

SESSION OF 2019

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE SUBSTITUTE FOR SENATE BILL NO. 16**

As Agreed to April 3, 2019

Brief*

House Sub. for SB 16 would amend the Kansas School Equity and Enhancement Act (KSEEA), create law and amend current statutes relating to public schools, and appropriate funds to the Kansas State Department of Education (KSDE) for fiscal years (FY) 2020 and 2021.

KSEEA Amendments

The bill would make several amendments to the KSEEA, as follows.

Base Aid for Student Excellence (BASE)

The bill would amend the BASE for school years (SY) 2019-2020, 2020-2021, 2021-2022, and 2022-2023. The following table shows the BASE under current law and what the BASE would be under the bill.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/klrd>

BASE AID FOR STUDENT EXCELLENCE (SY 2019-2020 through SY 2022-2023)			
<u>School Year</u>	<u>Current Law</u>	<u>House Sub.</u> <u>for SB 16</u>	
2019-2020	\$ 4,302	\$ 4,436	
2020-2021	4,439	4,569	
2021-2022	4,576	4,706	
2022-2023	4,713	4,846	

At-Risk Education Programs

The bill would require the Kansas State Board of Education (KSBE) to identify and approve evidence-based programs provided by state-based national nonprofit organizations that:

- Focus on students who are eligible to receive at-risk program services or who face other identifiable barriers to success;
- Provide evidence-based instruction and support services to such students; and
- Evaluate outcomes data for such students, including, but not limited to, school attendance, academic progress, graduation rates, pursuit of postsecondary education, or other career advancement.

The bill would also define “evidence-based instruction” to mean an education delivery system based on peer-reviewed research that consistently produces better student outcomes over a five-year period than would otherwise be achieved by the same students who are receiving at-risk program services.

School Finance Audits

The bill would amend the planned schedule of school finance audits to be completed by the Legislative Division of Post Audit (LPA). The bill would replace the planned cost-function performance audit in FY 2021 with an audit of school district unencumbered cash balances and move the audit of bilingual education from FY 2022 to FY 2021. The new audit schedule would be as follows:

- FY 2020: At-risk education;
- FY 2021: School district unencumbered cash balances and bilingual education;
- FY 2023: Virtual school programs; and
- FY 2024: Cost-function performance audit.

Accountability Reports

The bill would require the KSDE to create one-page performance accountability reports for the State, each school district, and each school building. The performance accountability reports would be required to include information required by the federal Every Student Succeeds Act, or any successor act, and the college and career readiness metrics developed and implemented by the KSBE.

The bill would also require KSDE to prepare annual longitudinal reports on student achievement on the state assessment for English language arts, mathematics, and science.

School District Funding Report

The bill would amend law that requires KSDE to prepare annual school funding reports. The bill would require the following be reported:

- The virtual student full-time equivalent (FTE) enrollment be reported in addition to the full FTE for the school district; and
- All expenditures for legal services challenging the constitutionality of the school finance system under Article 6, Section 6 of the *Kansas Constitution*, including any dues or fees paid to an organization participating in such litigation.

Accountability and Funding Report Publications

The bill would establish uniform Internet publication requirements for all reports required to be published by KSDE and school districts. The bill would require KSDE to publish school district budget documents, the one-page performance accountability reports, the annual longitudinal reports on student achievement, and the school district funding report on the homepage of their website under a prominently displayed link titled "Accountability Reports."

The bill would require school districts to publish school district budget documents and the school district funding report on the homepage of their website under a prominently displayed link titled "Accountability Reports." The bill would also require the school district budget documents and the school district funding report be posted on the websites of individual schools in the school district, if such schools have separate websites.

The bill would require school districts to provide a link to the KSDE webpage where the one-page performance accountability reports and longitudinal reports on student

achievement are posted. The link would be required to be prominently displayed on the school district's accountability reports webpage.

ACT and WorkKeys Assessments

The bill would require the KSBE to provide the ACT college entrance exam and the three ACT WorkKeys assessments required to earn a national career readiness certificate to each student enrolled in grades 11 and 12 at no charge to the student. The bill would also require KSBE to provide the PreACT college entrance exam to each student enrolled in grade 9. (*Note: Sub. for SB 423 (2018) requires KSDE to provide the ACT and WorkKeys assessments to students in grades 9 through 12 during FY 2020.*)

Other Provisions

Low-income Tax-credit Scholarship Program

The bill would change the definition of “public school” in the Low-income Student Scholarship Program from the 100 lowest performing schools to the 100 lowest performing elementary schools. The bill would also allow students already receiving scholarships to continue receiving scholarships so no student would become ineligible due to the definition change.

Legislative Task Force on Dyslexia

The bill would extend the Legislative Task Force on Dyslexia until June 30, 2022, allowing the Task Force to meet once each year.

Extension of 20-Mill Property Tax Levy

The bill would extend the statewide 20-mill property tax levy for schools to FY 2020 and FY 2021. The bill would also extend the \$20,000 homestead exemption for the 20-mill levy for the same fiscal years.

School District Capital Improvements

The bill would make Capital Improvement State Aid a revenue transfer from the State General Fund (SGF) for FY 2020, FY 2021, and FY 2022. Under current law, Capital Improvement State Aid is scheduled to revert to a demand transfer from the SGF in FY 2020. (*Note: This was included in The Governor's FY 2020 Budget Report.*)

Methods of Public Education Financing

The bill would also add Jobs for America's Graduates—Kansas (JAG-K) and Boys and Girls Clubs to KSA 72-5193, which lists methods of public education financing included in satisfying the requirements under Article 6 of the *Kansas Constitution*. (*Note: Communities in Schools is a listed program under continuing law.*)

Appropriations

The bill would appropriate \$104.5 million, all from the SGF, for FY 2020 to the KSDE. This amount would include \$92.7 million for State Foundation Aid; \$10.3 million for Kansas Public Employees Retirement System (KPERS) employer contributions for school districts; and \$1.6 million for KPERS employer contributions for community colleges, technical colleges, and interlocals.

The bill would also appropriate to KSDE \$114.2 million, all from the SGF, for FY 2021. This amount would include

\$89.7 million for State Foundation Aid; \$21.2 million for KPERS employer contributions for school districts; and \$3.3 million for KPERS employer contributions for community colleges, technical colleges, and interlocals.

Conference Committee Action

The Conference Committee revised House Sub. for SB 16 as follows:

- Eliminate language that would have amended how out-of-state students are counted as part of the school finance formula;
- Eliminate a provision that would have limited the numbers of years a student may qualify for the bilingual weighting to seven years;
- Eliminate a provision that would have required the school district funding report to identify local sources of revenue;
- Eliminate a provision that would have required school district superintendents to certify the school district budget is reasonably calculated to ensure that each student can meet the *Rose* capacities codified in KSA 72-3218(c);
- Eliminate a provision that would have required KSDE to conduct a study during FY 2020 on graduation requirements established by school districts, including whether courses in computer science and personal financial literacy should be allowed to fulfill high school graduation requirements;
- Eliminate a provision that would have created the IT Education Standards Advisory Commission;

- Eliminate a provision that would have established a statewide bullying prevention hotline;
- Eliminate a provision that would have required school districts' bullying prevention policies to include information concerning consequences and responses to bullying and procedures for reporting and investigating bullying, and to require the publication of such policies on the home page of school districts' websites;
- Eliminate a provision that would have eliminated law that provides for Special Education State Aid at a rate of 92.0 percent of excess costs and replace it with a requirement that KSBE annually set the excess cost percentage based on the appropriations for Special Education State Aid for that school year;
- Eliminate a provision that would have created an additional exception to the limit on the amount of general obligation bonds KSDE can approve in a fiscal year;
- Eliminate a provision that would have required school districts to provide transportation to students who reside less than 2.5 miles from their school if there is no safe pedestrian route for such students and there is not additional cost to the school district to provide such transportation;
- Amend the publication requirements for all accountability reports to specify where school districts would be required to post reports and to eliminate a provision that would have required the school district funding report to identify local sources of revenue;
- Amend the provisions related to at-risk programs and instruction funding to clarify the requirements

for at-risk programs that would be identified by KSBE and to provide a definition of "evidence-based instruction"; and

- Amend the schedule of LPA school finance audits to move the audit of bilingual education from FY 2022 to FY 2021.

The Conference Committee also agreed to insert the contents of SB 142 and the extension of the 20-mill property tax levy for schools and the \$20,000 homestead exemption provisions included in SB 235.

Background

House Sub. for SB 16

SB 16 was introduced by the Senate Committee on Education at the request of JAG-K. In the Senate Committee hearing, a representative of JAG-K provided proponent testimony, noting the bill would clarify at-risk funding may be used to support evidence-based programs with measurable successful outcomes that help at-risk students graduate from high school. The representative noted it is important to clarify how at-risk funds may be used, because "at-risk" typically refers to those students eligible for free and reduced lunch, but 28.0 percent of students who do not qualify for free and reduced lunch are also "at-risk." The representative stated programs such as JAG-K should not be ineligible for state funding simply because these students do not qualify for free and reduced lunch. (*Note: At-risk funding is tied to free lunch, but students not receiving free lunch can receive at-risk services if they meet the criteria of "at-risk."*)

A representative of the Kansas Association of School Boards provided neutral testimony, noting concern with including a specific program in statute. No other testimony was provided.

The Senate Committee amended the bill to include the Boys and Girls Club as a program eligible to receive state appropriations. [Note: The Conference Committee retained this amendment.]

At the House Committee on K-12 Education Budget hearing, a representative of JAG-K provided proponent testimony. No other testimony was provided.

The House Committee recommended creating a substitute bill by deleting the contents of SB 16, as amended by the Senate Committee, and inserting select provisions from HB 2395, as introduced. The substitute bill also made the following changes from HB 2395:

- Eliminated the Kansas Hope Scholarship Act [Note: The Conference Committee retained this amendment];
- Eliminated the Legislative Task Force on Bullying Prevention in Public Schools [Note: The Conference Committee retained this amendment];
- Eliminated the requirement for school districts to reduce average unencumbered cash balances to 15.0 percent of operating expenditures [Note: The Conference Committee retained this amendment];
- Increased the limit on the number of years a student may qualify for the bilingual weighting from four years to five years [Note: The Conference Committee did not retain this amendment];
- Added language to create the statewide bullying prevention hotline [Note: The Conference Committee did not retain this amendment];
- Added language to replace the scheduled cost-function performance audit in FY 2021 with an audit of school district cash balances [Note: The

Conference Committee retained this amendment];
and

- Did not include any appropriations to KSDE or significant amendments to the school finance formula (*Note:* These provisions are included in Sub. for HB 2395) [*Note:* The Conference Committee inserted the amendments to the BASE and the appropriations included in SB 142].

The House Committee of the Whole amended the bill by increasing the limit on the number of years a student may qualify for the bilingual weighting from five years to seven years [*Note:* The Conference Committee did not retain this amendment].

According to the fiscal note prepared by the Division of the Budget on SB 16, as introduced, KSDE indicates enactment of the bill would have no fiscal effect.

SB 142 (BASE Increases)

SB 142 was introduced by the Senate Select Committee on Federal Tax Code Implementation. At the Senate Select Committee hearing, proponent testimony was provided by a representative of the Kansas Association of School Boards. The representative stated the bill would bring the public school funding back to an adequate level. Written-only proponent testimony was provided by representatives of Game On for Kansas Schools, the Kansas PTA, the MainStream Coalition, and One United Voice.

Neutral testimony was provided by a representative of the Kansas National Education Association. The representative stated he was unsure if the bill would bring the State into compliance with the Kansas Supreme Court's ruling in *Gannon VI*.

Opponent testimony was provided by a representative of the Kansas Policy Institute. The representative stated the bill would not provide the Legislature with control over how additional public school funding would be spent. Written-only opponent testimony was provided by a representative of Schools for Fair Funding.

No fiscal note was available at the time the Senate Select Committee took action on the bill.

SB 235 (20-Mill Property Tax)

SB 235 was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Alley. On March 22, 2019, the bill was referred to the Senate Committee on Assessment and Taxation. On March 15, 2019, the bill was withdrawn from the Senate Committee on Taxation and referred to the Senate Committee of the Whole.

The 20-mill property tax levy is projected to generate \$712.0 million in FY 2020 and \$738.7 million in FY 2021. The proceeds of this levy are deposited in the State School District Finance Fund and pay a portion of State Foundation Aid to school districts.

education; school finance; appropriations

ccrb_sb16_01_190403.odt