Board of Regents, to cover costs of driver's license programs conducted by community colleges; and

- \$70,000 from the Universal Service Administrative Company E-rate Program Federal Fund of the State Board of Regents to the Education Technology Coordinator Fund of KSDE.

The bill appropriates \$268,534 from the Kansas Endowment for Youth Fund for the Children's Cabinet administration.

The bill also authorizes the Commissioner of Education to transfer any part of an SGF appropriation for KSDE to another SGF appropriation for KSDE for FY 2024.

The bill appropriates \$43.8 million from the Expanded Lottery Act Revenues Fund (ELARF) for KPERS non-USDs.

**Curriculum.** The bill requires a survey to be conducted and a list of all school districts that used curriculum and training materials which include the three-cueing systems model of reading or visual memory program in the preceding school year to be provided to the Senate Committee on Education, House Committee on Education, and the K-12 Education Budget Committee.

*FY 2025*

**State General Fund.** For KSDE, the bill appropriates the following from the SGF:

- \$2.8 billion for State Foundation Aid;
- \$590.0 million for Supplemental State Aid; and
- \$535.5 million for Special Education Services Aid.

The bill also authorizes expenditures from the State School District Finance Fund and the Mineral Production Education Fund.

***Disposition of School District Real Property; Legislature's Right to Refuse***

The bill amends and creates law pertaining to USD real property to grant the Legislature the right of first refusal. The bill also creates a notification process of a school district board of education's intentions to dispose of a school building.

*Notice of Disposition*

First, a school district board of education is required to submit written notice of its intention to dispose of a building to the Legislature, by filing a notice with the Chief Clerk of the House and the Secretary of the Senate. The bill requires the notice to include:

- A description of the school district's use of the building immediately prior to the decision to dispose;
- The reasons for the building's disuse and the decision to dispose of the building;

- The legal description of the real property to be disposed of; and
- A copy of the resolution adopted by the board of education.

The bill provides for the Legislature’s review, with timing depending on whether the Legislature is in session:

- If the notice is received during the regular session, the Legislature has 45 days to adopt a concurrent resolution stating the Legislature’s intention for the State to acquire such building; or
- If the notice is received when the Legislature is not in session, the Legislature has 45 days from the commencement of its next regular session to adopt the concurrent resolution regarding the Legislature’s intentions.

The bill prescribes the information to be stated in the concurrent resolution, including provisions naming the state agency that intends to acquire the building and the intended use of the building.

The bill further provides that, if the Legislature does not adopt a concurrent resolution within the 45-day period, the school district is allowed to proceed with the disposition of the school district building in accordance with state law.

If the Legislature adopts a concurrent resolution within the 45-day period, the state agency named in the resolution has 180 days to complete the acquisition of the school district building and take title to the real property. Upon the request of the acquiring state agency, the Legislative Coordinating Council is permitted to extend the 180-day period for a period of no more than 60 days. During the 180-day period and any authorized extension, a board of education is prohibited from selling, gifting, leasing, or otherwise dispensing of the building or any real property described in the required written notice. If the state agency does not take title within the 180-day period or its extension, the school district is permitted to proceed with disposition of the building.

***Nonpublic School Students Participation in KSHSAA Activities***

The bill allows any nonpublic school student to participate in any activities offered by a school district that are regulated, supervised, promoted, and developed by KSHSAA, as long as the student:

- Is a resident of the school district;
- Is enrolled and attending a nonpublic elementary or secondary school;
- Complies with the requirements of KSA 72-6262 and amendments thereto (health-related requirements); and
- Pays any fees required by the school district for participation in such activity.

The school district board of education could require a nonpublic school student who participates in an activity to enroll or complete a particular course as a condition of participation, if such requirement is imposed upon all other students who participate in such activity. Under the bill, KSHSAA could not prohibit any such student from participating in any activity available to such student as part of the student's primary enrollment and attendance at a nonpublic school.

### ***Special Education and Related Services Funding Task Force***

The bill outlines the topics to be studied by the Special Education and Related Services Funding Task Force (Task Force), provides for the appointment and compensation of Task Force members, establishes the frequency and location of meetings, and requires a report to the Legislature.

#### *Task Force Study Topics*

The Task Force is required to study and make recommendations for changes in the existing formula for the funding of special education and related services. In doing so, the Task Force is required to conduct hearings in order to receive and consider suggestions from subject matter experts and the public at large.

The Task Force is required to submit reports to the Legislature regarding the work and recommendations of the Task Force on or before January 14 of each year.

#### *Organization of Task Force*

##### *Membership*

The Task Force consists of the following eleven members:

- Two members appointed by the Speaker of the House of Representative;
- Two members appointed by the President of the Senate;
- One member appointed by the Minority Leader of the House of Representatives;
- One member appointed by the Minority Leader of the Senate;
- One member appointed by the State Board of Education;
- Two members appointed by KSDE who are professionals in the field of special education and related services;
- One member appointed by KSDE who is professional in early childhood development services and provides services for a tiny-K program; and

- One member who is a parent of a student who receives special education services. The appointment is for one year, and responsibility for the appointment alternates between the Speaker and the President.

The bill requires the members of the Task Force to be appointed on or before July 1, 2023. Vacancies on the Task Force are filled by appointment in the manner provided for the original appointment.

### *Task Force Leadership*

The bill requires the Speaker of the House of Representatives to designate one of their appointments to call the first meeting of the Task Force. The chairperson and vice-chairperson of the Task Force are elected by the Task Force members.

### *Compensation*

If approved by the Legislative Coordinating Council, Task Force members attending meetings authorized by the Task Force receive compensation as provided under KSA 75-3223(e) for members of statutory boards, except for Task Force members employed by a state agency who are reimbursed by such state agency.

### *Meetings*

The Task Force is authorized to meet in an open meeting at any time and at any place in the state upon the call of the chairperson. A majority of the voting members constitutes a quorum. Any action by the Task Force requires a motion adopted by a majority of voting members present when there is a quorum.

### *Support Services*

The bill requires the staff of the Office of Revisor of Statutes, Kansas Legislative Research Department, and Division of Legislative Administrative Services to provide assistance as requested by the Task Force.

### *Data and Information Provided*

The State Board of Education is required to provide consultants and assistance when requested by the Task Force and any information or documentation requested by the Task Force.

### ***Compensating School Board Members***

The bill authorizes school districts to compensate members of local boards of education for the work and duties performed by such members.

### ***Nonresident Enrollment***

The bill permits nonresident direct enrollment, beginning in school year 2024-2025, for students of school district employees and students experiencing homelessness. The bill also requires school districts to consider the adverse impact of homelessness on attendance when determining the school district's capacity to accept nonresident students. The bill also gives a priority to students who are children of a military parent, subject to capacity, to enroll and not be subject to the open seat lottery.

### ***Low-income Students Scholarship Program***

The bill updates the definition and criteria for a "qualified school" by modifying an accreditation requirement to include a nonpublic school that is working in good faith toward accreditation.

The bill changes the income eligibility for the scholarship from 185 percent of the federal poverty level to 250 percent of the federal poverty level. The bill also increases the tax credit for contributions to scholarship granting organizations from 70 percent to 75 percent of the amount contributed.

### ***KSEEA—Amendments***

The bill makes amendments to the Kansas School Equity and Enhancement Act concerning the calculation of State Foundation Aid for specific weightings related to school district building closures.

The bill modifies the low enrollment and high enrollment weightings for any school district that attaches territory of a disorganized school district or accepts students in the current year who attended in the previous year a school building in a school district that has since been closed by the district. The bill allows recipient districts to use the preceding year's low enrollment factor for the next three years, or use the current low enrollment calculation if it is greater.

### ***Continuing the 20 Mill Statewide Levy for Schools***

The bill extends the *ad valorem* tax levy on taxable tangible property of the school district to include the 2023-2024 and 2024-2025 school years and continues the 20 mill statewide property tax for schools for the school years 2023-2024 and 2024-2025 to finance the portion of the school district's general fund budget not otherwise funded by law.

### ***School District Cost-of Living Weighting***

The bill amends the formula by which the State Board of Education determines whether a school district may levy a tax to finance costs incurred by the State that are directly attributable to assignment of the cost-of-living weighting to the district's enrollment, to multiply the statewide average appraised value of single family residences by 115 percent rather than 125 percent. The bill also provides for an increase in the cost-of-living weighting cap from 5

percent to 7 percent in the 2023-2024 school year. The bill provides for ensuing yearly increases in the cap using the preceding three-year average of the Consumer Price Index for the urban region as an inflation increase. [Note: This weighting is funded by a local mill levy with no impact on the SGF.]

### ***School District High Density At-Risk Weighting Sunset Extension***

The bill extends the high density at-risk weighting sunset from July 1, 2024, to July 1, 2027.

### ***School District Capital Improvements***

The bill also removes language included in 2022 Senate Sub. for HB 2567 that required a transfer of revenue from the SGF to the School District Capital Improvements Fund. Starting in FY 2024, the bill reverts the transfer to a demand transfer in accordance with KSA 72-5462.