AN ACT concerning education; relating to the instruction and financing thereof; making and concerning appropriations for the fiscal years ending June 30, 2018, and June 30, 2019, for the department of education; creating the Kansas school equity and enhancement act; amending K.S.A. 12-17,115 and 72-8803 and K.S.A. 2016 Supp. 10-1116a, 12-1677, 12-1770a, 12-1775a, 12-1776a, 72-978, 72-1046b, 72-1398, 72-1414, 72-1923, 72-3712, 72-3715, 72-5333b, 72-64b01, 72-64c01, 72-64c03, 72-64c05, 72-6622, 72-6624, 72-6625, 72-6757, 72-67,115, 72-7535, 72-8187, 72-8190, 72-8230, 72-8233, 72-8236, 72-8249, 72-8250, 72-8251, 72-8302, 72-8309, 72-8316, 72-8415b, 72-8801, 72-8804, 72-8908, 72-9509, 72-9609, 72-99a02, 72-99a02, as amended by section 92 of this act, 72-99a04, 74-4939a, 74-8925, 74-99b43, 75-2319, 79-201x, 79-213, 79-2001 and 79-2925b and repealing the existing sections; also repealing K.S.A. 2016 Supp. 46-1133, 72-6482 and 75-2319, as amended by section 46 of Senate Substitute for Substitute for House Bill No. 2052.

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, 2018, the following:
Operating expenditures (including official hospitality) (652-00-1000-0053).................................$12,586,611
Provided, That any unencumbered balance in the operating expenditures (including official hospitality) account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018.

Special education services aid (652-00-1000-0700).................................................................$435,980,455
Provided, That any unencumbered balance in the special education services aid account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018: Provided further, That, notwithstanding the provisions of K.S.A. 72-978, and amendments thereto, or any other statute, expenditures shall be made by the above agency from the special education services aid account in fiscal year 2018, in an amount of $12,000,000 for distribution of special education services aid to school
districts based on the full-time equivalent enrollment of each school district: And provided further, That moneys received by school districts pursuant to the foregoing proviso shall be considered special education state aid and shall be expended by such school district for the provision of special education and related services by the school district: And provided further, That expenditures shall not be made from the special education services aid account for the provision of instruction for any homebound or hospitalized child unless the categorization of such child as exceptional is conjoined with the categorization of the child within one or more of the other categories of exceptionality: And provided further, That expenditures shall be made from this account for grants to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-983, and amendments thereto: And provided further, That expenditures shall be made from the amount remaining in this account, after deduction of the expenditures specified in the foregoing provisos, for payments to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-978, and amendments thereto.

State foundation aid (652-00-1000-0820) $1,122,606,039
Provided, That any unencumbered balance in the block grants to USDs account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018.

Virtual funding ........................................ $30,039,779
Low enrollment funding ..................................... $168,895,764
High enrollment funding ..................................... $49,871,896
Transportation funding ...................................... $104,919,941
Bilingual funding............................................... $41,443,669

At-risk funding ................................................ $401,821,992
Career technical education funding ...................... $36,525,502
New school facilities funding .............................. $13,000,000

Supplemental state aid (652-00-1000-0840) $480,920,922
Provided, That any unencumbered balance in the supplemental general state aid account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018.

Mentor teacher (652-00-1000-0440) $800,000
Professional development .................................. $1,700,000
Information technology education opportunities (652-00-1000-0600) $500,000
Kansas reading success (652-00-1000-0070) $2,100,000
Discretionary grants (652-00-1000-0400) $322,457
Provided, That the above agency shall make expenditures from the discretionary grants account during the fiscal year 2018, in the amount not
less than $125,000 for after school programs for middle school students in the sixth, seventh and eighth grades: Provided further, That the after school programs may also include fifth and ninth grade students, if they attend a junior high: And provided further, That such discretionary grants shall be awarded to after school programs that operate for a minimum of two hours a day, every day that school is in session, and a minimum of six hours a day for a minimum of five weeks during the summer: And provided further, That the discretionary grants awarded to after school programs shall require a $1 for $1 local match: And provided further, That the aggregate amount of discretionary grants awarded to any one after school program shall not exceed $25,000.

School food assistance (652-00-1000-0320).................................$2,510,486
School safety hotline (652-00-1000-0230).................................$10,000

KPERS – employer contributions –
USDs......................................................................................$375,058,991
KPERS – employer contributions (652-00-1000-0100)..............................$19,707,072

Provided, That any unencumbered balance in the KPERS – employer contributions account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018: Provided further, That all expenditures from the KPERS – employer contributions account shall be for payment of participating employers' contributions to the Kansas public employees retirement system as provided in K.S.A. 74-4939, and amendments thereto: And provided further, That expenditures from this account for the payment of participating employers' contributions to the Kansas public employees retirement system may be made regardless of when the liability was incurred.

Educable deaf-blind and severely handicapped children's programs aid (652-00-1000-0630).................................................................$110,000

School district juvenile detention facilities and Flint Hills job corps center grants (652-00-1000-0290)...........................................$4,771,500

Provided, That any unencumbered balance in the school district juvenile detention facilities and Flint Hills job corps center grants account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018: Provided further, That expenditures shall be made from the school district juvenile detention facilities and Flint Hills job corps center grants account for grants to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-8187, and amendments thereto.

Governor's teaching excellence scholarships and awards (652-00-1000-0770).................................................................$327,500
Provided, That any unencumbered balance in the governor's teaching excellence scholarships and awards account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018: Provided further, That all expenditures from the governor's teaching excellence scholarships and awards account for teaching excellence scholarships shall be made in accordance with K.S.A. 72-1398, and amendments thereto: And provided further, That each such grant shall be required to be matched on a $1 for $1 basis from nonstate sources: And provided further, That award of each such grant shall be conditioned upon the recipient entering into an agreement requiring the grant to be repaid if the recipient fails to complete the course of training under the national board for professional teaching standards certification program: And provided further, That all moneys received by the department of education for repayment of grants for governor's teaching excellence scholarships shall be deposited in the state treasury and credited to the governor's teaching excellence scholarships program repayment fund (652-00-7221-7200).

Incentive for technical education (652-00-1000-0110)............$50,000

Provided, That, on July 1, 2017, notwithstanding the provisions of K.S.A. 72-4489, and amendments thereto, or any other statute, the department of education shall grant an award in an amount equal to $1,000 for each pupil graduating from a high school in a school district having obtained an industry-recognized credential either prior to graduation from high school or by December 31 immediately following graduation in an occupation that has been identified by the secretary of labor, in consultation with the state board of regents and the state board of education, as an occupation in highest need of additional skilled employees at the time the pupil entered the career technical education course or program in the school district: Provided further, That, if the amount of moneys appropriated for the above agency for fiscal year 2018 is less than the amount of moneys to be awarded to such school districts, the department of education shall prorate the available moneys to such school districts accordingly.

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2018, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

State school district finance

Fund (652-00-7393-7000).........................................................No limit

School district capital improvements

Fund (652-00-2880-2880).........................................................No limit

Provided, That expenditures from the school district capital improvements fund shall be made only for the payment of general obligation bonds approved by voters under the authority of K.S.A. 72-6761, and
amendments thereto.
Mineral production education
fund (652-00-7669-7669)...No limit
School district capital outlay state aid
fund...No limit
Conversion of materials and equipment
fund (652-00-2420-2020)...No limit
State safety fund (652-00-2538-2030)...No limit
Provided, That notwithstanding the provisions of K.S.A. 8-272, and
amendments thereto, or any other statute, funds shall be distributed during
fiscal year 2018 as soon as moneys are available.
School bus safety fund (652-00-2532-2300)...No limit
Motorcycle safety fund (652-00-2633-2050)...No limit
Federal indirect cost reimbursement
fund (652-00-2312-2200)...No limit
Teacher and administrator fee
fund (652-00-2728-2700)...No limit
Food assistance –
federal fund (652-00-3230-3020)...No limit
Food assistance – school breakfast program –
federal fund (652-00-3529-3490)...No limit
Food assistance – national school lunch program –
federal fund (652-00-3530-3500)...No limit
Food assistance – child and adult care food program – federal
fund (652-00-3531-3510)...No limit
Community-based child abuse prevention – federal
fund (652-00-3319-7400)...No limit
Family and children investment
fund (652-00-7375)...No limit
Elementary and secondary school aid – federal
fund (652-00-3233-3040)...No limit
Educationally deprived children – state operations –
federal fund (652-00-3131-3130)...No limit
Elementary and secondary school –
educationally deprived children –
LEA's fund (652-00-3532-3520)...No limit
Education of handicapped children fund –
federal (652-00-3234-3050)...No limit
Education of handicapped children
fund – state operations –
federal fund (652-00-3534-3540)...No limit
Education of handicapped children fund – preschool – federal
fund (652-00-3535-3550)...No limit
Education of handicapped children
fund – preschool state operations –
federal (652-00-3536-3560).........................................................................No limit
Elementary and secondary school
aid – federal fund – migrant
education fund (652-00-3537-3570).................................................................No limit
Elementary and secondary school aid –
federal fund – migrant education –
state operations (652-00-3538-3580).................................................................No limit
Vocational education title II –
federal fund (652-00-3539-3590)....................................................................No limit
Vocational education title II –
state operations (652-00-3540-3600)................................................................No limit
Educational research grants and projects
fund (652-00-3592-3070)......................................................................................No limit
Inservice education workshop
fee fund (652-00-2230-2010).................................................................................No limit
Provided, That expenditures may be made from the inservice education
workshop fee fund for operating expenditures, including official
hospitality, incurred for inservice workshops and conferences: Provided
further, That the state board of education is hereby authorized to fix,
charge and collect fees for inservice workshops and conferences: And
provided further, That such fees shall be fixed in order to recover all or
part of such operating expenditures incurred for inservice workshops and
conferences: And provided further, That all fees received for inservice
workshops and conferences shall be deposited in the state treasury in
accordance with the provisions of K.S.A. 75-4215, and amendments
thereto, and shall be credited to the inservice education workshop fee fund.
Private donations, gifts, grants and bequests
fund (652-00-7307-5000)......................................................................................No limit
Reimbursement for services
fund (652-00-3056-3200)......................................................................................No limit
Communities in schools program
fund (652-00-2221-2400)......................................................................................No limit
Governor's teaching excellence scholarships program repayment
fund (652-00-7221-7200)......................................................................................No limit
Provided, That all expenditures from the governor's teaching excellence
scholarships program repayment fund shall be made in accordance with
K.S.A. 72-1398, and amendments thereto: Provided further, That each
such grant shall be required to be matched on a $1 for $1 basis from
nonstate sources: And provided further, That award of each such grant shall
be conditioned upon the recipient entering into an agreement requiring the
grant to be repaid if the recipient fails to complete the course of training
under the national board for professional teaching standards certification
program: And provided further, That all moneys received by the
department of education for repayment of grants made under the
governor's teaching excellence scholarships program shall be deposited in
the state treasury in accordance with the provisions of K.S.A. 75-4215, and
amendments thereto, and shall be credited to the governor's teaching
excellence scholarships program repayment fund.

State grants for improving teacher quality –

federal fund (652-00-3526-3860)....................................................No limit

State grants for improving teacher
quality – federal fund – state

operations (652-00-3527-3870).....................................................No limit

21st century community learning centers –

federal fund (652-00-3519-3890).....................................................No limit

State assessments –

federal fund (652-00-3520-3800).....................................................No limit

Rural and low-income schools program –

federal fund (652-00-3521-3810).....................................................No limit

TANF children's programs – federal

fund (652-00-3323-0530)..............................................................No limit

ESSA – student support

academic enrichment –

federal fund.............................................................No limit

Language assistance state grants –

federal fund (652-00-3522-3820).....................................................No limit

Service clearing fund (652-00-2869-2800).................................No limit

Helping schools license plate program

fund (652-00-2606-2600)..............................................................No limit

General state aid transportation

weighting – state highway

fund (652-00-2222-2222)..............................................................No limit

Provided, That on July 1, 2017, October 1, 2017, January 1, 2018, and
April 1, 2018, the director of accounts and reports shall transfer
$24,150,000 from the state highway fund of the department of
transportation to the general state aid transportation weighting – state
highway fund of the department of education.

Special education transportation

weighting – state highway

fund (652-00-2223-2223)..............................................................No limit

Provided, That on July 1, 2017, October 1, 2017, January 1, 2018, and
April 1, 2018, the director of accounts and reports shall transfer
$2,500,000 from the state highway fund of the department of
transportation to the special education transportation weighting – state
highway fund of the department of education.

Career and technical education
transportation – state highway
fund (652-00-2139-2139)..........................................................No limit

Provided, That on July 1, 2017, the director of accounts and reports shall
transfer $650,000 from the state highway fund of the department of
transportation to the career and technical education transportation – state
highway fund of the department of education.

Local school district contribution
program checkoff fund.................................................................No limit

Educational technology coordinator
fund (652-00-2157-2157)..........................................................No limit

Provided, That expenditures shall be made by the above agency for the
fiscal year ending June 30, 2018, from the educational technology
coordinator fund of the department of education to provide data on the
number of school districts served and cost savings for those districts in
fiscal year 2018 in order to assess the cost effectiveness of the position of
educational technology coordinator.

(c) There is appropriated for the above agency from the children's
initiatives fund for the fiscal year ending June 30, 2018, the following:

Parent education
program (652-00-2000-2510).................................................$7,237,635

Provided, That any unencumbered balance in the parent education
program account in excess of $100 as of June 30, 2017, is hereby
reappropriated for fiscal year 2018: Provided further, That expenditures
from the parent education program account for each such grant shall be
matched by the school district in an amount that is equal to not less than
65% of the grant.

Children's cabinet accountability
fund (652-00-2000-2402)............................................................$375,000

Provided, That any unencumbered balance in the children's cabinet
accountability fund account in excess of $100 as of June 30, 2017, is
hereby reappropriated for fiscal year 2018.

CIF grants (652-00-2000-2408)..................................................$15,782,638

Provided, That any unencumbered balance in the CIF grants account in
excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year
2018.

Quality initiative infants and
toddlers (652-00-2000-2420)....................................................$430,466

Provided, That any unencumbered balance in the quality initiative infants
and toddlers account in excess of $100 as of June 30, 2017, is hereby
reappropriated for fiscal year 2018.
Early childhood block grant autism diagnosis............................................$43,047

Provided, That any unencumbered balance in the early childhood block grant autism diagnosis account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018.

(d) On July 1, 2017, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-1,148 or 38-1808, and amendments thereto, or any other statute, the director of accounts and reports shall transfer $50,000 from the family and children trust account of the family and children investment fund (652-00-7375-7900) of the Kansas department of education to the communities in schools program fund (652-00-2221-2400) of the department of education.

(e) On March 30, 2018, and June 30, 2018, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, the director of accounts and reports shall transfer $550,000 from the state safety fund (652-00-2538-2030) to the state general fund: Provided, That the transfer of such amount shall be in addition to any other transfer from the state safety fund to the state general fund as prescribed by law: Provided further, That the amount transferred from the state safety fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services that are performed on behalf of the department of education by other state agencies that receive appropriations from the state general fund to provide such services.

(f) On July 1, 2017, and quarterly thereafter, the director of accounts and reports shall transfer $56,250 from the state highway fund of the department of transportation to the school bus safety fund (652-00-2532-2300) of the department of education.

(g) On July 1, 2017, the director of accounts and reports shall transfer an amount certified by the commissioner of education from the motorcycle safety fund (652-00-2633-2050) of the department of education to the motorcycle safety fund (561-00-2366-2360) of the state board of regents: Provided, That the amount to be transferred shall be determined by the commissioner of education based on the amounts required to be paid pursuant to K.S.A. 8-272(b)(2), and amendments thereto.

(h) There is appropriated for the above agency from the expanded lottery act revenues fund for the fiscal year ending June 30, 2018, the following:

KPERS – school employer contribution (652-00-1700-1700)............................................$39,883,000

(i) On July 1, 2017, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $89,323 from the USAC E-
rate program federal fund (561-00-3920-3920) of the state board of regents
to the education technology coordinator fund (652-00-2157-2157) of the
department of education: Provided, That the department of education shall
provide information and data regarding the number of school districts
served and cost savings attained by such school districts in order to assess
the cost effectiveness of having this education technology coordinator
position: Provided further, That such information and data shall be
available by the department of education by the end of the fiscal year
2018.

(j) There is appropriated for the above agency from the Kansas
endowment for youth fund for the fiscal year ending June 30, 2018, the
following:
Children's cabinet administration..................................$248,206
Provided, That any unencumbered balance in the children's cabinet
administration account in excess of $100 as of June 30, 2017, is hereby
reappropriated for fiscal year 2018.

(k) During the fiscal year ending June 30, 2018, the commissioner of
education may transfer any part of any item of appropriation in the state
foundation aid account, virtual funding account, low enrollment funding
account, high enrollment funding account, transportation funding account,
 bilingual funding account, at-risk funding account, career technical
education funding account or new school facilities funding account of the
state general fund appropriated for fiscal year 2018 to another item of
appropriation in the state foundation aid account, virtual funding account,
low enrollment funding account, high enrollment funding account,
 transportation funding account, bilingual funding account, at-risk funding
account, career technical education funding account or new school
facilities funding account of the state general fund appropriated for fiscal
year 2018 if the commissioner of education determines that any such
transfers are necessary to meet the expenditures of any such accounts
during fiscal year 2018. The commissioner of education shall certify each
such amount transferred to the director of accounts and reports, and shall
transmit a copy of each such certification at the same time to the director
of the budget and the director of legislative research.

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, 2019, the following:
Operating expenditures (including official
hospitality) (652-00-1000-0053).................................$12,685,361
Provided, That any unencumbered balance in the operating expenditures
(including official hospitality) account in excess of $100 as of June 30,
2018, is hereby reappropriated for fiscal year 2019.
Special education services aid (652-00-1000-0700).......................... $447,980,455

Provided, That any unencumbered balance in the special education services aid account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019: Provided further, That, notwithstanding the provisions of K.S.A. 72-978, and amendments thereto, or any other statute, expenditures shall be made by the above agency from the special education services aid account in fiscal year 2019, in an amount of $12,000,000 for distribution of special education services aid to school districts based on the full-time equivalent enrollment of each school district: And provided further, That moneys received by school districts pursuant to the foregoing proviso shall be considered special education state aid and shall be expended by such school district for the provision of special education and related services by the school district: And provided further, That expenditures shall be made from this account for grants to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-983, and amendments thereto: And provided further, That expenditures shall be made from this account for grants to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-978, and amendments thereto.

State foundation aid (652-00-1000-0820). $1,132,313,809

Provided, That any unencumbered balance in the state foundation aid account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

Virtual funding........................................................................... $30,039,779

Provided, That any unencumbered balance in the virtual funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

Low enrollment funding........................................................... $172,015,626

Provided, That any unencumbered balance in the low enrollment funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

High enrollment funding............................................................ $50,793,144

Provided, That any unencumbered balance in the high enrollment funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

Transportation funding.............................................................. $106,858,056
Provided, That any unencumbered balance in the transportation funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

Bilingual funding...............................................$42,209,223
Provided, That any unencumbered balance in the bilingual funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

At-risk funding..................................................$409,244,564
Provided, That any unencumbered balance in the at-risk funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

Career technical education funding............................................$37,200,216
Provided, That any unencumbered balance in the career technical education funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

New school facilities funding..............................................$10,670,470
Provided, That any unencumbered balance in the new school facilities funding account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

Supplemental state aid (652-00-1000-0840)........................................$486,109,284
Provided, That any unencumbered balance in the supplemental state aid account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019.

Mentor teacher (652-00-1000-0440)...........................................$800,000
Professional development..............................................$1,700,000

Information technology education opportunities (652-00-1000-0600).................................$500,000

Kansas reading success (652-00-1000-0070)...........................................$2,100,000
Discretionary grants (652-00-1000-0400)..................................$322,457
Provided, That the above agency shall make expenditures from the discretionary grants account during the fiscal year 2019, in the amount not less than $125,000 for after school programs for middle school students in the sixth, seventh and eighth grades: Provided further, That the after school programs may also include fifth and ninth grade students, if they attend a junior high: And provided further, That such discretionary grants shall be awarded to after school programs that operate for a minimum of two hours a day, every day that school is in session, and a minimum of six hours a day for a minimum of five weeks during the summer: And provided further, That the discretionary grants awarded to after school programs shall require a $1 for $1 local match: And provided further, That the aggregate amount of discretionary grants awarded to any one after school program shall not exceed $25,000.

School food assistance (652-00-1000-0320).................................$2,510,486
Provided, That any unencumbered balance in the KPERS – employer contributions account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019: Provided further, That all expenditures from the KPERS – employer contributions account shall be for payment of participating employers' contributions to the Kansas public employees retirement system as provided in K.S.A. 74-4939, and amendments thereto: And provided further, That expenditures from this account for the payment of participating employers' contributions to the Kansas public employees retirement system may be made regardless of when the liability was incurred.

Educable deaf-blind and severely handicapped children's programs aid (652-00-1000-0630).................................$110,000

Provided, That any unencumbered balance in the school district juvenile detention facilities and Flint Hills job corps center grants account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019: Provided further, That expenditures shall be made from the school district juvenile detention facilities and Flint Hills job corps center grants account for grants to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-8187, and amendments thereto.

Governor's teaching excellence scholarships and awards (652-00-1000-0770).................................$327,500

Provided, That any unencumbered balance in the governor's teaching excellence scholarships and awards account in excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019: Provided further, That all expenditures from the governor's teaching excellence scholarships and awards account for teaching excellence scholarships shall be made in accordance with K.S.A. 72-1398, and amendments thereto: And provided further, That each such grant shall be required to be matched on a $1 for $1 basis from nonstate sources: And provided further, That award of each such grant shall be conditioned upon the recipient entering into an agreement requiring the grant to be repaid if the recipient fails to complete the course
of training under the national board for professional teaching standards certification program: And provided further, That all moneys received by the department of education for repayment of grants for governor's teaching excellence scholarships shall be deposited in the state treasury and credited to the governor's teaching excellence scholarships program repayment fund (652-00-7221-7200).

Incentive for technical education (652-00-1000-0110)............$50,000

Provided, That, on July 1, 2018, notwithstanding the provisions of K.S.A. 72-4489, and amendments thereto, or any other statute, the department of education shall grant an award in an amount equal to $1,000 for each pupil graduating from a high school in a school district having obtained an industry-recognized credential either prior to graduation from high school or by December 31 immediately following graduation in an occupation that has been identified by the secretary of labor, in consultation with the state board of regents and the state board of education, as an occupation in highest need of additional skilled employees at the time the pupil entered the career technical education course or program in the school district:

Provided further, That, if the amount of moneys appropriated for the above agency for fiscal year 2019 is less than the amount of moneys to be awarded to such school districts, the department of education shall prorate the available moneys to such school districts accordingly.

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2019, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

- State school district finance fund (652-00-7393-7000).................................No limit
- School district capital improvements fund (652-00-2880-2880).................................No limit
- Mineral production education fund (652-00-7669-7669).................................No limit
- School district capital outlay state aid fund...................................................No limit
- Conversion of materials and equipment fund (652-00-2420-2020).................................No limit
- State safety fund (652-00-2538-2030)...................................................No limit
- School bus safety fund (652-00-2532-2300)...................................................No limit
- Motorcycle safety fund (652-00-2633-2050)...................................................No limit
Federal indirect cost reimbursement fund (652-00-2312-2200) ............................................................... No limit
Teacher and administrator fee fund (652-00-2728-2700) ............................................................... No limit
Food assistance – federal fund (652-00-3230-3020) ............................................................... No limit
Food assistance – school breakfast program – federal fund (652-00-3529-3490) ............................................................... No limit
Food assistance – national school lunch program – federal fund (652-00-3530-3500) ............................................................... No limit
Food assistance – child and adult care food program – federal fund (652-00-3531-3510) ............................................................... No limit
Community-based child abuse prevention – federal fund (652-00-3319-7400) ............................................................... No limit
Family and children investment fund (652-00-7375) ............................................................... No limit
Elementary and secondary school aid – federal fund (652-00-3233-3040) ............................................................... No limit
Educationally deprived children – state operations – federal fund (652-00-3131-3130) ............................................................... No limit
Elementary and secondary school – educationally deprived children – LEA's fund (652-00-3532-3520) ............................................................... No limit
Education of handicapped children fund – federal (652-00-3234-3050) ............................................................... No limit
Education of handicapped children fund – state operations – federal fund (652-00-3534-3540) ............................................................... No limit
Education of handicapped children fund – preschool – federal fund (652-00-3535-3550) ............................................................... No limit
Education of handicapped children fund – preschool state operations – federal (652-00-3536-3560) ............................................................... No limit
Elementary and secondary school aid – federal fund – migrant education fund (652-00-3537-3570) ............................................................... No limit
Elementary and secondary school aid – federal fund – migrant education – state operations (652-00-3538-3580) ............................................................... No limit
Vocational education title II –
Provided, That expenditures may be made from the inservice education workshop fee fund for operating expenditures, including official hospitality, incurred for inservice workshops and conferences: Provided further, That the state board of education is hereby authorized to fix, charge and collect fees for inservice workshops and conferences: And provided further, That such fees shall be fixed in order to recover all or part of such operating expenditures incurred for inservice workshops and conferences: And provided further, That all fees received for inservice workshops and conferences shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the inservice education workshop fee fund.

Private donations, gifts, grants and bequests

Provided, That all expenditures from the governor's teaching excellence scholarships program repayment fund shall be made in accordance with K.S.A. 72-1398, and amendments thereto: Provided further, That each such grant shall be required to be matched on a $1 for $1 basis from nonstate sources: And provided further, That award of each such grant shall be conditioned upon the recipient entering into an agreement requiring the grant to be repaid if the recipient fails to complete the course of training under the national board for professional teaching standards certification program: And provided further, That all moneys received by the department of education for repayment of grants made under the governor's teaching excellence scholarships program shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the governor's teaching excellence scholarships program repayment fund.

State grants for improving teacher quality –

Provided, That all expenditures from the state grants for improving teacher quality — federal fund (652-00-3526-3860) shall be made in accordance with K.S.A. 72-1398, and amendments thereto: Provided further, That each such grant shall be required to be matched on a $1 for $1 basis from nonstate sources: And provided further, That award of each such grant shall be conditioned upon the recipient entering into an agreement requiring the grant to be repaid if the recipient fails to complete the course of training under the national board for professional teaching standards certification program: And provided further, That all moneys received by the department of education for repayment of grants made under the governor's teaching excellence scholarships program shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the governor's teaching excellence scholarships program repayment fund.

Provided, That all expenditures from the governor's teaching excellence scholarships program repayment fund shall be made in accordance with K.S.A. 72-1398, and amendments thereto: Provided further, That each such grant shall be required to be matched on a $1 for $1 basis from nonstate sources: And provided further, That award of each such grant shall be conditioned upon the recipient entering into an agreement requiring the grant to be repaid if the recipient fails to complete the course of training under the national board for professional teaching standards certification program: And provided further, That all moneys received by the department of education for repayment of grants made under the governor's teaching excellence scholarships program shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the governor's teaching excellence scholarships program repayment fund.

Provided, That all expenditures from the governor's teaching excellence scholarships program repayment fund shall be made in accordance with K.S.A. 72-1398, and amendments thereto: Provided further, That each such grant shall be required to be matched on a $1 for $1 basis from nonstate sources: And provided further, That award of each such grant shall be conditioned upon the recipient entering into an agreement requiring the grant to be repaid if the recipient fails to complete the course of training under the national board for professional teaching standards certification program: And provided further, That all moneys received by the department of education for repayment of grants made under the governor's teaching excellence scholarships program shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the governor's teaching excellence scholarships program repayment fund.
State grants for improving teacher quality – federal fund – state operations (652-00-3527-3870).................................No limit

21st century community learning centers – federal fund (652-00-3519-3890).................................No limit

State assessments – federal fund (652-00-3520-3800).................................No limit

Rural and low-income schools program – federal fund (652-00-3521-3810).................................No limit

TANF children's programs – federal fund (652-00-3323-0530).................................No limit

ESSA – student support academic enrichment – federal fund.................................No limit

Language assistance state grants – federal fund (652-00-3522-3820).................................No limit

Service clearing fund (652-00-2869-2800).................................No limit

Helping schools license plate program fund (652-00-2606-2600).................................No limit

General state aid transportation weighting – state highway fund (652-00-2222-2222).................................No limit

Provided, That on July 1, 2018, October 1, 2018, January 1, 2019, and April 1, 2019, the director of accounts and reports shall transfer $24,150,000 from the state highway fund of the department of transportation to the general state aid transportation weighting – state highway fund of the department of education.

Special education transportation weighting – state highway fund (652-00-2222-2222).................................No limit

Provided, That on July 1, 2018, October 1, 2018, January 1, 2019, and April 1, 2019, the director of accounts and reports shall transfer $2,500,000 from the state highway fund of the department of transportation to the special education transportation weighting – state highway fund of the department of education.

Career and technical education transportation – state highway fund (652-00-2139-2139).................................No limit

Provided, That on July 1, 2018, the director of accounts and reports shall transfer $650,000 from the state highway fund of the department of transportation to the career and technical education transportation – state
highway fund of the department of education.
Local school district contribution
  program checkoff fund.........................................................No limit
Educational technology coordinator
  fund (652-00-2157-2157)......................................................No limit
Provided, That expenditures shall be made by the above agency for the
fiscal year ending June 30, 2019, from the educational technology
coordinator fund of the department of education to provide data on the
number of school districts served and cost savings for those districts in
fiscal year 2019 in order to assess the cost effectiveness of the position of
educational technology coordinator.

(c) There is appropriated for the above agency from the children's
initiatives fund for the fiscal year ending June 30, 2019, the following:
  Parent education program (652-00-2000-2510)...........................$7,237,635
Provided, That any unencumbered balance in the parent education
program account in excess of $100 as of June 30, 2018, is hereby
reappropriated for fiscal year 2019: Provided further, That expenditures
from the parent education program account for each such grant shall be
matched by the school district in an amount that is equal to not less than
65% of the grant.
  Children's cabinet accountability
  fund (652-00-2000-2402)..........................................................$375,000
Provided, That any unencumbered balance in the children's cabinet
accountability fund account in excess of $100 as of June 30, 2018, is hereby
reappropriated for fiscal year 2019.
  CIF grants (652-00-2000-2408)..................................................$15,782,786
Provided, That any unencumbered balance in the CIF grants account in
excess of $100 as of June 30, 2018, is hereby reappropriated for fiscal year
2019.
  Quality initiative infants and
toddlers (652-00-2000-2420)....................................................$430,466
Provided, That any unencumbered balance in the quality initiative infants
and toddlers account in excess of $100 as of June 30, 2018, is hereby
reappropriated for fiscal year 2019.
  Early childhood block grant autism diagnosis..............................$43,047
Provided, That any unencumbered balance in the early childhood block
grant autism diagnosis account in excess of $100 as of June 30, 2018, is
hereby reappropriated for fiscal year 2019.
(d) On July 1, 2018, or as soon thereafter as moneys are available,
notwithstanding the provisions of K.S.A. 8-1,148 or 38-1808, and
amendments thereto, or any other statute, the director of accounts and
reports shall transfer $50,000 from the family and children trust account of
the family and children investment fund (652-00-7375-7900) of the
Kansas department for children and families to the communities in schools program fund (652-00-2221-2400) of the department of education.

(e) On March 30, 2019, and June 30, 2019, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, or any other statute, the director of accounts and reports shall transfer $550,000 from the state safety fund (652-00-2538-2030) to the state general fund: Provided, That the transfer of such amount shall be in addition to any other transfer from the state safety fund to the state general fund as prescribed by law: Provided further, That the amount transferred from the state safety fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services that are performed on behalf of the department of education by other state agencies that receive appropriations from the state general fund to provide such services.

(f) On July 1, 2018, and quarterly thereafter, the director of accounts and reports shall transfer $56,250 from the state highway fund of the department of transportation to the school bus safety fund (652-00-2532-2300) of the department of education.

(g) On July 1, 2018, the director of accounts and reports shall transfer an amount certified by the commissioner of education from the motorcycle safety fund (652-00-2633-2050) of the department of education to the motorcycle safety fund (561-00-2366-2360) of the state board of regents: Provided, That the amount to be transferred shall be determined by the commissioner of education based on the amounts required to be paid pursuant to K.S.A. 8-272(b)(2), and amendments thereto.

(h) There is appropriated for the above agency from the expanded lottery act revenues fund for the fiscal year ending June 30, 2019, the following:

KPERS – school employer contribution (652-00-1700-1700).........................................$40,084,000

(i) On July 1, 2018, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $89,323 from the USAC E-rate program federal fund (561-00-3920-3920) of the state board of regents to the education technology coordinator fund (652-00-2157-2157) of the department of education: Provided, That the department of education shall provide information and data regarding the number of school districts served and cost savings attained by such school districts in order to assess the cost effectiveness of having this education technology coordinator position: Provided further, That such information and data shall be available by the department of education by the end of the fiscal year 2019.
(j) There is appropriated for the above agency from the Kansas endowment for youth fund for the fiscal year ending June 30, 2019, the following:

Children's cabinet administration.......................................................... $248,571

Provided, That any unencumbered balance in the children's cabinet administration account in excess of $100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018.

(k) During the fiscal year ending June 30, 2019, the commissioner of education may transfer any part of any item of appropriation in the state foundation aid account, virtual funding account, low enrollment funding account, high enrollment funding account, transportation funding account, bilingual funding account, at-risk funding account, career technical education funding account or new school facilities funding account of the state general fund appropriated for fiscal year 2019 to another item of appropriation in the state foundation aid account, virtual funding account, low enrollment funding account, high enrollment funding account, transportation funding account, bilingual funding account, at-risk funding account, career technical education funding account or new school facilities funding account of the state general fund appropriated for fiscal year 2019 if the commissioner of education determines that any such transfers are necessary to meet the expenditures of any such accounts during fiscal year 2019. The commissioner of education shall certify each such amount transferred to the director of accounts and reports, and shall transmit a copy of each such certification at the same time to the director of the budget and the director of legislative research.

New Sec. 3. Sections 3 through 47 {and 105}, and amendments thereto, shall be known and may be cited as the Kansas school equity and enhancement act.

New Sec. 4. As used in the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto:

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

(b) "Ancillary school facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to section 30, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school
(c) (1) "At-risk student" means a student who is eligible for free
meals under the national school lunch act, and who is enrolled in a school
district that maintains an approved at-risk student assistance program.

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

(d) "At-risk student weighting" means an addend component assigned
to the enrollment of school districts pursuant to section 23(a), and
amendments thereto, on the basis of costs attributable to the maintenance
of at-risk educational programs by such school districts.

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

(1) For school year 2017-2018, $4,006;
(2) for school year 2018-2019, $4,080; and
(3) for school year 2019-2020, and each school year thereafter, the
BASE aid shall be the BASE aid amount for the immediately preceding
school year plus an amount equal to the average percentage increase in the
consumer price index for all urban consumers in the midwest region as
published by the bureau of labor statistics of the United States department
of labor during the three immediately preceding school years.

(f) "Bilingual weighting" means an addend component assigned to
the enrollment of school districts pursuant to section 22, and amendments
thereto, on the basis of costs attributable to the maintenance of bilingual
educational programs by such school districts.

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

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

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

(j) "Cost-of-living weighting" means an addend component assigned
to the enrollment of school districts pursuant to section 31, and
amendments thereto, on the basis of costs attributable to the cost of living
in such school districts.
(k) "Current school year" means the school year during which state
foundation aid is determined by the state board under section 6, and
amendments thereto.

(l) "Declining enrollment weighting" means an addend component
assigned to the enrollment of school districts pursuant to section 32, and
amendments thereto, on the basis of costs attributable to the declining
enrollment of such school districts.

(m) "Enrollment" means:

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

(2) If the enrollment in a school district in the preceding school year
has decreased from enrollment in the second preceding school year, the
enrollment of the school district in the current school year means the sum
of:

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

(B) the adjusted enrollment in the second preceding school year of
any students participating in the tax credit for low income students
scholarship program pursuant to K.S.A. 2016 Supp. 72-99a01 et seq., and
amendments thereto, in the preceding school year, if any, plus the adjusted
enrollment in the preceding school year of preschool-aged at-risk students
who are participating in the tax credit for low income students scholarship
program pursuant to K.S.A. 2016 Supp. 72-99a01 et seq., and amendments
thereto, in the current school year, if any.

(3) For any school district that received federal impact aid for the
preceding school year, if the enrollment in such school district in the
preceding school year has decreased from enrollment in the second
preceding school year, the enrollment of the school district in the current
school year means whichever is the greater of:

(A) The enrollment determined under subsection (m)(2); or

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

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

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

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

(4) (A) For school year 2017-2018, the enrollment determined under paragraph (1), (2) or (3), except if the school district offers kindergarten on a full-time basis in such school year, students regularly enrolled in kindergarten in the school district in the preceding school year shall be counted as one student regardless of actual attendance during such preceding school year.

(B) For school year 2018-2019 and each school year thereafter, the enrollment determined under paragraph (1), (2) or (3), except if the school district begins to offer kindergarten on a full-time basis in such school year, students regularly enrolled in kindergarten in the school district in the preceding school year shall be counted as one student regardless of actual attendance during such preceding school year.

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

(o) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a school district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.

(p) "General fund" means the fund of a school district from which operating expenses are paid and in which is deposited all amounts of state foundation aid provided under this act, payments under K.S.A. 72-7105a, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program and such other moneys as are provided by law.

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

(r) "High-density at-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to section 23(b), and amendments thereto, on the basis of costs attributable to
the maintenance of at-risk educational programs by such school districts.

(s) "High enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to section 21(b), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(t) "Juvenile detention facility" means the same as such term is defined in K.S.A. 72-8187, and amendments thereto.

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

(1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and authorized to be expended for the purposes specified in section 40, and amendments thereto;

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

(3) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 72-1046a(a), and amendments thereto;

(4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto;

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

(6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 72-979, and amendments thereto;

(7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 72-983, and amendments thereto; and

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

(v) "Low enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to section 21(a), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(w) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a school district during a school year for
all purposes, except expenditures for the purposes specified in section 40, and amendments thereto.

(x) "Preceding school year" means the school year immediately before the current school year.

(y) "Preschool-aged at-risk student" means an at-risk student who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines governing the selection of students for participation in head start programs.

(z) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten. The terms "exceptional children" and "gifted children" have the same meaning as those terms are defined in K.S.A. 72-962, and amendments thereto.

(aa) "Psychiatric residential treatment facility" means the same as such term is defined in K.S.A. 72-8187, and amendments thereto.

(bb) "School district" means a school district organized under the laws of this state that is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-1106, and amendments thereto.

(cc) "School facilities weighting" means an added component assigned to the enrollment of school districts pursuant to section 28, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

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

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

(ff) "Special education and related services weighting" means an addend component assigned to the enrollment of school districts pursuant to section 29, and amendments thereto, on the basis of costs attributable to the maintenance of special education and related services by such school districts.

(gg) "State board" means the state board of education.

(hh) "State foundation aid" means the amount of aid distributed to school district as determined by the state board pursuant to section 6, and amendments thereto.

(ii) (1) "Student" means any person who is regularly enrolled in a school district and attending kindergarten or any of the grades one through twelve maintained by the school district or who is regularly enrolled in a school district and attending kindergarten or any of the grades one through twelve in another school 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 school district and attending special education services provided for preschool-aged exceptional children by the school district.

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

(i) A student in attendance full-time; and

(ii) a student enrolled in a school district and attending special education and related services, provided for by the school district.

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

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

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

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

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

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

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

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

(I) A student enrolled in a school district who is not a resident of Kansas shall be counted as follows:

(i) For school year 2017-2018, \(\frac{3}{4}\) of a student; and

(ii) for school year 2018-2019 and each school year thereafter, \(\frac{1}{2}\) of a student.

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

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

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

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

(4) A student enrolled in virtual school pursuant to K.S.A. 72-3711 et seq., and amendments thereto, shall be counted in accordance with the provisions of K.S.A. 2016 Supp. 72-3715, and amendments thereto.

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

(kk) "Transportation weighting" means an addend component assigned to the enrollment of school districts pursuant to section 20, and amendments thereto, on the basis of costs attributable to the provision or furnishing of transportation.

(II) "Virtual school" means the same as such term is defined in K.S.A. 2016 Supp. 72-3712, and amendments thereto.

New Sec. 5. (a) The state school district finance fund, established by K.S.A. 1991 Supp. 72-7081, prior to its repeal, is hereby continued in existence and shall consist of: (1) All moneys credited to such fund under K.S.A. 2016 Supp. 72-6463 through 72-6481, prior to their expiration; and (2) all amounts transferred to such fund under sections 8, 14, 15, 30, 31 and 32, and amendments thereto.

(b) The state school district finance fund shall be used for the purpose of school district finance and for no other governmental purpose. It is the intent of the legislature that the fund shall remain intact and inviolate for such purpose, and moneys in the fund shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-3726a, and amendments thereto.

(c) Amounts in the state school district finance fund shall be allocated and distributed to school districts as a portion of state foundation aid provided for under this act.

New Sec. 6. In each school year, the state board shall determine the amount of state foundation aid for each school district for such school
year. The state board shall determine the amount of the school district's local foundation aid for the school year. If the amount of the school district's local foundation aid is greater than the amount of total foundation aid determined for the school district for the school year, the school district shall not receive state foundation aid in any amount. If the amount of the school district's local foundation aid is less than the amount of total foundation aid determined for the school district for the school year, the state board shall subtract the amount of the school district's local foundation aid from the amount of total foundation aid. The remainder is the amount of state foundation aid the school district shall receive for the school year.

New Sec. 7. (a) The distribution of state foundation aid under this act shall be made in accordance with appropriation acts each year as provided in this section.

(b) (1) In the months of July through May of each school year, the state board shall determine the amount of state foundation aid that will be required by each school district to maintain operations in each such month. In making such determination, the state board shall take into consideration the school district's access to local foundation aid and the obligations of the general fund that must be satisfied during the month. The amount determined by the state board under this provision is the amount of state foundation aid that will be distributed to the school district in the months of July through May.

(2) In the month of June of each school year, payment shall be made of the full amount of the state foundation aid determined for the school year less the sum of the monthly payments made in the months of July through May pursuant to subsection (b)(1).

(c) Payments of state foundation aid shall be distributed to school districts once each month on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due as state foundation aid to each school district in each of the months of July through June. Such certification, and the amount of state foundation aid payable from the state general fund, shall be approved by the director of the budget. The director of accounts and reports shall draw warrants on the state treasurer payable to the school district treasurer of each school district, pursuant to vouchers approved by the state board. Upon receipt of such warrant, each school district treasurer shall deposit the amount of state foundation aid in the general fund of the school district, except that an amount equal to the amount of federal impact aid not included in the local foundation aid of a school district may be disposed of as provided in section 38(a), and amendments thereto.

(d) If any amount of state foundation 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 state foundation 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.

New Sec. 8. In the event any school district is paid more than it is
entitled to receive under any distribution made under this act or under any
statute repealed by this act, the state board shall notify the school district
of the amount of such overpayment, and such school district shall remit the
same to the state board. The state board shall remit any moneys so
received to the state treasurer in accordance with the provisions of K.S.A.
75-4215, and amendments thereto. Upon receipt of each such remittance,
the state treasurer shall deposit the entire amount in the state treasury to
the credit of the state school district finance fund. If any school district
fails to remit, the state board shall deduct the excess amounts paid from
future payments becoming due to the school district. In the event any
school district is paid less than the amount it is to receive under any
distribution made under this act, the state board shall pay the additional
amount due at any time within the school year in which the underpayment
was made or within 60 days after the end of such school year.

New Sec. 9. On or before October 10 of each school year, the clerk or
superintendent of each school district shall certify under oath to the state
board a report showing the total enrollment of the school district by grades
maintained in the schools of the school district and such other reports as
the state board may require. Each such report shall show postsecondary
education enrollment, career technical education enrollment, special
education enrollment, bilingual education enrollment, at-risk student
enrollment and virtual school enrollment in such detail and form as is
specified by the state board. Upon receipt of such reports, the state board
shall examine the reports and if the state board finds any errors in any such
report, the state board shall consult with the school district officer
furnishing the report and make any necessary corrections in the report. On
or before August 25 of each year, each such clerk or superintendent shall
also certify to the state board a copy of the budget adopted by the school
district.

New Sec. 10. (a) If the state board determines that the enrollment of a
school district in the preceding school year decreased from the enrollment
in the second preceding school year and that a disaster contributed to such
decrease, the enrollment of such school district in the second school year
following the school year in which the enrollment of the school district
was first affected by the disaster shall be the greater of:
(1) The enrollment of preschool-aged at-risk students, if any, plus the average of the enrollment for the current and the preceding three school years, excluding the enrollment of preschool-aged at-risk students in each such year; or
(2) the enrollment of the school district, as defined in section 4, and amendments thereto.
(b) As used in this section, "disaster" means the occurrence of widespread or severe damage, injury or loss of life or property resulting from flood, earthquake, tornado, wind, storm, drought, blight or infestation.
New Sec. 11. (a) Each school year, the state board shall:
(1) Determine the number of students enrolled in each school district on September 20; and
(2) determine the number of military students enrolled in each school district on February 20, who were not enrolled on the preceding September 20.
(b) If the number obtained under subsection (a)(2) is 25 or more, or such number is at least 1% of the number determined under subsection (a)(1), an amount equal to the number obtained under subsection (a)(2) shall be added to the number determined under subsection (a)(1). The resulting sum is the enrollment of the school district.
(c) The state board shall recompute the adjusted enrollment of the school district and the general fund budget of the school district based on the enrollment as determined under this section.
(d) School districts desiring to determine enrollment under this section shall submit any documentation or information required by the state board.
(e) As used in this section, the term "military student" means a person who is a dependent of a full-time active duty member of the military service or a dependent of a member of any of the United States military reserve forces who has been ordered to active duty under 10 U.S.C. §§ 12301, 12302 or 12304, or ordered to full-time active duty for a period of more than 30 consecutive days under 32 U.S.C. §§ 502(f) or 512 for the purposes of mobilizing for war, international peacekeeping missions, national emergency or homeland defense activities.
New Sec. 12. Whenever a new school district has been established or the boundaries of a school district have been changed, the state board shall make appropriate revisions concerning the affected school districts as may be necessary for the purposes of this act to reflect such establishment of a school district or changes in boundaries. Such revisions shall be based on the most reliable data obtainable from the superintendent of the school district and the county clerk.
New Sec. 13. (a) (1) For the purposes of this act, the total foundation
aid for any school district formed by consolidation in accordance with the statutory provisions contained in article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, shall be computed by the state board by determining the amount of the total foundation aid each of the former school districts that comprise the consolidated school district received in the school year preceding the date the consolidation was completed, and calculating the sum of such amounts. The sum is the total foundation aid of the consolidated school district for the school year in which the consolidation was completed.

(2) If any of the former school districts had an enrollment of less than 150 students in the school year preceding the consolidation, the total foundation aid of the newly consolidated school district for the two school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.

(3) If all of the former school districts had an enrollment of at least 150 students, but any had less than 200 students in the school year preceding the consolidation, the total foundation aid of the newly consolidated school district for the three school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.

(4) If all of the former school districts had an enrollment of 200 or more students in the school year preceding the consolidation, the total foundation aid of the newly consolidated school district for the four school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.

(5) If the consolidation involved the consolidation of three or more school districts, regardless of the number of students enrolled in the school districts, the total foundation aid of the newly consolidated school district for the four school years following the school year in which the consolidation was completed shall be the greater of: (A) The amount received in the school year in which the consolidation was completed; or (B) the amount the school district would receive under this act.

(b) (1) The provisions of this subsection shall apply to school districts that have been enlarged by the attachment of territory pursuant to the procedure established in article 73 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto.

(2) For the purposes of this act, the total foundation aid for any
school district to which this subsection applies shall be computed by the
state board of education as follows: (A) Determine the amount of the total
foundation aid each of the former school districts that comprise the
enlarged school district received in the school year preceding the date the
attachment was completed; and (B) add the amounts determined under
subparagraph (A). The sum is the total foundation aid of the enlarged
school district for the school year in which the attachment is completed.

(3) If any of the former school districts had an enrollment of less than
150 students in the school year preceding the attachment, the total
foundation aid of the enlarged school district for the two school years
following the school year in which the attachment was completed shall be
the greater of: (A) The amount received in the school year in which the
attachment was completed; or (B) the amount the school district would
receive under this act.

(4) If all of the former school districts had an enrollment of at least
150 students, but any had less than 200 students in the school year
preceding the attachment, the total foundation aid of the enlarged school
district for the three school years following the school year in which the
attachment was completed shall be the greater of: (A) The amount
received in the school year in which the attachment was completed; or (B)
the amount the school district would receive under this act.

(5) If all of the former school districts had an enrollment of 200 or
more students in the school year preceding the attachment, the total
foundation aid of the enlarged school district for the four school years
following the school year in which the attachment was completed shall be
the greater of: (A) The amount received in the school year in which the
attachment was completed; or (B) the amount the school district would
receive under this act.

(6) If three or more school districts, regardless of the number of
students enrolled in the school districts, are disorganized and attached to a
single school district, the total foundation aid of the enlarged school
district for the four school years following the school year in which the
attachment was completed shall be the greater of: (A) The amount
received in the school year in which the attachment was completed; or (B)
the amount the school district would receive under this act.

(7) Except as specifically provided by this paragraph for the
allocation of total foundation aid among school districts, the provisions of
paragraphs (1) through (6) shall be applicable to school districts to which
this paragraph applies. If a school district is disorganized in accordance
with article 73 of chapter 72 of the Kansas Statutes Annotated, and
amendments thereto, and the territory of such school district is attached to
more than one school district, the total foundation aid for each school
district to which any territory from the disorganized school district is
attached, shall be computed by the state board as follows: (A) Determine
the amount of total foundation aid received by the former school district in
the school year preceding the date the disorganization and attachment was
completed; (B) determine the amount of total foundation aid received by
the enlarged school district in the school year preceding the date the
disorganization and attachment was completed; (C) determine the assessed
valuation of the former school district in the school year preceding the date
the disorganization and attachment was completed; (D) determine the
assessed valuation of the territory attached to each enlarged school district;
(E) allocate the amount of the total foundation aid received by the former
school district in the school year preceding the date the disorganization
and attachment was completed to each of the enlarged school districts in
the same proportion the assessed valuation of the territory attached to each
school district bears to the assessed valuation of the former school district;
and (F) add the amounts determined under subparagraphs (B) and (E). The
sum is the total foundation aid of the enlarged school district for the school
year in which the attachment is completed.

New Sec. 14. (a) The board of education of each school district shall
levy an ad valorem tax upon the taxable tangible property of the school
district in the school years specified in subsection (b) for the purpose of:
(1) Financing that portion of the school district's general fund budget
that is not financed from any other source provided by law;
(2) paying a portion of the costs of operating and maintaining public
schools in partial fulfillment of the constitutional obligation of the
legislature to finance the educational interests of the state; and
(3) with respect to any redevelopment school district established prior
to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,
paying a portion of the principal and interest on bonds issued by cities
under authority of K.S.A. 12-1774, and amendments thereto, for the
financing of redevelopment projects upon property located within the
school district.
(b) The tax required under subsection (a) shall be levied at a rate of
(c) The proceeds from the tax levied by a district under authority of
this section, except the proceeds of such tax levied for the purpose
described in subsection (a)(3), shall be remitted to the state treasurer in
accordance with the provisions of K.S.A. 75-4215, and amendments
thereto. Upon receipt of each such remittance, the state treasurer shall
deposit the entire amount in the state treasury to the credit of the state
school district finance fund.
(d) No school district shall proceed under K.S.A. 79-1964, 79-1964a
or 79-1964b, and amendments thereto.

New Sec. 15. (a) In each school year, the board of education of a
school district may adopt, by resolution, a local option budget that does not exceed the state prescribed percentage.

(b) Subject to the limitations of subsection (a), in each school year, the board of education of a school district may adopt, by resolution, a local option budget in an amount that does not exceed:

(1) The amount that the board was authorized to adopt under any resolution adopted pursuant to K.S.A. 2016 Supp. 72-6471, prior to its expiration; or

(2) the state-wide average for the preceding school year as determined by the state board pursuant to subsection (i).

The adoption of a resolution pursuant to this section shall require a majority vote of the members of the board. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.

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

Unified School District No. ________,
____________ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year in an amount not to exceed ____% of the amount of total foundation aid. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

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

____________________________
Clerk of the board of education.

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

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

(e) The board of any school district may initiate procedures to renew or increase the authority to adopt a local option budget at any time during a school year after the tax levied pursuant to section 19, and amendments thereto, is certified to the county clerk under any existing authorization.

(f) The board of any school district authorized to adopt a local option budget prior to July 1, 2017, under a resolution that authorized the adoption of such budget in accordance with the provisions of K.S.A. 2016 Supp. 72-6471, prior to its expiration, may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section. Any such school district shall operate under the provisions of this section after the period of time specified in any previously adopted resolution has expired.

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

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

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

(3) Amounts in the supplemental general fund may not be expended for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings that is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

(4) (A) Except as provided in subsection (h)(4)(B), any unexpended moneys remaining in the supplemental general fund of a school district at the conclusion of any school year in which a local option budget is adopted shall be maintained in such fund.

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

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

(j) The provisions of this section shall be subject to the provisions of section 16, and amendments thereto.

(k) As used in this section:

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

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

(3) "Total foundation aid" means the same as such term is defined in section 4, and amendments thereto.

New Sec. 16. (a) (1) Subject to the provisions of subsection (e), the provisions of this subsection shall apply in any school year in which the
amount of BASE aid is $4,490 or less.

(2) The board of education of a school district may adopt a local option budget that does not exceed the local option budget calculated as if the BASE aid was $4,490, or that does not exceed the local option budget as calculated pursuant to section 15, and amendments thereto, whichever is greater.

(b) The board of education of a school district may adopt a local option budget that does not exceed the local option budget calculated as if the school district received state aid for special education and related services equal to the amount of state aid for special education and related services received in school year 2008-2009, or that does not exceed the local option budget as calculated pursuant to section 15, and amendments thereto, whichever is greater.

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

(d) To the extent that the provisions of section 15, and amendments thereto, conflict with this section, this section shall control.

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

New Sec. 17. (a) In each school year, each school district that has adopted a local option budget is eligible to receive supplemental state aid. Except as provided by section 18, and amendments thereto, supplemental state aid shall be determined by the state board as provided in subsection (b).

(b) The state board shall:

(1) (A) For school year 2017-2018, determine the amount of the assessed valuation per student in the preceding school year of each school district; and

(B) for school year 2018-2019 and each school year thereafter, determine the average assessed valuation per student of each school district by adding the assessed valuation per student for each of the three immediately preceding school years and dividing the resulting sum by three;

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

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

(4) divide the assessed valuation per student of the school district as
determined under subsection (b)(1) by the amount identified under
subsection (b)(3); and

(5) (A) if the quotient obtained under subsection (b)(4) equals or
exceeds one, the school district shall not receive supplemental state aid; or

(B) if the quotient obtained under subsection (b)(4) is less than one,
subtract the quotient obtained under subsection (b)(4) from one, and
multiply the difference by the amount of the local option budget of the
school district for the immediately preceding school year. The resulting
product is the amount of supplemental state aid the school district is to
receive for the school year.

(c) Payments of supplemental state aid shall be distributed to school
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 school
district, 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 supplemental general fund of the school district to
be used for the purposes of such fund.

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

New Sec. 18. (a) (1) For the purposes of determining the amount of
supplemental state aid, the state board shall determine the ranking of each
of the former school districts of which the school district is composed as
required by section 17(b)(2), and amendments thereto, for the school year
prior to the effectuation of the consolidation or attachment.

(2) For the school year in which the consolidation or attachment is
effectuated and the next succeeding two school years, the ranking of the
school district for the purposes of section 17(b)(2), and amendments thereto, shall be the ranking of the school district receiving the highest
amount of supplemental state aid determined under subsection (a)(1).

(b) The provisions of this section shall apply to school districts that
have consolidated or disorganized on and after July 1, 2004.

(c) As used in this section, "school district" means:

(1) Any school district formed by consolidation in accordance with
article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments
thereto; or

(2) any school district formed by disorganization and attachment in
accordance with article 73 of chapter 72 of the Kansas Statutes Annotated,
and amendments thereto, if all the territory which comprised a
disorganized school district is attached to a single school district.

New Sec. 19. (a) In each school year, the board of each school district that has adopted a local option budget may levy an ad valorem tax on the taxable tangible property of the school district for the purposes of:

(1) Financing that portion of the school district's local option budget that is not financed from any other source provided by law;

(2) paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district; and

(3) funding transfers to the capital improvement fund of the school district and the capital outlay fund of the school district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25% of the total foundation aid determined for the current school year.

(b) The proceeds from the tax levied by a school district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district, shall be deposited in the supplemental general fund of the school district.

(c) No school district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

New Sec. 20. (a) The transportation weighting of each school district shall be determined by the state board as follows:

(1) Determine the total expenditures of the school district during the preceding school year from all funds for transporting students of public and nonpublic schools on regular school routes;

(2) determine the sum of: (A) The number of students who were included in the enrollment of the school district in the preceding school year who resided less than 2½ miles by the usually traveled road from the school building such students attended and for whom transportation was made available by the school district; and (B) the number of nonresident students who were included in the enrollment of the school district for the preceding school year and for whom transportation was made available by the school district;

(3) determine the number of students who were included in the enrollment of the district in the preceding school year who resided 2½ miles or more by the usually traveled road from the school building such students attended and for whom transportation was made available by the school district;

(4) multiply the number of students determined under subsection (a)
(3) divide the amount determined under subsection (a)(2) by the product obtained under subsection (a)(4);
(5) divide the amount determined under subsection (a)(1) by the product obtained under subsection (a)(7). The resulting quotient is the per-student cost of transportation;
(6) add one to the quotient obtained under subsection (a)(5);
(7) multiply the sum obtained under subsection (a)(6) by the amount determined under subsection (a)(3);
(8) on a density-cost graph, plot the per-student cost of transportation for each school district;
(9) construct a curve of best fit for the points so plotted;
(10) locate the index of density for the school district on the base line of the density-cost graph and from the point on the curve of best fit directly above this point of index of density follow a line parallel to the base line to the point of intersection with the vertical line, which point is the formula per-student cost of transportation of the school district;
(11) divide the formula per-student cost of transportation of the school district by the BASE aid; and
(12) multiply the quotient obtained under subsection (a)(12) by the number of students who are included in the enrollment of the school district, are residing 2 1/2 miles or more by the usually traveled road to the school building they attend, and for whom transportation is being made available by, and at the expense of, the district.

(b) (1) For school years 2017-2018 and 2018-2019, the transportation weighting of the school district shall be either the product determined under subsection (a)(13), or that portion of such school district's general state aid for school year 2016-2017 that was attributable to the school district's transportation weighting, whichever is greater.
(2) For school year 2019-2020, and each school year thereafter, the transportation weighting of the school district shall be the product determined under subsection (a)(13).

c) For the purpose of providing accurate and reliable data on student transportation, the state board is authorized to adopt rules and regulations prescribing procedures that school districts shall follow in reporting pertinent information, including uniform reporting of expenditures for transportation.
(d) As used in this section:
(1) "Curve of best fit" means the curve on a density-cost graph drawn so the sum of the distances squared from such line to each of the points plotted on the graph is the least possible.
(2) "Density-cost graph" means a drawing having: (A) A horizontal or base line divided into equal intervals of density, beginning with zero on the
A scale for per-student cost of transportation to be shown on a line perpendicular to the base line at the left end thereof, such scale to begin with zero dollars at the base line ascending by equal per-student cost intervals.

(3) "Index of density" means the number of students who are included in the enrollment of a school district in the current school year, are residing the designated distance or more by the usually traveled road from the school building they attend, and for whom transportation is being made available on regular school routes by the school district, divided by the number of square miles of territory in the school district.

New Sec. 21. (a) The low enrollment weighting of each school district shall be determined by the state board as follows:

(1) For school districts with an enrollment of fewer than 100 students, multiply the enrollment of the school district by 1.014331. The resulting product is the low enrollment weighting of the school district;

(2) for school districts with an enrollment of at least 100 students, but fewer than 300 students:

(A) Subtract 100 from the enrollment of the school district;
(B) multiply the difference obtained under subsection (a)(2)(A) by 9.655;
(C) subtract the product obtained under subsection (a)(2)(B) from 7,337;
(D) divide the difference obtained under subsection (a)(2)(C) by 3,642.4;
(E) subtract one from the quotient obtained under subsection (a)(2)(D); and
(F) multiply the difference obtained under subsection (a)(2)(E) by the enrollment of the school district. The resulting product is the low enrollment weighting of the school district;

(3) for school districts with an enrollment of at least 300 students, but fewer than 1,622 students:

(A) Subtract 300 from the enrollment of the school district;
(B) multiply the difference obtained under subsection (a)(3)(A) by 1.2375;
(C) subtract the product obtained under subsection (a)(3)(B) from 5,406;
(D) divide the difference obtained under subsection (a)(3)(C) by 3,642.4;
(E) subtract one from the quotient obtained under subsection (c)(D); and
(F) multiply the difference obtained under subsection (a)(3)(E) by the enrollment of the school district. The resulting product is the low enrollment weighting of the school district.
(b) For school districts with an enrollment of at least 1,622 students, multiply the enrollment of the school district by 0.03504. The resulting product is the high enrollment weighting of the school district.

New Sec. 22. The bilingual weighting of each school district shall be determined by the state board as follows:

(a) Determine the full-time equivalent enrollment in approved programs of bilingual education during the preceding school year and multiply such enrollment by 0.361; 
(b) determine the number of students enrolled in approved programs of bilingual education during the preceding school year and multiply such enrollment by 0.185; and
(c) the bilingual weighting shall be either the amount determined under subsection (a) or (b), whichever is greater.

New Sec. 23. (a) The at-risk student weighting of each school district shall be determined by the state board as follows:

(1) Determine the number of at-risk students included in the enrollment of the school district; and
(2) for a school district with an enrollment that consists of 10% or more at-risk students, multiply the number determined under subsection (a)(1) by 0.456. The resulting sum is the at-risk student weighting of the school district; or
(3) for a school district with an enrollment that consists of less than 10% at-risk students, multiply the number of students equal to 10% of such school district's enrollment by 0.456. The resulting sum is the at-risk student weighting of the school district. A school district whose at-risk student weighting is determined pursuant to this paragraph shall submit a report to the state board in such form and manner as required by the state board that identifies those students enrolled in such school district who are receiving at-risk program services and the criteria each such student satisfies in order to receive at-risk program services. The state board shall adopt rules and regulations that establish the criteria for eligibility for at-risk program services. The provisions of this paragraph shall only apply to those school districts that offer instruction in kindergarten and grades one through 12.

(b) Except as provided in subsection (b)(4), the high-density at-risk student weighting of each school district shall be determined by the state board as follows:

(1) (A) If the enrollment of the school district is at least 35% at-risk students, but less than 50% at-risk students:
   (i) Subtract 35% from the percentage of at-risk students included in the enrollment of the school district;
   (ii) multiply the difference determined under subsection (b)(1)(A)(i) by 0.7; and
(iii) multiply the product determined under subsection (b)(1)(A)(ii) by the number of at-risk students included in the enrollment of the school district; or

(B) if the enrollment of the school district is 50% or more at-risk students, multiply the number of at-risk students included in the enrollment of the school district by 0.105; or

(2) (A) if the enrollment of a school in the school district is at least 35% at-risk students, but less than 50% at-risk students:

(i) Subtract 35% from the percentage of at-risk students included in the enrollment of such school;

(ii) multiply the difference determined under subsection (b)(2)(A)(i) by 0.7; and

(iii) multiply the product determined under subsection (b)(2)(A)(ii) by the number of at-risk students included in the enrollment of such school; or

(B) if the enrollment of a school in the school district is 50% or more at-risk students, multiply the number of at-risk students included in the enrollment of such school by 0.105; and

(C) add the products determined under subsections (b)(2)(A)(iii) and (b)(2)(B) for each such school in the school district, respectively.

(3) The high-density at-risk weighting of the school district shall be the greater of the product determined under subsection (b)(1) or the sum determined under subsection (b)(2)(C).

(4) School districts that qualify to receive the high-density at-risk weighting pursuant to this section shall spend any money attributable to the school district's high-density at-risk weighting on the at-risk best practices developed by the state board pursuant to section 25(d), and amendments thereto. If a school district that qualifies for the high-density at-risk weighting does not spend such money on such best practices, the state board shall notify the school district that it shall either spend such money on such best practices or shall show improvement within five years of notification. Improvement shall include, but not be limited to, the following: (A) The percentage of students at grade level on state math and English language arts assessments; (B) the percentage of students that are college and career ready on state math and English language arts assessments; (C) the average composite ACT score; or (D) the four-year graduation rate. If a school district does not spend such money on such best practices and does not show improvement within five years, the school district shall not qualify to receive the high-density at-risk weighting in the succeeding school year.

New Sec. 24. (a) If a student submits an application for free meals under the national school lunch act on or before the date on which the enrollment of the school district is calculated and it is later determined by
the school district or the department of education that the student should not have been eligible for free meals, the school district or the department shall notify the state board of such determination. Except as provided in subsection (b), upon receipt of such notice, the state board shall recompute the adjusted enrollment of the school district and the general fund budget of the school district based on the adjusted enrollment of the school district excluding the at-risk student weighting and high density at-risk student weighting, if any, assigned to such student.

(b) If a student becomes ineligible to receive free meals under the national school lunch act for failure to submit, in a timely manner, any documentation necessary for verification of eligibility as required by the national school lunch act, but subsequently submits such documentation, such student shall not be excluded from the calculation of the adjusted enrollment of the school district if the school district forwards a copy of such documentation to the state board no later than January 14 of the school year.

New Sec. 25. (a) There is hereby established in every school district an at-risk education fund, which shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a school district directly attributable to providing at-risk student assistance or programs shall be paid from the at-risk education fund.

(b) Any balance remaining in the at-risk education fund at the end of the budget year shall be carried forward into the at-risk education 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 at-risk education 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.

(c) Expenditures from the at-risk education fund of a school district shall only be made for the following purposes:

(1) At-risk educational programs based on best practices identified pursuant to subsection (d);

(2) personnel providing educational services in conjunction with such programs; or

(3) services contracted for by the school district to provide at-risk educational programs based on best practices identified pursuant to subsection (d).

(d) On or before July 1, 2018, the state board shall identify and approve evidence-based best practices for at-risk programs and instruction of students receiving at-risk program services. The state board shall review and update such best practices as part of its five-year accreditation system
review process.

(e) Each year the board of education of each school district shall prepare and submit to the state board a report on the assistance or programs provided by the school district for students identified as at-risk. Such report shall include the number of students identified as at-risk who were served or provided assistance, the type of service provided, the research upon which the school district relied in determining that a need for service or assistance existed, the results of providing such service or assistance and any other information required by the state board.

(f) In order to achieve uniform reporting of the number of students provided service or assistance by school districts in at-risk student programs, school districts shall report the number of students served or assisted in the manner required by the state board.

New Sec. 26. (a) There is hereby established in every school district a preschool-aged at-risk education fund, which shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a school district directly attributable to providing preschool-aged at-risk assistance or programs shall be paid from the preschool-aged at-risk education fund.

(b) Any balance remaining in the preschool-aged at-risk education fund at the end of the budget year shall be carried forward into the preschool-aged at-risk education 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 preschool-aged at-risk education 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.

(c) Each year the board of each school district shall prepare and submit to the state board a report on the preschool-aged at-risk student assistance or programs provided by the school district. Such report shall include the number of students who were served or provided assistance, the type of service provided, the research upon which the school district relied in determining that a need for service or assistance existed, the results of providing such service or assistance and any other information required by the state board.

New Sec. 27. (a) The career technical education weighting of each school district shall be determined by the state board by multiplying the full-time equivalent enrollment in approved career technical education programs during the preceding school year by 0.5. The resulting product is the career technical education weighting of the school district.

(b) The provisions of this section shall expire on July 1, 2019.
New Sec. 28. (a) For each school year in which the school facilities weighting may be assigned to the enrollment of the school district, such weighting of such school district shall be determined by the state board as follows:

(1) Determine the number of students included in the enrollment of the school district who are attending a new school facility;

(2) multiply the number of students determined under subsection (a) (1) by 0.25. The resulting product is the school facilities weighting of the school district.

(b) The school facilities weighting may be assigned to the enrollment of a school district only if:

(1) The school district adopted a local option budget for school year 2014-2015 in an amount equal to at least 25% of the amount of the state financial aid determined for the school district in such school year pursuant to K.S.A. 72-6433, prior to its repeal;

(2) the contractual bond obligations incurred by the school district were approved by the electors of the school district at an election held on or before July 1, 2015; and

(3) (A) the school district commences operation of a new school facility and the construction of such facility was financed primarily with such contractual bond obligations; or

(B) the school district commences operation of a new school facility and the construction of such facility was financed primarily with federal funds and such facility is located on a military reservation.

(c) The school facilities weighting may be assigned to the enrollment of the school district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year.

New Sec. 29. The special education and related services weighting of each school district shall be determined by the state board as follows:

(a) Add the amount of payments received by the school district under the provisions of K.S.A. 72-979, and amendments thereto, to the amount of any grants received by the school district under the provisions of K.S.A. 72-983, and amendments thereto; and

(b) divide the sum obtained under subsection (a) by the BASE aid. The resulting quotient is the special education and related services weighting of the school district.

New Sec. 30. (a) (1) The board of education of a school district to which the provisions of this section apply may levy an ad valorem tax on the taxable tangible property of the school district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state board of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of ancillary school facilities weighting to the
enrollment of the school district. The state board of tax appeals may authorize the school district to make a levy that will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount that is financed from any other source provided by law for such purpose. If the school district is not eligible, or will be ineligible, for ancillary school facilities weighting in any one or more years during the two-year period for which the school district is authorized to levy a tax under this subsection, the state board of tax appeals may authorize the school district to make a levy, in such year or years of ineligibility, that will produce an amount that is not greater than the actual amount of costs attributable to commencing operation of the facility or facilities.

(2) The state board of tax appeals shall certify to the state board the amount authorized to be produced by the levy of a tax under this subsection.

(3) The state board of tax appeals may adopt rules and regulations necessary to effectuate the provisions of this subsection, including rules and regulations relating to the evidence required in support of a school district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount that is financed from any other source provided by law for such purpose.

(b) The board of education of a school district that has levied an ad valorem tax on the taxable tangible property of the school district each year for a period of two years under authority of subsection (a) may continue to levy such tax under authority of this subsection each year for an additional period of time not to exceed six years in an amount not to exceed the amount computed by the state board as provided in this subsection if the board of the school district determines that the costs attributable to commencing operation of one or more new school facilities are significantly greater than the costs attributable to the operation of other school facilities in the school district. The tax authorized under this subsection may be levied at a rate that will produce an amount that is not greater than the amount computed by the state board as provided in this subsection. In computing such amount, the state board shall:

(1) Determine the amount produced by the tax levied by the school district under authority of subsection (a) in the second year for which such tax was levied and add to such amount the amount of state foundation aid directly attributable to ancillary school facilities weighting that was received by the school district in the same year;

(2) compute 90% of the amount of the sum obtained under subsection (b)(1), which computed amount is the amount the school district may levy in the first year of the six-year period for which the school district may levy a tax under authority of this subsection;
(3) compute 75% of the amount of the sum obtained under subsection (b)(1), which computed amount is the amount the school district may levy in the second year of the six-year period for which the school district may levy a tax under authority of this subsection;

(4) compute 60% of the amount of the sum obtained under subsection (b)(1), which computed amount is the amount the school district may levy in the third year of the six-year period for which the school district may levy a tax under authority of this subsection;

(5) compute 45% of the amount of the sum obtained under subsection (b)(1), which computed amount is the amount the school district may levy in the fourth year of the six-year period for which the school district may levy a tax under authority of this subsection;

(6) compute 30% of the amount of the sum obtained under subsection (b)(1), which computed amount is the amount the school district may levy in the fifth year of the six-year period for which the school district may levy a tax under authority of this subsection; and

(7) compute 15% of the amount of the sum obtained under subsection (b)(1), which computed amount is the amount the school district may levy in the sixth year of the six-year period for which the school district may levy a tax under authority of this subsection.

In determining the amount produced by the tax levied by the school district under authority of subsection (a), the state board shall include any moneys apportioned to the ancillary school facilities fund of the school district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

(c) The proceeds from any tax levied by a school district under authority of this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

(d) The ancillary school facilities weighting may be assigned to the enrollment of a school district only if the school district has levied a tax under the authority of subsection (a), and remitted the proceeds from such tax to the state treasurer. The ancillary school facilities weighting of each school district shall be determined in each school year in which such weighting may be assigned to the enrollment of the school district as follows:

(1) Add the amount to be produced by a tax levy as authorized under subsection (a) and certified to the state board by the state board of tax appeals to the amount computed under subsection (b) to be produced by a tax levy, if any; and

(2) divide the sum obtained under subsection (d)(1) by the BASE aid.
The resulting quotient is the ancillary school facilities weighting of the school district.

(e) The provisions of this section apply to any school district that:

(1) Commenced operation of one or more new school facilities in the school year preceding the current school year or has commenced or will commence operation of one or more new school facilities in the current school year;

(2) adopted a local option budget; and

(3) is experiencing extraordinary enrollment growth as determined by the state board.

New Sec. 31. (a) Subject to subsection (b), the board of education of a school district may levy a tax on the taxable tangible property within the school district for the purpose of financing the costs incurred by the state that are attributable directly to assignment of the cost-of-living weighting to the enrollment of the school district.

(b) The state board shall determine whether a school district may levy a tax under this section as follows:

(1) Determine the statewide average appraised value of single family residences for the calendar year preceding the current school year;

(2) multiply the amount determined under subsection (b)(1) by 1.25;

(3) determine the average appraised value of single family residences in each school district for the calendar year preceding the current school year; and

(4) subtract the amount determined under subsection (b)(2) from the amount determined under subsection (b)(3). If the amount determined for the school district is a positive number and the school district has adopted a local option budget in an amount equal to at least 31% of the total foundation aid for the school district, the school district qualifies for assignment of cost-of-living weighting and may levy a tax on the taxable tangible property of the school district for the purpose of financing the costs that are attributable directly to assignment of the cost-of-living weighting to the enrollment of the school district.

(c) (1) No tax may be levied under this section unless the board of education adopts a resolution authorizing such a tax levy and publishes the resolution at least once in a newspaper having general circulation in the school district. Except as provided by subsection (e), the resolution shall be published in substantial compliance with the following form:

Unified School District No. ______,
______________ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to levy an ad valorem tax in an amount not to exceed the
amount necessary to finance the costs attributable directly to the
assignment of cost-of-living weighting to the enrollment of the school
district. The ad valorem tax authorized by this resolution may be levied
unless a petition in opposition to the same, signed by not less than 5% of
the qualified electors of the school district, is filed with the county election
officer of the home county of the school district within 30 days after the
publication of this resolution. If a petition is filed, the county election
officer shall submit the question of whether the levy of such a tax shall be
authorized in accordance with the provisions of this resolution to the
electors of the school district at the next general election of the school
district, as is specified by the board of education of the school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the
board of education of Unified School District No. ______, ____________
County, Kansas, on the ____ day of __________, (year)____.

____________________________

Clerk of the board of education.

(2) All of the blanks in the resolution shall be filled appropriately. If
no petition as specified above is filed in accordance with the provisions of
the resolution, the resolution authorizing the ad valorem tax levy shall
become effective. If a petition is filed as provided in the resolution, the
board may notify the county election officer to submit the question of
whether such tax levy shall be authorized. If the board fails to notify the
county election officer within 30 days after a petition is filed, the
resolution shall be deemed abandoned and of no force and effect and no
like resolution shall be adopted by the board within the nine months
following publication of the resolution. If a majority of the votes cast in an
election conducted pursuant to this provision is in favor of the resolution,
such resolution shall be effective on the date of such election. If a majority
of the votes cast is not in favor of the resolution, the resolution shall be
deemed of no force and effect and no like resolution shall be adopted by
the board within the nine months following such election.

(d) There is hereby established in every school district a cost-of-
living fund, which shall consist of all moneys deposited therein or
transferred thereto in accordance with law. All moneys derived from a tax
imposed pursuant to this section shall be credited to the cost-of-living
fund. The proceeds from the tax levied by a school district credited to the
cost-of-living fund shall be remitted to the state treasurer in accordance
with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
receipt of each such remittance, the state treasurer shall deposit the entire
amount in the state treasury to the credit of the state school district finance
fund.

(e) In determining the amount produced by the tax levied by the
school district under the authority of this section, the state board shall include any moneys apportioned to the cost-of-living fund of the school district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

(f) The cost-of-living weighting of a school district shall be determined by the state board in each school year in which such weighting may be assigned to the enrollment of the school district as follows:

1. Divide the amount determined under subsection (b)(4) by the amount determined under subsection (b)(2);
2. multiply the quotient determined under subsection (f)(1) by 0.095;
3. multiply the school district's total foundation aid for the current school year, excluding the amount determined under this provision, by the lesser of the product determined under subsection (f)(2) or 0.05; and
4. divide the product determined under subsection (f)(3) by the BASE aid for the current school year. The quotient is the cost-of-living weighting of the school district.

New Sec. 32. (a) (1) (A) The board of education of a school district may levy an ad valorem tax on the taxable tangible property of the school district each year for a period of time not to exceed two years, unless authority to make such levy is renewed by the state board of tax appeals, in an amount not to exceed the amount authorized by the state board of tax appeals under this section for the purpose of financing the costs incurred by the state that are directly attributable to assignment of declining enrollment weighting to the enrollment of the school district. The state board of tax appeals may authorize the school district to make a levy that will produce an amount that is not greater than the amount of revenues lost as a result of the declining enrollment of the school district. Such amount shall not exceed 5% of the general fund budget of the school district in the school year in which the school district applies to the state board of tax appeals for authority to make a levy pursuant to this subsection. The state board of tax appeals may renew the authority to make such levy for periods of time not to exceed two years.

(B) For school year 2017-2018, as an alternative to the authority provided in subsection (a)(1)(A), if a school district was authorized to make a levy pursuant to K.S.A. 72-6451, prior to its repeal, in school year 2006-2007, such school district shall remain authorized to make a levy at a rate necessary to generate revenue equal to \( \frac{1}{2} \) of the amount that was generated in school year 2007-2008.

(2) The state board of tax appeals shall certify to the state board the amount authorized to be produced by the levy of a tax under this section.

(3) The state board shall prescribe guidelines for the data that school districts shall include in cases before the state board of tax appeals pursuant to this section. The state board shall provide to the state board of
tax appeals such school data and information requested by the state board 
of tax appeals and any other information deemed necessary by the state 
board.

(b) There is hereby established in every school district a declining 
enrollment fund, which shall consist of all moneys deposited therein or 
transferred thereto according to law. The proceeds from the tax levied by a 
school district under authority of this section shall be credited to the 
decreasing enrollment fund of the school district. The proceeds from the tax 
levied by a school district credited to the declining enrollment fund shall 
be remitted to the state treasurer in accordance with the provisions of 
K.S.A. 75-4215, and amendments thereto. Upon receipt of each such 
remittance, the state treasurer shall deposit the entire amount in the state 
treasury to the credit of the state school district finance fund.

(c) In determining the amount produced by the tax levied by the 
school district under authority of this section, the state board shall include 
any moneys apportioned to the declining enrollment fund of the school 
district from taxes levied under the provisions of K.S.A. 79-5101 et seq. 
and 79-5118 et seq., and amendments thereto.

(d) The declining enrollment weighting of a school district shall be 
determined by the state board in each school year in which such weighting 
may be assigned to the enrollment of the school district. The state board 
shall divide the amount certified under subsection (a)(2) by the BASE aid. 
The resulting quotient is the declining enrollment weighting of the school 
district.

(e) As used in this section:

1. "Declining enrollment" means an enrollment that has declined in 
amount from that of the second preceding school year.

2. "School district" means a school district that: (A) Has a declining 
enrollment; and (B) has adopted a local foundation budget in an amount 
that equals at least 31% of the total foundation aid for the school district at 
the time the school district applies to the state board of tax appeals for 
authority to make a levy pursuant to this section.

(f) The provisions of this section shall expire on July 1, 2018.

New Sec. 33. For the purpose of determining the general fund budget 
of a school district, weightings shall not be assigned to a student enrolled 
in and attending KAMS. Moneys in the general fund that are attributable 
to a student enrolled in and attending KAMS shall not be included in the 
computation of the local option budget of the school district.

New Sec. 34. (a) There is hereby established in every school district a 
career and postsecondary education fund, which shall consist of all 
moneys deposited therein or transferred thereto according to law. All 
moneys received by a school district for any course or program authorized 
and approved under the provisions of article 44 of chapter 72 of the
Kansas Statutes Annotated, and amendments thereto, except for courses
and programs conducted in an area vocational school, shall be credited to
the career and postsecondary education fund. All moneys received by the
school district from tuition, fees or charges or from any other source for
career technical education courses or programs, except for courses and
programs conducted in an area vocational school, shall be credited to the
career and postsecondary education fund. All moneys received by the
school district from tuition, fees or charges or from any other source for
postsecondary education courses or programs shall be credited to the
career and postsecondary education fund.

(b) Expenditures made by a school district that are directly
attributable to the following shall be paid from the career and
postsecondary education fund:

(1) Career technical education;
(2) postsecondary education courses; and
(3) courses provided through distance-learning technology.

(c) Any balance remaining in the career and postsecondary education
fund at the end of the budget year shall be carried forward into the career
and postsecondary education 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 career and
postsecondary education fund, and the amount expended therefrom shall
be included in the annual budget for the information of the residents of the
school district.

New Sec. 35. There is hereby established in every school district a
driver training fund, which shall consist of all moneys deposited therein or
transferred thereto according to law. All moneys received by the school
district from distributions made from the state safety fund and the
motorcycle safety fund and from tuition, fees or charges for driver training
courses shall be credited to the driver training fund. The expenses of a
school district directly attributable to driver training shall be paid from the
driver training fund.

New Sec. 36. There is hereby established in every school district a
food service fund, which shall consist of all moneys deposited therein or
transferred thereto according to law. All moneys received by the school
district for food service and from charges for food service shall be credited
to the food service fund. The expenses of a school district attributable to
food service shall be paid from the food service fund.

New Sec. 37. There is hereby established in every school district a
contingency reserve fund, which shall consist of all moneys deposited therein or
transferred thereto according to law. The fund shall be
maintained for payment of expenses of a school district attributable to
financial contingencies as determined by the board.

New Sec. 38. (a) Except as otherwise provided in this section, any
revenues of a school district, not required by law to be deposited in or
credited to a specific fund, shall be deposited in or credited to any
categorical fund of the school district or to the capital outlay fund of the
school district.

(b) At the discretion of the board of education of a school district,
revenues earned from the investment of an activity fund of the school
district in accordance with the provisions of K.S.A. 12-1675, and
amendments thereto, may be deposited in or credited to such activity fund.

(c) (1) At the discretion of the board and subject to subsection (c)(2),
any revenues specified in subsections (a) and (b) may be deposited in or
credited to the general fund of the school district in any school year for
which the allotment system authorized under K.S.A. 75-3722, and
amendments thereto, has been inaugurated and applied to appropriations
made for state foundation aid, or in any school year for which any portion
of the appropriations made for state foundation aid are lapsed by an act of
the legislature.

(2) In no event may the amount of revenues deposited in or credited
to the general fund of the school district under authority of subsection (c)
(1) exceed an amount equal to the amount of the reduction in state
foundation aid paid to the school district determined by the state board to
be the result of application of the allotment system to the appropriations
made for state foundation aid or of the lapse of any portion thereof by an
act of the legislature.

(d) At the discretion of the board, revenues received by the school
district from the federal government as the school district's share of the
proceeds derived from sale by the federal government of its rights to oil,
gas and other minerals located beneath the surface of lands within the
school district's boundaries may be deposited in the bond and interest fund
of the school district and used for the purposes of such fund. If at any time
all indebtedness and obligations of such fund have been fully paid and
canceled, the revenues authorized by this subsection to be deposited in
such fund shall be disposed of as provided in subsection (a).

(e) To the extent that K.S.A. 72-1623, 72-8804 and 79-2958, and
amendments thereto, conflict with this section, this section shall control.

New Sec. 39. (a) Any lawful transfer of moneys from the general
fund of a school district to any other fund shall be an operating expense in
the year the transfer is made. The board of education of a school district
may transfer moneys from the general fund to any categorical fund of the
school district in any school year.

(b) The board may transfer moneys from the general fund to the
contingency reserve fund of the school district, subject to any limitations
imposed upon the amount authorized to be maintained in the contingency reserve fund.

(c) The board may transfer moneys from the general fund to the:
   (1) Capital outlay fund;
   (2) special reserve fund;
   (3) special liability expense fund; and
   (4) textbook and student materials revolving fund.

(d) In each school year, the board may transfer to its general fund from any fund to which transfers from the general fund are authorized an amount not to exceed an amount equal to the amount transferred from the general fund to any such fund in the same school year.

New Sec. 40. Expenditures of a school district for the following purposes are not operating expenses:
   (a) Payments to another school district in an adjustment of rights as provided in K.S.A. 72-6776, and amendments thereto, or upon transfer of territory as provided in K.S.A. 72-7105, 72-7106 or 72-7107, and amendments thereto, if paid from any fund other than the general fund;
   (b) payments to another school district under K.S.A. 72-7105a, and amendments thereto;
   (c) the maintenance of student activities that are reimbursed;
   (d) expenditures from any lawfully authorized fund of a school district other than its general fund;
   (e) the provision of educational services for students residing at the Flint Hills job corps center, students housed at a psychiatric residential treatment facility or students confined in a juvenile detention facility for which the school district is reimbursed by a grant of state moneys as provided in K.S.A. 72-8187, and amendments thereto; and
   (f) programs financed, in part or in whole, by federal funds that may be expended although not included in the budget of the school district, excluding funds received under the provisions of title I of public law 874, but not including in such exclusion amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program, to the extent of the federal funds to be provided.

New Sec. 41. If in any school year a school district expends an amount for operating expenses that exceeds its general fund budget, the state board shall determine the excess and deduct the same from amounts of state foundation aid payable to the school district during the next succeeding school year.

New Sec. 42. (a) In order to accomplish the mission for Kansas education, the state board shall design and adopt a school district accreditation system based upon improvement in performance that equals or exceeds the educational goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto, and is measurable. On or before January 15,
2018, and each January 15 thereafter, the state board shall prepare and
submit a report on the school district accreditation system to the governor
and the legislature.

(b) The state board shall establish curriculum standards that reflect
high academic standards for the core academic areas of mathematics,
science, reading, writing and social studies. The curriculum standards shall
be reviewed at least every seven years. Nothing in this subsection shall be
construed in any manner so as to impinge upon any school district's
authority to determine its own curriculum.

(c) The state board shall provide for statewide assessments in the core
academic areas of mathematics, science, reading, writing and social
studies. The board shall ensure compatibility between the statewide
assessments and the curriculum standards established pursuant to
subsection (b). Such assessments shall be administered at three grade
levels, as determined by the state board. The state board shall determine
performance levels on the statewide assessments, the achievement of
which represents high academic standards in the academic area at the
grade level to which the assessment applies. The state board should specify
high academic standards both for individual performance and school
performance on the assessments.

(d) Each school year, on such date as specified by the state board,
each school district shall submit the Kansas education system accreditation
report to the state board in such form and manner as prescribed by the state
board.

(e) Whenever the state board determines that a school district has
failed either to meet the accreditation requirements established by rules
and regulations or standards adopted by the state board or provide
curriculum based on state standards and courses required by state law, the
state board shall so notify the school district. Such notice shall specify the
accreditation requirements that the school district has failed to meet and
the curriculum that it has failed to provide. Upon receipt of such notice,
the board of education of such school district is encouraged to reallocate
the resources of the school district to remedy all deficiencies identified by
the state board.

(f) Each school in every school district shall establish a school site
council composed of the principal and representatives of teachers and
other school personnel, parents of students attending the school, the
business community and other community groups. School site councils
shall be responsible for providing advice and counsel in evaluating state,
school district, and school site performance goals and objectives and in
determining the methods that should be employed at the school site to
meet these goals and objectives. Site councils may make recommendations
and proposals to the school board regarding budgetary items and school
district matters, including, but not limited to, identifying and implementing
the best practices for developing efficient and effective administrative and
management functions. Site councils also may help school boards analyze
the unique environment of schools, enhance the efficiency and maximize
limited resources, including outsourcing arrangements and cooperative
opportunities as a means to address limited budgets.

New Sec. 43. (a) On or before January 15 of each year, the state
department of education shall prepare and submit reports on school district
funding for each school district to the governor and the legislature.
(b) Each report shall contain the information described in subsection
c for the school district in terms of actual dollar amounts for the
immediately preceding school year, actual dollar amounts for the current
school year and budgeted dollar amounts for the immediately succeeding
school year.
(c) Each report shall contain the following information for the school
district:
 (1) Full-time equivalent enrollment;
 (2) demographic information, including, but not limited to, gender,
race, ethnicity, students who are economically disadvantaged, migrants,
English language learners and students with disabilities;
 (3) total general and supplemental general funds, including a showing
of funding provided by federal sources, state sources and local sources,
and total funds per student;
 (4) total capital outlay funds, including a showing of such funding
provided by federal sources, state sources and local sources, and capital
outlay funds per student;
 (5) total bond and interest funds, including a showing of such funding
provided by federal sources, state sources and local sources, and bond and
interest funds per student;
 (6) total of all other funds not described in paragraphs (3), (4) and (5),
excluding fund transfers, including a showing of such funding provided by
federal sources, state sources and local sources, and total funds per
student;
 (7) total funds per student of all funds described in paragraphs (3)
through (6);
 (8) general fund moneys attributable to the following:
(A) BASE aid;
(B) high enrollment weighting;
(C) low enrollment weighting;
(D) school facilities weighting;
(E) transportation weighting;
(F) at-risk student weighting;
(G) preschool-aged at-risk student weighting;
(H) high-density at-risk student weighting;
(I) career technical education weighting;
(J) special education and related services weighting;
(K) bilingual weighting;
(L) ancillary school facilities weighting;
(M) cost-of-living weighting;
(N) declining enrollment weighting; and
(O) virtual school state aid;
(9) total expenditures on the following:
(A) At-risk education programs and services;
(B) preschool-aged at-risk education programs and services;
(C) bilingual education programs and services;
(D) career and technical education programs and services;
(E) special education and related services; and
(F) virtual school programs and services; and
(10) total expenditures from the special retirement contributions fund.
(d) The state board shall provide uniform guidelines for what constitutes total expenditures for the programs and services listed under subsection (c)(9).

New Sec. 44. (a) On or before July 1, 2020, the legislature shall:
(1) (A) Review the school year 2019-2020 BASE aid amount and shall evaluate whether such BASE aid amount is reasonably calculated to have all students meet or exceed the educational goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto.
(B) Such evaluation shall be based on a successful school model that identifies successful school districts based on the percentage of at-risk students in such districts in relation to the following outcomes:
(i) The percentage of students at grade level on state math and English language arts assessments;
(ii) the percentage of students that are college and career ready on state math and English language arts assessments;
(iii) the average composite ACT score; and
(iv) the four-year graduation rate.
(C) Such evaluation shall identify school districts that exceeded expected outcomes and shall also identify school districts that have an average scaled difference on the outcome measures greater than or equal to one standard deviation from the average scaled difference of all districts. Those school districts that are identified as successful school districts in relation to other similarly situated districts may be used to evaluate whether the BASE aid amount is reasonably calculated to ensure that students will continue to meet or exceed the educational goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto.
(2) Consider the information reviewed pursuant to subsection (b) and
determine if any provisions of this act are not reasonably calculated to
provide adequate educational opportunities to every K-12 public education
student in Kansas.

(b) (1) The house and senate standing committees on education shall
review the following weightings to ensure such weightings are reasonably
calculated to have students meet or exceed the educational goal set forth in
K.S.A. 2016 Supp. 72-1127(c), and amendments thereto:

(A) The low enrollment weighting and the high enrollment weighting,
as such terms are defined in section 4, and amendments thereto, and
alternatives to such weightings, including, but not limited to, a sparsity
weighting on or before July 1, 2018;

(B) the at-risk student weighting, as such term is defined in section 4,
and amendments thereto, on or before July 1, 2021; and

(C) the bilingual student weighting, as such term is defined in section
4, and amendments thereto, on or before July 1, 2024.

(2) During the 2018 or 2019 regular legislative session, the house and
senate standing committees on education shall review the following:

(A) Reports submitted to the legislature pursuant to sections 42, 43
and 48, and amendments thereto;

(B) final legislative post audit reports conducted pursuant to section
45(a) and (e), and amendments thereto; and

(C) successful schools as determined by the successful school model
described in subsection (a)(1)(B) and other data relevant to determining
what constitutes a successful school.

New Sec. 45. The legislative post audit committee shall direct the
legislative division of post audit to conduct the following performance
audits in the fiscal year specified:

(a) A study of statewide virtual school programs administered in
other states. The study shall include, but not be limited to, the following:

(1) The aggregate cost incurred by each state administering a virtual
school program, and the cost incurred by individual school districts or
schools within each state;

(2) the resources necessary for the implementation of each virtual
school program, including, but not limited to, personnel, equipment,
software and facility usage;

(3) the scope of each virtual school program; and

(4) the effectiveness of each virtual school program with respect to
student performance and outcomes.

The audit shall be conducted during fiscal year 2018, and the final audit
report shall be submitted to the legislature on or before January 15, 2018.

(b) A performance audit of at-risk education funding. The audit
should evaluate the method of counting students for at-risk education
funding, the level of the at-risk student weighting and high-density at-risk
student weighting under the act and how school districts are expending moneys provided for at-risk education. This performance audit shall be conducted during fiscal year 2020, and the final audit report shall be submitted to the legislature on or before January 15, 2020.

(c) A performance audit of bilingual education funding. The audit should evaluate the method of counting students for bilingual education funding, the level of the bilingual weighting under the act and how school districts are expending moneys provided for bilingual education. This performance audit shall be conducted during fiscal year 2023, and the final audit report shall be submitted to the legislature on or before January 15, 2023.

(d) A performance audit of transportation services funding. The audit should include a comparison of the amount of transportation services funding school districts receive to the cost of providing transportation services. This performance audit shall be conducted during fiscal year 2024, and the final audit report shall be submitted to the legislature on or before January 15, 2024.

(e) (1) A performance audit to provide a reasonable estimate of the cost of providing educational opportunities for every public school student in Kansas to achieve the performance outcome standards adopted by the state board of education. This performance audit shall be conducted three times as follows:

(A) During fiscal year 2019, and the final report submitted to the legislature on or before January 15, 2019;
(B) during fiscal year 2022, and the final report submitted to the legislature on or before January 15, 2022; and
(C) during fiscal year 2025, and the final report submitted to the legislature on or before January 15, 2025.

(2) Each performance audit required under this subsection shall:

(A) Include reasonable estimates of the costs of providing specialized education services as required by law, including, but not limited to, special education and related services, bilingual education and at-risk programs; and

(B) account for other factors which may contribute to variations in costs incurred by school districts, including, but not limited to, total district enrollment and geographic location within the state.

(3) In conducting each performance audit required under this subsection:

(A) Any examination of historical data and expenditures shall correct any recognized inadequacy of such data or expenditure through a statistically valid method of extrapolation; and

(B) subject to the limitations of the division of legislative post audit budget and appropriations therefor, the legislative post auditor may enter
into contracts with consultants as the post auditor deems necessary.

(f) A performance audit to identify best practices in successful schools. The audit should include a comparison of the educational methods and other practices of demographically similar school districts that achieve significantly different student outcomes based on performance outcome standards adopted by the state board of education. This performance audit shall be conducted during fiscal year 2021, and the final audit report shall be submitted to the legislature on or before January 15, 2021. The audit shall be conducted a second time during fiscal year 2026, and the final audit report shall be submitted to the legislature on or before January 15, 2026.

(g) The final audit report for each audit conducted pursuant to this section shall be provided to the house and senate standing committees on education during the regular legislative session in which such report is submitted to the legislature.

New Sec. 46. The state board may adopt rules and regulations for the administration of this act, including the classification of expenditures of school districts to ensure uniform reporting of operating expenses.

New Sec. 47. The provisions of the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, shall not be severable. If any provision of the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, is held to be invalid or unconstitutional by court order, all provisions of the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, shall be null and void.

New Sec. 48. (a) The state department of education shall conduct a study of the cost of career technical education programs offered by school districts, including, but not limited to, the following:

(1) The career technical education programs offered by school districts;

(2) the costs associated with offering such programs, including salaries and wages, materials, equipment and facilities; and

(3) the coordination between school districts, community colleges and technical colleges in offering such programs.

(b) On or before January 15, 2018, the state department of education shall prepare a report on its findings and shall make recommendations on amendments to the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, for the financing of career technical education programs using a tiered technical education model or other funding model. The report shall be submitted to the governor and the legislature.

(c) The provisions of this section shall expire on July 1, 2018.

New Sec. 49. (a) There is hereby established in the state treasury the
school district capital outlay state aid fund. Such fund shall consist of all moneys transferred thereto under the provisions of subsection (d).

(b) Each school district that levies a tax pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall 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 section.

(c) The state board shall:

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

(2) determine the median assessed valuation per student of all school districts;

(3) prepare a schedule of dollar amounts using the amount of the median assessed valuation per student 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 assessed valuation per student of the school district with the highest assessed valuation per student 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 assessed valuation per student of the school district with the lowest assessed valuation per student of all school districts;

(4) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median assessed valuation per student shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median assessed valuation per student by one percentage point for each $1,000 interval above the amount of the median assessed valuation per student, and increasing the state aid computation percentage assigned to the amount of the median assessed valuation per student by one percentage point for each $1,000 interval below the amount of the median assessed valuation per student. 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 assessed valuation per student of the school district, except that the state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

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

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

(d) The state board shall certify to the director of accounts and reports the amount of school district capital outlay state aid determined under the provisions of subsection (c), and an amount equal thereto shall be transferred by the director from the state general fund to the school district capital outlay state aid 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.

(e) 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, and the director of accounts and reports shall draw a warrant on the state treasury 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.

New Sec. 50. No ad valorem tax exemption for real or personal property granted after the effective date of this act by the board of tax appeals pursuant to the provisions of either: (a) Section 13 of article 11 of the constitution of the state of Kansas; or (b) K.S.A. 12-1740 et seq. and 79-201a Second or Twenty-Fourth, and amendments thereto, for any property purchased with the proceeds of revenue bonds shall be deemed to exempt any such property from the ad valorem property tax levied by a school district pursuant to the provisions of section 14 or K.S.A. 72-8801, and amendments thereto. The provisions of this section shall not apply to exemptions granted by the board of tax appeals when the associated resolution of intent to issue revenue bonds and grant property tax abatement was approved by any governing body of any city or the board of commissioners of any county or the public hearing required by K.S.A. 79-251, and amendments thereto, was conducted prior to May 1, 2017.

Sec. 51. K.S.A. 2016 Supp. 10-1116a is hereby amended to read as follows: 10-1116a. The limitations on expenditures imposed under the cash-basis law shall not apply to:

(a) Expenditures in excess of current revenues made for municipally owned and operated utilities out of the fund of such utilities caused by, or resulting from the meeting of, extraordinary emergencies including drought emergencies. In such cases expenditures in excess of current revenues may be made by declaring an extraordinary emergency by resolution adopted by the governing body and such resolution shall be published at least once in a newspaper of general circulation in such city. Thereupon, such governing body may issue interest bearing no-fund warrants on such utility fund in an amount, including outstanding
previously issued no-fund warrants, not to exceed 25% of the revenues from sales of service of such utility for the preceding year. Such warrants shall be redeemed within three years from date of issuance and shall bear interest at a rate of not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. Upon the declaration of a drought emergency, the governing body may issue such warrants for water system improvement purposes in an amount not to exceed 50% of the revenue received from the sale of water for the preceding year. Such warrants shall be redeemed within five years from the date of issuance and shall bear interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto.

(b) Expenditures in any month by school districts which are in excess of current revenues if the deficit or shortage in revenues is caused by, or a result of, the payment of state aid after the date prescribed for the payment of state aid during such month under K.S.A. 2016 Supp. 72-6466 section 7, and amendments thereto.

Sec. 52. K.S.A. 2016 Supp. 12-1677 is hereby amended to read as follows: 12-1677. (a) Except as otherwise required by state or federal law, all moneys earned and collected from investments by counties, area vocational-technical schools and quasi-municipal corporations authorized in this act shall be credited to the general fund of such county, area vocational-technical school or quasi-municipal corporation by the treasurer thereof, and all moneys earned and collected from investments by school districts authorized in this act shall be credited to the general fund of the school district in accordance with the provisions of section 38, and amendments thereto.

(b) The treasurer of each county, school district, area vocational-technical school or quasi-municipal corporation shall maintain a complete record of all investments authorized in this act and shall make a quarterly written report of such record to the governing body of such county, school district, area vocational-technical school or quasi-municipal corporation.

Sec. 53. K.S.A. 2016 Supp. 12-1770a is hereby amended to read as follows: 12-1770a. As used in this act, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the content:

(a) "Auto race track facility" means: (1) An auto race track facility and facilities directly related and necessary to the operation of an auto race track facility, including, but not limited to, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding (2) hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(b) "Base year assessed valuation" means the assessed valuation of all
real property within the boundaries of a redevelopment district on the date
the redevelopment district was established.

(c) "Blighted area" means an area which:

(1) Because of the presence of a majority of the following factors,
substantially impairs or arrests the development and growth of the
municipality or constitutes an economic or social liability or is a menace to
the public health, safety, morals or welfare in its present condition and use:

(A) A substantial number of deteriorated or deteriorating structures;
(B) predominance of defective or inadequate street layout;
(C) unsanitary or unsafe conditions;
(D) deterioration of site improvements;
(E) tax or special assessment delinquency exceeding the fair market
value of the real property;
(F) defective or unusual conditions of title including, but not limited
to, cloudy or defective titles, multiple or unknown ownership interests to
the property;
(G) improper subdivision or obsolete platting or land uses;
(H) the existence of conditions which endanger life or property by
fire or other causes; or
(I) conditions which create economic obsolescence;

(2) has been identified by any state or federal environmental agency
as being environmentally contaminated to an extent that requires a
remedial investigation; feasibility study and remediation or other similar
state or federal action;

(3) a majority of the property is a 100-year floodplain area; or

(4) previously was found by resolution of the governing body to be a
slum or a blighted area under K.S.A. 17-4742 et seq., and amendments
thereto.

(d) "Conservation area" means any improved area comprising 15% or
less of the land area within the corporate limits of a city in which 50% or
more of the structures in the area have an age of 35 years or more, which
area is not yet blighted, but may become a blighted area due to the
existence of a combination of two or more of the following factors:

(1) Dilapidation, obsolescence or deterioration of the structures;
(2) illegal use of individual structures;
(3) the presence of structures below minimum code standards;
(4) building abandonment;
(5) excessive vacancies;
(6) overcrowding of structures and community facilities; or
(7) inadequate utilities and infrastructure.

(e) "De minimus" means an amount less than 15% of the land area
within a redevelopment district.

(f) "Developer" means any person, firm, corporation, partnership or
limited liability company, other than a city and other than an agency, political subdivision or instrumentality of the state or a county when relating to a bioscience development district.

(g) "Eligible area" means a blighted area, conservation area, enterprise zone, intermodal transportation area, major tourism area or a major commercial entertainment and tourism area, bioscience development area or a building or buildings which are 65 years of age or older and any contiguous vacant or condemned lots.

(h) "Enterprise zone" means an area within a city that was designated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, and amendments thereto, prior to its repeal and the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of such city.

(i) "Environmental increment" means the increment determined pursuant to K.S.A. 12-1771a(b), and amendments thereto.

(j) "Environmentally contaminated area" means an area of land having contaminated groundwater or soil which is deemed environmentally contaminated by the department of health and environment or the United States environmental protection agency.

(k) (1) "Feasibility study" means:

(A) A study which shows whether a redevelopment project's or bioscience development project's benefits and tax increment revenue and other available revenues under K.S.A. 12-1774(a)(1), and amendments thereto, are expected to exceed or be sufficient to pay for the redevelopment or bioscience development project costs; and

(B) the effect, if any, the redevelopment project costs or bioscience development project will have on any outstanding special obligation bonds payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto.

(2) For a redevelopment project or bioscience project financed by bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto, the feasibility study must also include:

(A) A statement of how the taxes obtained from the project will contribute significantly to the economic development of the jurisdiction in which the project is located;

(B) a statement concerning whether a portion of the local sales and use taxes are pledged to other uses and are unavailable as revenue for the redevelopment project. If a portion of local sales and use taxes is so committed, the applicant shall describe the following:

(i) The percentage of sales and use taxes collected that are so committed; and

(ii) the date or dates on which the local sales and use taxes pledged to other uses can be pledged for repayment of special obligation bonds;
(C) an anticipated principal and interest payment schedule on the bonds;

(D) following approval of the redevelopment plan, the feasibility study shall be supplemented to include a copy of the minutes of the governing body meeting or meetings of any city whose bonding authority will be utilized in the project, evidencing that a redevelopment plan has been created, discussed, and adopted by the city in a regularly scheduled open public meeting; and

(E) the failure to include all information enumerated in this subsection in the feasibility study for a redevelopment or bioscience project shall not affect the validity of bonds issued pursuant to this act.

(l) "Major tourism area" means an area for which the secretary has made a finding the capital improvements costing not less than $100,000,000 will be built in the state to construct an auto race track facility.

(m) "Real property taxes" means all taxes levied on an ad valorem basis upon land and improvements thereon, except that when relating to a bioscience development district, as defined in this section, "real property taxes" does not include: (I) Property taxes levied for schools, pursuant to K.S.A. 2016 Supp. 72-6470 section 14, and amendments thereto, when:

(A) Relating to a bioscience development district; and

(B) relating to a redevelopment district established after June 30, 1997; and

(2) property taxes levied by school districts pursuant to K.S.A. 72-8801, and amendments thereto, when relating to a bioscience development district or a redevelopment district established on or after July 1, 2017.

(n) "Redevelopment project area" means an area designated by a city within a redevelopment district or, if the redevelopment district is established for an intermodal transportation area, an area designated by a city within or outside of the redevelopment district.

(o) "Redevelopment project costs" means: (1) Those costs necessary to implement a redevelopment project plan or a bioscience development project plan, including costs incurred for:

(A) Acquisition of property within the redevelopment project area;

(B) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-1777, and amendments thereto;

(C) site preparation including utility relocations;

(D) sanitary and storm sewers and lift stations;

(E) drainage conduits, channels, levees and river walk canal facilities;

(F) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;

(G) street light fixtures, connection and facilities;
(H) underground gas, water, heating and electrical services and connections located within the public right-of-way;
(I) sidewalks and pedestrian underpasses or overpasses;
(J) drives and driveway approaches located within the public right-of-way;
(K) water mains and extensions;
(L) plazas and arcades;
(M) major multi-sport athletic complex;
(N) museum facility;
(O) parking facilities including multilevel parking facilities;
(P) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities;
(Q) related expenses to redevelop and finance the redevelopment project;
(R) for purposes of an incubator project, such costs shall also include wet lab equipment including hoods, lab tables, heavy water equipment and all such other equipment found to be necessary or appropriate for a commercial incubator wet lab facility by the city in its resolution establishing such redevelopment district or a bioscience development district;
(S) costs for the acquisition of land for and the construction and installation of publicly-owned infrastructure improvements which serve an intermodal transportation area and are located outside of a redevelopment district; and
(T) costs for infrastructure located outside the redevelopment district but contiguous to any portion of the redevelopment district and such infrastructure is necessary for the implementation of the redevelopment plan as determined by the city.

(2) Redevelopment project costs shall not include: (A) Costs incurred in connection with the construction of buildings or other structures to be owned by or leased to a developer, however, the "redevelopment project costs" shall include costs incurred in connection with the construction of buildings or other structures to be owned or leased to a developer which includes an auto race track facility or a multilevel parking facility.
(B) In addition, for a redevelopment project financed with special obligation bonds payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto, redevelopment project costs shall not include:
   (i) Fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developers or any other businesses considering locating in or located in a redevelopment district;
   (ii) salaries for local government employees;
(iii) moving expenses for employees of the businesses locating within the redevelopment district;
(iv) property taxes for businesses that locate in the redevelopment district;
(v) lobbying costs;
(vi) a bond origination fee charged by the city pursuant to K.S.A. 12-1742, and amendments thereto;
(vii) any personal property, as defined in K.S.A. 79-102, and amendments thereto; and
(viii) travel, entertainment and hospitality.

(p) "Redevelopment district" means the specific area declared to be an eligible area in which the city may develop one or more redevelopment projects.

(q) "Redevelopment district plan" or "district plan" means the preliminary plan that identifies all of the proposed redevelopment project areas and identifies in a general manner all of the buildings, facilities and improvements in each that are proposed to be constructed or improved in each redevelopment project area or, if the redevelopment district is established for an intermodal transportation area, in or outside of the redevelopment district.

(r) "Redevelopment project" means the approved project to implement a project plan for the development of the established redevelopment district.

(s) "Redevelopment project plan" means the plan adopted by a municipality for the development of a redevelopment project or projects which conforms with K.S.A. 12-1772, and amendments thereto, in a redevelopment district.

(t) "Substantial change" means, as applicable, a change wherein the proposed plan or plans differ substantially from the intended purpose for which the district plan or project plan was approved.

(u) "Tax increment" means that amount of real property taxes collected from real property located within the redevelopment district that is in excess of the amount of real property taxes which is collected from the base year assessed valuation.

(v) "Taxing subdivision" means the county, city, unified school district and any other taxing subdivision levying real property taxes, the territory or jurisdiction of which includes any currently existing or subsequently created redevelopment district including a bioscience development district.

(w) "River walk canal facilities" means a canal and related water features which flows through a redevelopment district and facilities related or contiguous thereto, including, but not limited to pedestrian walkways and promenades, landscaping and parking facilities.
(x) "Major commercial entertainment and tourism area" may include, but not be limited to, a major multi-sport athletic complex.

(y) "Major multi-sport athletic complex" means an athletic complex that is utilized for the training of athletes, the practice of athletic teams, the playing of athletic games or the hosting of events. Such project may include playing fields, parking lots and other developments including grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(z) "Bioscience" means the use of compositions, methods and organisms in cellular and molecular research, development and manufacturing processes for such diverse areas as pharmaceuticals, medical therapeutics, medical diagnostics, medical devices, medical instruments, biochemistry, microbiology, veterinary medicine, plant biology, agriculture, industrial environmental and homeland security applications of bioscience and future developments in the biosciences. Bioscience includes biotechnology and life sciences.

(aa) "Bioscience development area" means an area that:

(1) Is or shall be owned, operated, or leased by, or otherwise under the control of the Kansas bioscience authority;
(2) is or shall be used and maintained by a bioscience company; or
(3) includes a bioscience facility.

(bb) "Bioscience development district" means the specific area, created under K.S.A. 12-1771, and amendments thereto, where one or more bioscience development projects may be undertaken.

(cc) "Bioscience development project" means an approved project to implement a project plan in a bioscience development district.

dd) "Bioscience development project plan" means the plan adopted by the authority for a bioscience development project pursuant to K.S.A. 12-1772, and amendments thereto, in a bioscience development district.

( ee) "Bioscience facility" means real property and all improvements thereof used to conduct bioscience research, including, without limitation, laboratory space, incubator space, office space and any and all facilities directly related and necessary to the operation of a bioscience facility.

(ff) "Bioscience project area" means an area designated by the authority within a bioscience development district.

(gg) "Biotechnology" means those fields focusing on technological developments in such areas as molecular biology, genetic engineering, genomics, proteomics, physiomics, nanotechnology, biodefense, biocomputing, bioinformatics and future developments associated with biotechnology.

(hh) "Board" means the board of directors of the Kansas bioscience
authority.

(ii) "Life sciences" means the areas of medical sciences, pharmaceutical sciences, biological sciences, zoology, botany, horticulture, ecology, toxicology, organic chemistry, physical chemistry, physiology and any future advances associated with life sciences.

(jj) "Revenue increase" means that amount of real property taxes collected from real property located within the bioscience development district that is in excess of the amount of real property taxes which is collected from the base year assessed valuation.

(kk) "Taxpayer" means a person, corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, group or other entity that is subject to the Kansas income tax act, K.S.A. 79-3201 et seq., and amendments thereto.

(II) "Floodplain increment" means the increment determined pursuant to K.S.A. 2016 Supp. 12-1771e(b), and amendments thereto.

(mm) "100-year floodplain area" means an area of land existing in a 100-year floodplain as determined by either an engineering study of a Kansas certified engineer or by the United States federal emergency management agency.

(nn) "Major motorsports complex" means a complex in Shawnee county that is utilized for the hosting of competitions involving motor vehicles, including, but not limited to, automobiles, motorcycles or other self-propelled vehicles other than a motorized bicycle or motorized wheelchair. Such project may include racetracks, all facilities directly related and necessary to the operation of a motorsports complex, including, but not limited to, parking lots, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

(oo) "Intermodal transportation area" means an area of not less than 800 acres to be developed primarily to handle the transfer, storage and distribution of freight through railway and trucking operations.

(pp) "Museum facility" means a separate newly-constructed museum building and facilities directly related and necessary to the operation thereof, including gift shops and restaurant facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility. The museum facility shall be owned by the state, a city, county, other political subdivision of the state or a non-profit corporation, shall be managed by the state, a city, county, other political subdivision of the state or a non-profit corporation and may not be leased to any developer and shall not be located within any retail or
commercial building.

Sec. 54. K.S.A. 2016 Supp. 12-1775a is hereby amended to read as follows: 12-1775a. (a) Prior to December 31, 1996, the governing body of each city which, pursuant to K.S.A. 12-1771, and amendments thereto, has established a redevelopment district prior to July 1, 1996, shall certify to the director of accounts and reports the amount equal to the amount of revenue realized from ad valorem taxes imposed pursuant to K.S.A. 2016 Supp. 72-6470 section 14, and amendments thereto, within such redevelopment district. Prior to February 1, 1997, and annually on that date thereafter, the governing body of each such city shall certify to the director of accounts and reports an amount equal to the amount by which revenues realized from such ad valorem taxes imposed in such redevelopment district are estimated to be reduced for the ensuing calendar year due to legislative changes in the statewide school finance formula. Prior to March 1 of each year, the director of accounts and reports shall certify to the state treasurer each amount certified by the governing bodies of cities under this section for the ensuing calendar year and shall transfer from the state general fund to the city tax increment financing revenue fund the aggregate of all amounts so certified. Prior to April 15 of each year, the state treasurer shall pay from the city tax increment financing revenue fund to each city certifying an amount to the director of accounts and reports under this section for the ensuing calendar year the amount so certified.

(b) There is hereby created the tax increment financing revenue replacement fund which shall be administered by the state treasurer. All expenditures from the tax increment financing revenue replacement fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the state treasurer or a person or persons designated by the state treasurer.

Sec. 55. K.S.A. 2016 Supp. 12-1776a is hereby amended to read as follows: 12-1776a. (a) As used in this section:

1. "School district" means any school district in which is located a redevelopment district for which bonds have been issued pursuant to K.S.A. 12-1770 et seq., and amendments thereto.

2. "Base year assessed valuation," "redevelopment district" and "redevelopment project" shall have the meanings ascribed thereto by K.S.A. 12-1770a, and amendments thereto.

(b) No later than November 1 of each year, the county clerk of each county shall certify to the state board of education the assessed valuation of any school district located within a redevelopment district in such county. For the purposes of this section and for determining the amount of state aid for school districts under section 17 and K.S.A. 75-2319, and amendments thereto, the base year assessed valuation of property within
the boundaries of a redevelopment district shall be used when determining
the assessed valuation of a school district until the bonds issued pursuant
to K.S.A. 12-1770 et seq., and amendments thereto, to finance
redevelopment projects in the redevelopment district have been retired.

Sec. 56. K.S.A. 12-17,115 is hereby amended to read as follows: 12-
17,115. As used in this act:
(a) "Dilapidated structure" means a residence or other building which
is in deteriorating condition by reason of obsolescence, inadequate
provision of ventilation, light, air or structural integrity or is otherwise in a
condition detrimental to the health, safety or welfare of its inhabitants or a
residence or other building which is in deteriorating condition and because
date, architecture, history or significance is worthy of preservation.
(b) "Municipality" means any municipality as defined by K.S.A. 10-
1101, and amendments thereto.
(c) "Neighborhood revitalization area" means:
(1) An area in which there is a predominance of buildings or
improvements which by reason of dilapidation, deterioration,
obsolescence, inadequate provision for ventilation, light, air, sanitation, or
open spaces, high density of population and overcrowding, the existence
of conditions which endanger life or property by fire and other causes or a
combination of such factors, is conducive to ill health, transmission of
disease, infant mortality, juvenile delinquency or crime and which is
detrimental to the public health, safety or welfare;
(2) an area which by reason of the presence of a substantial number
of deteriorated or deteriorating structures, defective or inadequate streets,
incompatible land use relationships, faulty lot layout in relation to size,
adequacy, accessibility or usefulness, unsanitary or unsafe conditions,
deterioration of site or other improvements, diversity of ownership, tax or
special assessment delinquency exceeding the actual value of the land,
defective or unusual conditions of title, or the existence of conditions
which endanger life or property by fire and other causes, or a combination
of such factors, substantially impairs or arrests the sound growth of a
municipality, retards the provision of housing accommodations or
constitutes an economic or social liability and is detrimental to the public
health, safety or welfare in its present condition and use; or
(3) an area in which there is a predominance of buildings or
improvements which by reason of age, history, architecture or significance
should be preserved or restored to productive use.
(d) "Governing body" means the governing body of any municipality.
(e) "Increment" means, except for any taxes levied by school districts
pursuant to section 13 or K.S.A. 72-8801, and amendments thereto, that
amount of ad valorem taxes collected from real property located within the
neighborhood revitalization area or from dilapidated structures outside the
revitalization area that is in excess of the amount which is produced from such property and attributable to the assessed valuation of such property prior to the date the neighborhood revitalization area was established or the structure was declared dilapidated pursuant to this act.

Sec. 57. K.S.A. 2016 Supp. 72-978 is hereby amended to read as follows: 72-978. (a) Each year, the state board of education shall determine the amount of state aid for the provision of special education and related services each school district shall receive for the ensuing school year. The amount of such state aid shall be computed by the state board as provided in this section. The state board shall:

(1) Determine the total amount of general fund and local option budgets of all school districts;

(2) subtract from the amount determined in subsection (a)(1) the total amount attributable to assignment of transportation weighting, program weighting, bilingual weighting, career technical education weighting, special education weighting and at-risk-pupil student weighting, as those weightings were calculated under the school district finance and quality performance act, prior to its repeal, to the enrollment of all school districts;

(3) divide the remainder obtained in subsection (a)(2) by the total number of full-time equivalent pupils enrolled in all school districts on September 20;

(4) determine the total full-time equivalent enrollment of exceptional children receiving special education and related services provided by all school districts;

(5) multiply the amount of the quotient obtained in subsection (a)(3) by the full-time equivalent enrollment determined in subsection (a)(4);

(6) determine the amount of federal funds received by all school districts for the provision of special education and related services;

(7) determine the amount of revenue received by all school districts rendered under contracts with the state institutions for the provisions of special education and related services by the state institution;

(8) add the amounts determined under subsections (a)(6) and (a)(7) to the amount of the product obtained under subsection (a)(5);

(9) determine the total amount of expenditures of all school districts for the provision of special education and related services;

(10) subtract the amount of the sum obtained under subsection (a)(8) from the amount determined under subsection (a)(9); and

(11) multiply the remainder obtained under subsection (a)(10) by 92%.

The computed amount is the amount of state aid for the provision of special education and related services aid a school district is entitled to receive for the ensuing school year.

(b) Each school district shall be entitled to receive:
(1) Reimbursement for actual travel allowances paid to special teachers at not to exceed the rate specified under K.S.A. 75-3203, and amendments thereto, for each mile actually traveled during the school year in connection with duties in providing special education or related services for exceptional children. Such reimbursement shall be computed by the state board by ascertaining the actual travel allowances paid to special teachers by the school district for the school year and shall be in an amount equal to 80% of such actual travel allowances;

(2) reimbursement in an amount equal to 80% of the actual travel expenses incurred for providing transportation for exceptional children to special education or related services;

(3) reimbursement in an amount equal to 80% of the actual expenses incurred for the maintenance of an exceptional child at some place other than the residence of such child for the purpose of providing special education or related services. Such reimbursement shall not exceed $600 per exceptional child per school year; and

(4) (A) except for those school districts—entitled to that receive reimbursement under subsection (c) or (d), after subtracting the amounts of reimbursement under subsections (a)(1), (a)(2) and (a)(3) from the total amount appropriated for special education and related services under this act, an amount which bears the same proportion to the remaining amount appropriated as the number of full-time equivalent special teachers who are qualified to provide special education or related services to exceptional children and are employed by the school district for approved special education or related services bears to the total number of such qualified full-time equivalent special teachers employed by all school districts for approved special education or related services.

(B) Each special teacher who is qualified to assist in the provision of special education or related services to exceptional children shall be counted as $\frac{2}{5}$ full-time equivalent special teacher who is qualified to provide special education or related services to exceptional children.

(C) For purposes of this subsection (b)(4), a special teacher, qualified to assist in the provision of special education and related services to exceptional children, who assists in providing special education and related services to exceptional children at either the state school for the blind or the state school for the deaf and whose services are paid for by a school district pursuant to K.S.A. 76-1006 or 76-1102, and amendments thereto, shall be considered a special teacher of such school district.

(c) Each school district which has paid amounts for the provision of special education and related services under an interlocal agreement shall be entitled to receive reimbursement under subsection (b)(4). The amount of such reimbursement for the school district shall be the amount which bears the same relation to the aggregate amount available for
reimbursement for the provision of special education and related services under the interlocal agreement, as the amount paid by such school district in the current school year for provision of such special education and related services bears to the aggregate of all amounts paid by all school districts in the current school year who have entered into such interlocal agreement for provision of such special education and related services.

(d) Each contracting school district which has paid amounts for the provision of special education and related services as a member of a cooperative shall be entitled to receive reimbursement under subsection (b) (4). The amount of such reimbursement for the school district shall be the amount which bears the same relation to the aggregate amount available for reimbursement for the provision of special education and related services by the cooperative, as the amount paid by such school district in the current school year for provision of such special education and related services bears to the aggregate of all amounts paid by all contracting school districts in the current school year by such cooperative for provision of such special education and related services.

(e) No time spent by a special teacher in connection with duties performed under a contract entered into by the Kansas juvenile correctional complex, the Atchison juvenile correctional facility, the Larned juvenile correctional facility, or the Topeka juvenile correctional facility and a school district for the provision of special education services by such state institution shall be counted in making computations under this section.

(f) There is hereby established in every school district a fund which shall be called the special education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. Notwithstanding any other provision of law, all moneys received by the school district from whatever source for special education shall be credited to the special education fund established by this section, except that: (1) Amounts of payments received by a school district under K.S.A. 72-979, and amendments thereto, and amounts of grants, if any, received by a school district under K.S.A. 72-983, and amendments thereto, shall be deposited in the general fund of the district and transferred to the special education fund; and (2) moneys received by a school district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be credited to the special education fund established under the agreements.

(g) The expenses of a school district directly attributable to special education shall be paid from the special education fund and from special funds established under K.S.A. 72-968, and amendments thereto.

(h) Obligations of a school district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be paid from
the special education fund established by this section.

Sec. 58. K.S.A. 2016 Supp. 72-1046b 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 subparagraph (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, K.S.A. 2016 Supp. 72-6463 et seq.; Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, except computation of transportation weighting under such act, 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. 59. K.S.A. 2016 Supp. 72-1398 is hereby amended to read as
follows: 72-1398. (a) The national board for professional teaching
standards certification incentive program is hereby established for the
purpose of rewarding teachers who have attained certification from the
national board. Teachers who have attained certification from the national
board shall be issued a master teacher's license by the state board of
education. A master teacher's license shall be valid for 10 years and
renewable thereafter every 10 years through compliance with continuing
education and professional development requirements prescribed by the
state board. Teachers who have attained certification from the national
board and who are employed by a school district shall be paid an incentive
bonus in the amount of $1,000 each school year that the teacher remains
employed by a school district and retains a valid master teacher's license.

(b) The board of education of each school district employing one or
more national board certified teachers shall pay the incentive bonus to
each such teacher in each school year that the teacher retains eligibility for
such payment. Each board of education which has made payments of
incentive bonuses to national board certified teachers under this subsection
may file an application with the state board of education for state aid and
shall certify to the state board the amount of such payments. The
application and certification shall be on a form prescribed and furnished by
the state board, shall contain such information as the state board shall
require and shall be filed at the time specified by the state board.

(c) In each school year, each school district employing one or more
national board certified teachers is entitled to receive from appropriations
for the national board for professional teaching standards certification
incentive program an amount which is equal to the amount certified to the
state board of education in accordance with the provisions of subsection
(b). The state board shall certify to the director of accounts and reports the
amount due each school district. The director of accounts and reports shall
draw warrants on the state treasurer payable to the treasurer of each school
district entitled to payment under this section upon vouchers approved by
the state board.

(d) Moneys received by a board of education under this section shall
be deposited in the general fund of the school district and shall be
considered reimbursements to the district for the purpose of the classroom
learning assuring student success act, K.S.A. 2016 Supp. 72-6463-Kansas
school equity and enhancement act, section 3 et seq., and amendments
thereto, and may be expended whether the same have been budgeted or
not.

(e) The state board of education is authorized to provide scholarships
of $1,100 each to teachers who are accepted to participate in the national
board for professional teaching standards program for initial certification.
The state board of education is authorized to provide scholarships of $500
each to teachers who are accepted to participate in the national board for
professional teaching standards program for renewal of certification. Any
teacher who has been accepted to participate in such program may file an
application with the state board of education for a scholarship. The
application shall be on a form prescribed and furnished by the state board,
shall contain such information as the state board shall require and shall be
filed at the time specified by the state board.

(f) As used in this section, the term "school district" means any
school district organized and operating under the laws of this state.

Sec. 60. K.S.A. 2016 Supp. 72-1414 is hereby amended to read as
follows: 72-1414. (a) On or before January 1, 2001, the state board of
education shall adopt rules and regulations for the administration of
mentor teacher programs and shall:

(1) Establish standards and criteria for evaluating and approving
mentor teacher programs and applications of school districts for grants;
(2) evaluate and approve mentor teacher programs;
(3) establish criteria for determination of exemplary teaching ability
of certificated teachers for qualification as mentor teachers;
(4) prescribe guidelines for the selection by boards of education of
mentor teachers and for the provision by boards of education of training
programs for mentor teachers;
(5) be responsible for awarding grants to school districts; and
(6) request of and receive from each school district which is awarded
a grant for maintenance of a mentor teacher program reports containing
information with regard to the effectiveness of the program.

(b) Subject to the availability of appropriations for mentor teacher
programs maintained by school districts, and within the limits of any such
appropriations, the state board of education shall determine the amount of
grants to be awarded school districts by multiplying an amount not to
exceed $1,000 by the number of mentor teachers participating in the
program maintained by a school district. The product is the amount of the
grant to be awarded to the district. Upon receipt of a grant of state moneys
for maintenance of a mentor teacher program, the amount of the grant shall
be deposited in the general fund of the school district. Moneys deposited in the general fund of a school district under this subsection shall be considered reimbursements for the purpose of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto. The full amount of the grant shall be allocated among the mentor teachers employed by the school district so as to provide a mentor teacher with an annual stipend in an amount not to exceed $1,000. Such annual stipend shall be over and above the regular salary to which the mentor teacher is entitled for the school year.

Sec. 61. K.S.A. 2016 Supp. 72-1923 is hereby amended to read as follows: 72-1923. (a) Except as provided in K.S.A. 2016 Supp. 72-1925, and amendments thereto, the board of education of any school district may apply to the state board for a grant of authority to operate such school district as a public innovative district. The application shall be submitted in the form and manner prescribed by the state board, and shall be submitted not later than December 1 of the school year preceding the school year in which the school district intends to operate as a public innovative district.

(b) The application shall include the following:

(1) A description of the educational programs of the public innovative district;

(2) a description of the interest and support for partnerships between the public innovative district, parents and the community;

(3) the specific goals and the measurable pupil outcomes to be obtained by operating as a public innovative district; and

(4) an explanation of how pupil performance in achieving the specified outcomes will be measured, evaluated and reported.

(c) (1) Within 90 days from the date such application is submitted, the state board shall review the application to determine compliance with this section, and shall approve or deny such application on or before the conclusion of such 90-day period. If the application is determined to be in compliance with this section, the state board shall approve such application and grant the school district authority to operate as a public innovative district. Notification of such approval shall be sent to the board of education of such school district within 10 days after such decision.

(2) If the state board determines such application is not in compliance with either this section, or K.S.A. 2016 Supp. 72-1925, and amendments thereto, the state board shall deny such application. Notification of such denial shall be sent to the board of education of such school district within 10 days after such decision and shall specify the reasons therefor. Within 30 days from the date such notification is sent, the board of education of such school district may submit a request to the state board for reconsideration of the application and may submit an amended application
with such request. The state board shall act on the request for reconsideration within 60 days of receipt of such request.

(d) A public innovative district shall:

(1) Not charge tuition for any of the pupils residing within the public innovative district;

(2) participate in all Kansas math and reading assessments applicable to such public innovative district, or an alternative assessment program for measuring student progress as determined by the board of education;

(3) abide by all financial and auditing requirements that are applicable to school districts, except that a public innovative district may use generally accepted accounting principles;

(4) comply with all applicable health, safety and access laws; and

(5) comply with all statements set forth in the application submitted pursuant to subsection (a).

(e) (1) Except as otherwise provided in K.S.A. 2016 Supp. 72-1921 through 72-1930, and amendments thereto, or as required by the board of education of the public innovative district, a public innovative district shall be exempt from all laws and rules and regulations that are applicable to school districts.

(2) A public innovative district shall be subject to the special education for exceptional children act, the virtual school act, the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, the provisions of K.S.A. 72-8801 et seq., and amendments thereto, all laws governing the issuance of general obligation bonds by school districts, the provisions of K.S.A. 74-4901 et seq., and amendments thereto, and all laws governing the election of members of the board of education, the open meetings act as provided in K.S.A. 75-4317 et seq., and amendments thereto, and the open records act as provided in K.S.A. 45-215 et seq., and amendments thereto.

Sec. 62. K.S.A. 2016 Supp. 72-3712 is hereby amended to read as follows: 72-3712. As used in the virtual school act:

(a) "Virtual school" means any school or educational program that:

(1) Is offered for credit; (2) uses distance-learning technologies which predominately use internet-based methods to deliver instruction; (3) involves instruction that occurs asynchronously with the teacher and pupil in separate locations; (4) requires the pupil to make academic progress toward the next grade level and matriculation from kindergarten through high school graduation; (5) requires the pupil to demonstrate competence in subject matter for each class or subject in which the pupil is enrolled as part of the virtual school; and (6) requires age-appropriate pupils to complete state assessment tests.

(b) "School district" means any school district which offers a virtual
school.
(c) Except as provided by the virtual school act, words and phrases
shall have the meanings ascribed thereto in K.S.A. 2016 Supp. 72-6464
section 4, and amendments thereto.
Sec. 63. K.S.A. 2016 Supp. 72-3715 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 student 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 student enrolled in the virtual
school on September 20 of each school year as follows:
      (1) Determine the number of hours the pupil student 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 student 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 subsections (b)(1) and
(b)(2);
      (4) divide the sum obtained under paragraph subsection (b)(3) by 12.
The quotient is the full-time equivalent enrollment of the pupil student.
   (c) The school days on which a district determines the full-time
equivalent enrollment of a pupil student under subsections (b)(1) and (2)
shall be the school days on which the pupil student 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 student's on-line activity or entries in the pupil's-
student'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 students enrolled in virtual
school on a full-time basis, excluding those pupils students who are over
18 19 years of age, and multiply the total number of such pupils students
by $5,000;
   (B) (2) determine the full-time equivalent enrollment of pupils-
students enrolled in virtual school on a part-time basis, excluding those
pupils who are over 18 19 years of age, and multiply the total full-time
equivalent enrollment of such pupils by $4,045 students by $1,700;

(C) (3) for pupils students enrolled in a virtual school who are over 18 19 years of age, determine the number of one-hour credit courses such pupils students have passed, not to exceed six credit courses per school year, and multiply the total number of such courses by $933 $709; and

(D) (4) add the amounts calculated under subsections (d)(1)(A) through (d)(3)(C) (4). 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) (1) 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 student 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. Moneys deposited in or otherwise transferred to the virtual school fund shall only be expended for those costs directly attributable to the provision of virtual instruction.

(2) 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.

(3) 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 student 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 student
enrolled in such virtual school.

(g) For purposes of this section:
(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).

(h) In recognition of the continuing work of the state board in
evaluating virtual school programs and to allow the legislature time to
review virtual school funding to ensure that such funding is reasonably
calculated to have students meet or exceed the educational goal set forth
in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto, the provisions
of subsections (a) through (d) shall expire on July 1, 2020.

Sec. 64. K.S.A. 2016 Supp. 72-5333b is hereby amended to read as
follows: 72-5333b. (a) The unified school district maintaining and
operating a school on the Fort Leavenworth military reservation, being
unified school district No. 207 of Leavenworth county, state of Kansas,
shall have a governing body, which shall be known as the "Fort
Leavenworth school district board of education" and which shall consist of
three members who shall be appointed by, and serve at the pleasure of the
commanding general of Fort Leavenworth. One member of the board shall
be the president and one member shall be the vice-president. The
commanding general, when making any appointment to the board, shall
designate which of the offices the member so appointed shall hold. Except
as otherwise expressly provided in this section, the district board and the
officers thereof shall have and may exercise all the powers, duties,
authority and jurisdiction imposed or conferred by law on unified school
districts and boards of education thereof, except such school district shall
not offer or operate any of grades 10 through 12.

(b) The board of education of the school district shall not have the
power to issue bonds.

(c) Except as otherwise expressly provided in this subsection, the
provisions of the "classroom learning assuring student success act, K.S.A.
2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3
et seq., and amendments thereto, apply to the school district. As applied to
the school district, the terms "local foundation aid" and "federal impact
aid" shall not include any moneys received by the school district under
subsection (3)(d)(2)(b) of public law 81-874. Any such moneys received
by the school district shall be deposited in the general fund of the school
district or, at the discretion of the board of education, in the capital outlay
fund of the school district.

Sec. 65. K.S.A. 2016 Supp. 72-64b01 is hereby amended to read as
follows: 72-64b01. (a) No school district shall expend, use or transfer any
moneys from the general fund of the district for the purpose of engaging in
or supporting in any manner any litigation by the school district or any
person, association, corporation or other entity against the state of Kansas,
the state board of education, the state department of education, other state
agency or any state officer or employee regarding the Kansas school
equity and enhancement act or any other law concerning school finance.
No such moneys shall be paid, donated or otherwise provided to any
person, association, corporation or other entity and used for the purpose of
any such litigation.

(b) Nothing in section 15, and amendments thereto, or this section
shall be construed as prohibiting the expenditure, use or transfer of
moneys from that portion of the proceeds of any tax levied by a school
district pursuant to— K.S.A. 2016 Supp. 72-6472 section 19, and
amendments thereto, that was levied to finance a school district's local
option budget, for the purposes specified in subsection (a).

Sec. 66. K.S.A. 2016 Supp. 72-64c03 is hereby amended to read as
follows: 72-64c03. The appropriation of moneys necessary to pay general
state aid and supplemental general state aid under the classroom learning
assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school
equity and enhancement act, section 3 et seq., and amendments thereto,
and state aid for the provision of special education and related services
under the special education for exceptional children act shall be given first
priority in the legislative budgeting process and shall be paid first from
existing state revenues.

Sec. 67. K.S.A. 2016 Supp. 72-64c05 is hereby amended to read as
follows: 72-64c05. Article 6 of the constitution of the state of Kansas
states that the legislature shall provide for intellectual, educational,
vocational and scientific improvement by establishing and maintaining
public schools; provide for a state board of education having general
supervision of public schools, educational institutions and the educational
interests of the state, except those delegated by law to the state board of
regents; and make suitable provision for finance of the educational
interests of the state. It is the purpose and intention of the legislature to
provide a financing system for the education of kindergarten and grades
one through 12 which provides students with the capacities set forth in
K.S.A. 2016 Supp. 72-1127, and amendments thereto. Such financing
system shall be sufficiently flexible for the legislature to consider and use, or to utilize financing methods from all available resources in order to satisfy the constitutional requirements under article 6. Such financing methods shall include, but are not limited to, the following:

(a) Federal funding to unified school districts or public schools, including any grants or federal assistance;

(b) Subject to appropriations by the legislature, appropriations of state moneys for the improvement of public education, including, but not limited to, the following:

1. Financing to unified school districts through the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto;
2. Financing to unified school districts through any provisions which provide state aid, such as capital improvements state aid, capital outlay state aid and any other state aid paid, distributed or allocated to school districts on the basis of the assessed valuation of school districts;
3. Employer contributions to the Kansas public employees retirement system for public schools;
4. Appropriations to the Kansas children's cabinet for programs serving students enrolled in unified school districts in meeting the goal specified in K.S.A. 2016 Supp. 72-1127, and amendments thereto;
5. Appropriations to any programs which provide early learning to four-year-old children with the purpose of preparing them for success in public schools;
6. Appropriations to any programs, such as communities in schools, which provide individualized support to students enrolled in unified school districts in meeting the goal specified in K.S.A. 2016 Supp. 72-1127, and amendments thereto;
7. Transportation financing, including any transfers from the state general fund and state highway fund to the state department of education to provide technical education transportation, special education transportation or school bus safety;
8. Financing to other facilities providing public education to students, such as the Kansas state school for the blind, the Kansas state school for the deaf, school district juvenile detention facilities and the Flint Hills job corps center;
9. Appropriations relating to the Kansas academy of mathematics and science;
10. Appropriations relating to teaching excellence, such as scholarships, awards, training or in-service workshops;
11. Appropriations to the state board of regents to provide technical education incentives to unified school districts and tuition costs to
postsecondary institutions which provide career technical education to secondary students; and

(12) appropriations to any postsecondary educational institution which provides postsecondary education to a secondary student without charging tuition to such student;

(c) any provision which authorizes the levying of local taxes for the purpose of financing public schools; and

(d) any transfer of funds or appropriations from one object or fund to another approved by the legislature for the purpose of financing public schools.

Sec. 68. K.S.A. 2016 Supp. 72-6622 is hereby amended to read as follows: 72-6622. In the event that all of the property acquired by any two cities under the provisions of K.S.A. 3-404 et seq., and amendments thereto, is included within the territory of a unified school district in which only one of such cities is located:

(a) One-half of the assessed valuation of such property shall be assigned to each of the two school districts in which such cities are located for the purposes of determining the assessed valuation of each district for entitlement to: (1) Supplemental state aid under section 17, and amendments thereto; and (2) payment from the school district capital improvements fund under K.S.A. 75-2319, and amendments thereto;

(b) The revenue to be received by each district under subsection (c) shall be used as a receipt by such district in computing its ad valorem tax requirement for each tax levy fund; and

(c) Such property shall be subject to taxation for school purposes at a rate equal to the aggregate of all rates imposed for school purposes upon property located within the school district in which such property is located, but one-half of the proceeds derived from such levy shall be allocated to each of the two school districts in which such cities are located.

Sec. 69. K.S.A. 2016 Supp. 72-6624 is hereby amended to read as follows: 72-6624. (a) As used in this section:

(1) "School district" means unified school district No. 404, unified school district No. 493, unified school district No. 499 and unified school district No. 508.

(2) "Property" means any property, and improvements thereon, comprising a racetrack gaming facility or lottery gaming facility under the Kansas expanded lottery act located in Cherokee county.

(3) "State aid" means general state aid, supplemental state aid, capital improvements state aid, capital outlay state aid and any other state aid paid, distributed or allocated to school districts under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments
thereto, or other law, and any other state aid paid, distributed or allocated to school districts on the basis of the assessed valuation of school districts.

(b) For the purposes of computing the assessed valuation of school districts for the payment, distribution or allocation of state aid and the levying of school taxes, \(\frac{1}{4}\) of the assessed valuation of such property shall be assigned to each of the school districts.

(c) The provisions of this section shall not apply if the property is not or ceases to be used as a racetrack gaming facility or lottery gaming facility under the Kansas expanded lottery act.

Sec. 70. K.S.A. 2016 Supp. 72-6625 is hereby amended to read as follows: 72-6625. (a) As used in this section:

1. "School district" means unified school district No. 507 and unified school district No. 374.

2. "Property" means the following described property, and improvements thereon, comprised of 1,120 acres, more or less, located in Haskell county: All of Section 34, Township 29 South, Range 33 West and the West \(\frac{1}{2}\) of Section 3, Township 30 South, Range 33 West and the Northeast Quarter of Section 3, Township 30 South, Range 33 West.

3. "State aid" means general state aid, supplemental state aid, capital improvements state aid, capital outlay state aid and any other state aid paid, distributed or allocated to school districts under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, or other law, and any other state aid paid, distributed or allocated to school districts on the basis of the assessed valuation of school districts.

(b) For the purposes of computing the assessed valuation of school districts for the payment, distribution or allocation of state aid and the levying of school taxes, \(\frac{1}{2}\) of the assessed valuation of such property shall be assigned to each of the school districts.

(c) The provisions of this section shall not apply if the property is not or ceases to be used for the production of ethanol.

Sec. 71. K.S.A. 2016 Supp. 72-6757 is hereby amended to read as follows: 72-6757. (a) As used in this section:

1. "Receiving school district" means a school district of nonresidence of a pupil who attends school in such school district.

2. "Sending school district" means a school district of residence of a pupil who attends school in a school district not of the pupil's residence.

(b) The board of education of any school district may make and enter into contracts with the board of education of any receiving school district located in this state for the purpose of providing for the attendance of pupils at school in the receiving school district.

(c) The board of education of any school district may make and enter into contracts with the governing authority of any accredited school
district located in another state for the purpose of providing for the
attendance of pupils from this state at school in such other state or for the
attendance of pupils from such other state at school in this state.

(d) Pupils attending school in a receiving school district in
accordance with a contract authorized by this section and made and
entered into by such receiving school district with a sending school district
located in this state shall be counted as regularly enrolled in and attending
school in the sending school district for the purpose of computations under
the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-
6463 Kansas school equity and enhancement act, section 3 et seq., and
amendments thereto.

(e) Any contract made and entered into under authority of this section
is subject to the following conditions:

(1) The contract shall be for the benefit of pupils who reside at
inconvenient or unreasonable distances from the schools maintained by the
sending school district or for pupils who, for any other reason deemed
sufficient by the board of education of the sending school district, should
attend school in a receiving school district;

(2) the contract shall make provision for the payment of tuition by the
sending school district to the receiving school district;

(3) if a sending school district is located in this state and the receiving
school district is located in another state, the amount of tuition provided to
be paid for the attendance of a pupil or pupils at school in the receiving
school district shall not exceed \( \frac{1}{2} \) of the amount of the budget per pupil of
the sending school district under the classroom learning assuring student
success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and
enhancement act, section 3 et seq., and amendments thereto, for the
current school year; and

(4) the contract shall make provision for transportation of pupils to
and from the school attended on every school day.

(f) Amounts received pursuant to contracts made and entered into
under authority of this section by a school district located in this state for
enrollment and attendance of pupils at school in regular educational
programs shall be deposited in the general fund of the school district.

(g) The provisions of subsection (e)(3) do not apply to unified school
district No. 104, Jewell county 107, Rock Hills.

(h) The provisions of this section do not apply to contracts made and
entered into under authority of the special education for exceptional
children act.

(i) The provisions of this section are deemed to be alternative to the
provisions of K.S.A. 72-8233, and amendments thereto, and no procedure
or authorization under K.S.A. 72-8233, and amendments thereto, shall be
limited by the provisions of this section.
Sec. 72. K.S.A. 2016 Supp. 72-67,115 is hereby amended to read as follows: 72-67,115. (a) The board of education of any school district may:
   (1) Offer and teach courses and conduct preschool programs for children under the age of eligibility to attend kindergarten.
   (2) Enter into cooperative or interlocal agreements with one or more other boards for the establishment, operation and maintenance of such preschool programs.
   (3) Contract with private, nonprofit corporations or associations or with any public or private agency or institution, whether located within or outside the state, for the establishment, operation and maintenance of such preschool programs.
   (4) Prescribe and collect fees for providing such preschool programs.
   (b) Fees for providing preschool programs shall be prescribed and collected only to recover the costs incurred as a result of and directly attributable to the establishment, operation and maintenance of the preschool programs. Revenues from fees collected by a board under this section shall be deposited in the general fund of the school district and shall be considered reimbursements to the district for the purpose of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463, Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, and may be expended whether the same have been budgeted or not and amounts so expended shall not be considered operating expenses.

Sec. 73. K.S.A. 2016 Supp. 72-7535 is hereby amended to read as follows: 72-7535. (a) In order to equip students with the knowledge and skills needed to become self-supporting and to enable students to make critical decisions regarding personal finances, the state board of education shall authorize and assist in the implementation of programs on teaching personal financial literacy.
   (b) The state board of education shall develop a curriculum, materials and guidelines that local boards of education and governing authorities of accredited nonpublic schools may use in implementing the program of instruction on personal financial literacy. The state board of education shall adopt a glossary of personal financial literacy terms which shall be used by school districts when implementing the program on personal financial literacy.
   (c) The state board of education shall develop state curriculum standards for personal financial literacy, for all grade levels, within the existing mathematics curriculum or another appropriate subject-matter curriculum.
   (d) The state board of education shall encourage school districts when selecting textbooks for mathematics, economics, family and consumer science, accounting or other appropriate courses, to select those textbooks
which contain substantive provisions on personal finance, including personal budgeting, credit, debt management and other topics concerning personal financial literacy.

(e) The state board of education shall include questions relating to personal financial literacy in the statewide assessments for mathematics or social studies required under K.S.A. 2016 Supp. 72-6479 section 42, and amendments thereto. When the statewide assessments for mathematics or social studies are reviewed or rewritten, the state board of education shall examine the questions relating to personal financial literacy and rewrite such questions in order to determine if programs on personal financial literacy are equipping students with the knowledge and skills needed to become self-supporting and enabling students to make critical decisions regarding personal finances.

Sec. 74. K.S.A. 2016 Supp. 72-8187 is hereby amended to read as follows: 72-8187. (a) In each school year, to the extent that appropriations are available, each school district which has provided educational services for pupils residing at the Flint Hills job corps center, for pupils housed at a psychiatric residential treatment facility or for pupils confined in a juvenile detention facility is eligible to receive a grant of state moneys in an amount to be determined by the state board of education.

(b) In order to be eligible for a grant of state moneys provided for by this section, each school district which has provided educational services for pupils residing at the Flint Hills job corps center, for pupils housed at a psychiatric residential treatment facility or for pupils confined in a juvenile detention facility shall submit to the state board of education an application for a grant and shall certify the amount expended, and not reimbursed or otherwise financed, in the school year for the services provided. The application and certification shall be prepared in such form and manner as the state board shall require and shall be submitted at a time to be determined and specified by the state board. Approval by the state board of applications for grants of state moneys is prerequisite to the award of grants.

(c) Each school district which is awarded a grant under this section shall make such periodic and special reports of statistical and financial information to the state board as it may request.

(d) All moneys received by a school district under authority of this section shall be deposited in the general fund of the school district and shall be considered reimbursement of the district for the purpose of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto.

(e) The state board of education shall approve applications of school districts for grants, determine the amount of grants and be responsible for
payment of grants to school districts. In determining the amount of a grant which a school district is eligible to receive, the state board shall compute the amount of state financial aid the district would have received on the basis of enrollment of pupils residing at the Flint Hills job corps center, housed at a psychiatric residential treatment facility or confined in a juvenile detention facility if such pupils had been counted as two pupils under the school district finance and quality performance act and compare such computed amount to the amount certified by the district under subsection (b). The amount of the grant the district is eligible to receive shall be an amount equal to the lesser of the amount computed under this subsection or the amount certified under subsection (b). If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state moneys in proportion to the amount each school district is determined to be eligible to receive.

(f) On or before July 1 of each year, the secretary for aging and disability services shall submit to the Kansas department of education a list of facilities which have been certified and licensed as psychiatric residential treatment facilities.

(g) As used in this section:

(1) "Enrollment" means the number of pupils who are: (A) Residing at the Flint Hills job corps center, confined in a juvenile detention facility or residing at a psychiatric residential treatment facility; and (B) for whom a school district is providing educational services on September 20, on November 20, or on April 20 of a school year, whichever is the greatest number of pupils;

(2) "juvenile detention facility" means any public or private facility which is used for the lawful custody of accused or adjudicated juvenile offenders and which shall not be a jail; and

(3) "psychiatric residential treatment facility" means a facility which provides psychiatric services to individuals under the age of 21 and which conforms with the regulations of the centers for medicare/medicaid services, is licensed and certified by the Kansas department for aging and disability services pursuant to subsection (f).

Sec. 75. K.S.A. 2016 Supp. 72-8190 is hereby amended to read as follows: 72-8190. (a) For the purpose of determination of supplemental state aid under section 17, and amendments thereto, and payments from the school district capital improvements fund under K.S.A. 75-2319, and amendments thereto, notwithstanding any provision of either such statutory section to the contrary, the term assessed valuation per pupil, as applied to unified school district No. 203, Wyandotte county, shall not
include within its meaning the assessed valuation of property which is
owned by Sunflower Racing, Inc. and operated as a racetrack facility
known as the Woodlands. The meaning of assessed valuation per pupil as
provided in this subsection, for the purposes specified in this subsection,
and as applied to the unified school district designated in this subsection,
shall be in force and effect for the 1994-95 and 1995-96 school years.

(b) (1) In the event unified school district No. 203, Wyandotte county,
receives in any school year the proceeds from any taxes which may be
paid upon the Woodlands for the 1994-95 school year or the 1995-96
school year or for both such school years, the state board of education
shall deduct an amount equal to the amount of such tax proceeds from
future payments of state aid to which the district is entitled.

(2) For the purposes of this subsection, the term "state aid" means
payments from the school district capital improvements fund.

Sec. 76. K.S.A. 2016 Supp. 72-8230 is hereby amended to read as
follows: 72-8230. (a) In the event the boards of education of any two or
more school districts enter into a school district interlocal cooperation
agreement for the purpose of jointly and cooperatively performing any of
the services, duties, functions, activities, obligations or responsibilities
which are authorized or required by law to be performed by school
districts of this state, the following conditions shall apply:

(1) A school district interlocal cooperation agreement shall establish a
board of directors which shall be responsible for administering the joint or
cooperative undertaking. The agreement shall specify the organization and
composition of and manner of appointment to the board of directors. Only
members of boards of education of school districts party to the agreement
shall be eligible for membership on the board of directors. The terms of
office of members of the board of directors shall expire concurrently with
their terms as board of education members. Vacancies in the membership
of the board of directors shall be filled within 30 days from the date of the
vacancy in the manner specified in the agreement.

(2) A school district interlocal cooperation agreement may provide
for the establishment and composition of an executive board. The
members of the executive board, if established, shall be selected by the
board of directors from its membership. The executive board shall exercise
the powers, have the responsibilities, and perform the duties and functions
of the board of directors to the extent authority to do so is delegated by the
board of directors.

(3) A school district interlocal cooperation agreement shall be
effective only after approval by the state board of education.

(4) A school district interlocal cooperation agreement shall be subject
to change or termination by the legislature.

(5) The duration of a school district interlocal cooperation agreement
for joint or cooperative action in performing any of the services, duties, 
functions, activities, obligations or responsibilities, other than the 
provision of special education services, which are authorized or required 
by law to be performed by school districts of this state, shall be for a term 
of at least three years but not exceeding five years.

(6) (A) The duration of a school district interlocal cooperation 
agreement for joint or cooperative action in providing special education 
services shall be perpetual unless the agreement is partially or completely 
terminated in accordance with this provision. This provision applies to 
every school district interlocal cooperation agreement for the provision of 
special education services entered into under authority of this section after 
the effective date of this act and to every such agreement entered into 
under this section prior to the effective date of this act, and extant on the 

(B) Partial termination of a school district interlocal cooperation 
agreement for the provision of special education services made and 
entered into by the boards of three or more school districts may be 
accomplished only upon petition for withdrawal from the agreement by a 
contracting school district to the other contracting school districts and 
approval by the state board of written consent to the petition by such other 
school districts or upon order of the state board after appeal to it by a 
school district from denial of consent to a petition for withdrawal and 
hearing thereon conducted by the state board. The state board shall 
consider all the testimony and evidence brought forth at the hearing and 
issue an order approving or disapproving withdrawal by the school district 
from the agreement.

(C) Complete termination of a school district interlocal cooperation 
agreement for the provision of special education services made and 
entered into by the boards of two school districts may be accomplished 
upon approval by the state board of a joint petition made to the state board 
for termination of the agreement by both of the contracting school districts 
after adoption of a resolution to that effect by each of the contracting 
school districts or upon petition for withdrawal from the agreement made 
by a contracting school district to the other contracting school district and 
approval by the state board of written consent to the petition by such other 
school district or upon order of the state board after appeal to it by a school 
district from denial of consent to a petition for withdrawal and hearing 
thereon conducted by the state board. The state board shall consider all the 
testimony and evidence brought forth at the hearing and issue an order 
approving or disapproving withdrawal by the school district from the 
agreement.

(D) Complete termination of a school district interlocal cooperation
agreement for the provision of special education services made and
entered into by the boards of three or more school districts may be
accomplished only upon approval by the state board of a joint petition
made to the state board for termination of the agreement by not less than
2/3 of the contracting school districts after adoption of a resolution to that
effect by each of the contracting school districts seeking termination of the
agreement. The state board shall consider the petition and approve or
disapprove termination of the agreement.

(E) The state board shall take such action in approving or
disapproving the complete or partial termination of a school district
interlocal cooperation agreement for the provision of special education
services as the state board deems to be in the best interests of the involved
school districts and of the state as a whole in the provision of special
education services for exceptional children. Whenever the state board has
disapproved the complete or partial termination of such an agreement, no
further action with respect to such agreement shall be considered or taken
by the state board for a period of not less than three years.

(7) A school district interlocal cooperation agreement shall specify
the method or methods to be employed for disposing of property upon
partial or complete termination.

(8) Within the limitations provided by law, a school district interlocal
cooperation agreement may be changed or modified by affirmative vote of
not less than 2/3 of the contracting school districts.

(b) Except as otherwise specifically provided in this subsection, any
power or powers, privileges or authority exercised or capable of exercise
by any school district of this state, or by any board of education thereof,
may be jointly exercised pursuant to the provisions of a school district
interlocal cooperation agreement. No power or powers, privileges or
authority with respect to the levy and collection of taxes, the issuance of
bonds, or the purposes and provisions of the classroom learning assuring
student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and
enhancement act, section 3 et seq., and amendments thereto, or title I of
public law 874 shall be created or effectuated for joint exercise pursuant to
the provisions of a school district interlocal cooperation agreement.

(c) Payments from the general fund of each school district which
enters into any school district interlocal cooperation agreement for the
purpose of financing the joint or cooperative undertaking provided for by
the agreement shall be operating expenses.

(d) Upon partial termination of a school district interlocal cooperation
agreement, the board of directors established under a renegotiated
agreement thereof shall be the successor in every respect to the board of
directors established under the former agreement.

(e) Nothing contained in this section shall be construed to abrogate,
interfere with, impair, qualify or affect in any manner the exercise and
enjoyment of all of the powers, privileges and authority conferred upon
school districts and boards of education thereof by the provisions of the
interlocal cooperation act, except that boards of education and school
districts are required to comply with the provisions of this section when
entering into an interlocal cooperation agreement that meets the definition
of school district interlocal cooperation agreement.

(f) As used in this section:

(1) "School district interlocal cooperation agreement" means an
agreement which is entered into by the boards of education of two or more
school districts pursuant to the provisions of the interlocal cooperation act.

(2) "State board" means the state board of education.

Sec. 77. K.S.A. 2016 Supp. 72-8233 is hereby amended to read as
follows: 72-8233. (a) In accordance with the provisions of this section, the
boards of education of any two or more unified school districts may make
and enter into agreements providing for the attendance of pupils residing
in one school district at school in kindergarten or any of the grades one
through 12 maintained by any such other school district. The boards of
education may also provide by agreement for the combination of
enrollments for kindergarten or one or more grades, courses or units of
instruction.

(b) Prior to entering into any agreement under authority of this
section, the board of education shall adopt a resolution declaring that it has
made a determination that such an agreement should be made and that the
making and entering into of such an agreement would be in the best
interests of the educational system of the school district. Any such
agreement is subject to the following conditions:

(1) The agreement may be for any term not exceeding a term of five
years.

(2) The agreement shall be subject to change or termination by the
legislature.

(3) Within the limitations provided by law, the agreement may be
changed or terminated by mutual agreement of the participating boards of
education.

(4) The agreement shall make provision for transportation of pupils to
and from the school attended on every school day, for payment or sharing
of the costs and expenses of pupil attendance at school, and for the
authority and responsibility of the participating boards of education.

(c) Provision by agreements entered into under authority of this
section for the attendance of pupils at school in a school district of
nonresidence of such pupils shall be deemed to be in compliance with the
kindergarten, grade, course and units of instruction requirements of law.

(d) The board of education of any school district which enters into an
agreement under authority of this section for the attendance of pupils at school in another school district may discontinue kindergarten or any or all of the grades, courses and units of instruction specified in the agreement for attendance of pupils enrolled in kindergarten or any such grades, courses and units of instruction at school in such other school district. Upon discontinuing kindergarten or any grade, course or unit of instruction under authority of this subsection, the board of education may close any school building or buildings operated or used for attendance by pupils enrolled in such discontinued kindergarten, grades, courses or units of instruction. The closing of any school building under authority of this subsection shall require a majority vote of the members of the board of education and shall require no other procedure or approval.

(e) Pupils attending school in a school district of nonresidence of such pupils in accordance with an agreement made and entered into under authority of this section shall be counted as regularly enrolled in and attending school in the school district of residence of such pupils for the purpose of computations under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto.

(f) Pupils who satisfactorily complete grade 12 while in attendance at school in a school district of nonresidence of such pupils in accordance with the provisions of an agreement entered into under authority of this section shall be certified as having graduated from the school district of residence of such pupils unless otherwise provided for by the agreement.

Sec. 78. K.S.A. 2016 Supp. 72-8236 is hereby amended to read as follows: 72-8236. (a) The board of education of any school district may:
(1) Establish, operate and maintain a child care facility; (2) enter into cooperative or interlocal agreements with one or more other boards for the establishment, operation and maintenance of a child care facility; (3) contract with private, nonprofit corporations or associations or with any public or private agency or institution, whether located within or outside the state, for the establishment, operation and maintenance of a child care facility; and (4) prescribe and collect fees for providing care at a child care facility.

(b) Fees for providing care at a child care facility established under authority of this section shall be prescribed and collected only to recover the costs incurred as a result of and directly attributable to the establishment, operation and maintenance of the child care facility. Revenues from fees collected by a board under this section shall be deposited in the general fund of the school district and shall be considered reimbursements to the district for the purpose of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto,
and may be expended whether the same have been budgeted or not and
amounts so expended shall not be considered operating expenses.
(c) Every school district which establishes, operates and maintains a
child care facility shall be subject to the provisions contained in article 5 of
chapter 65 of Kansas Statutes Annotated, and amendments thereto.
(d) As used in this section, the term "child" means any child who is
three years of age or older, and any infant or toddler whose parent or
parents are pupils or employees of a school district which establishes,
operates and maintains, or cooperates in the establishment, operation and
maintenance of, a child care facility under authority of this act.
Sec. 79. K.S.A. 2016 Supp. 72-8249 is hereby amended to read as
follows: 72-8249. (a) There is hereby established in every school district a
special reserve fund. Moneys in such fund shall be used to:
(1) Pay claims, judgments, expenses and other purposes relating to
health care services, disability income benefits and group life insurance
benefits as authorized by K.S.A. 72-8415a, and amendments thereto;
(2) pay costs relating to uninsured losses; and
(3) pay the cost of workers compensation insurance and workers
compensation claims, awards, expenses and other purposes authorized by
the workers compensation act.
Moneys in such fund may be transferred to the general fund of the
school district as approved by the board of education.
(b) Any balance remaining in the special reserve fund at the end of
the budget year shall be carried forward into that reserve 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 special reserve 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.
Sec. 80. K.S.A. 2016 Supp. 72-8250 is hereby amended to read as
follows: 72-8250. (a) There is hereby established in every school district a
textbook and student materials revolving fund. Moneys in such fund shall
be used to:
(1) Purchase any items designated in K.S.A. 72-5389, and
amendments thereto;
(2) pay the cost of materials or other items used in curricular,
extracurricular or other school-related activities; and
(3) purchase textbooks as authorized by K.S.A. 72-4141, and
amendments thereto.
Moneys in such fund may be transferred to the general fund of the
school district as approved by the board of education.
(b) Any balance remaining in the textbook and student materials revolving fund at the end of the budget year shall be carried forward into that 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 textbook and student materials revolving 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.

Sec. 81. K.S.A. 2016 Supp. 72-8251 is hereby amended to read as follows: 72-8251. Whenever a school district is required by law to make any payment during the month of June and there is insufficient revenue to make such payment as a result of the payment of state aid after the date prescribed by the state board of education pursuant to K.S.A. 2016 Supp. 72-6466 section 7, and amendments thereto, the school district shall make such payment as soon as moneys are available.

Sec. 82. K.S.A. 2016 Supp. 72-8302 is hereby amended to read as follows: 72-8302. (a) The board of education of a school district may provide or furnish transportation for pupils students who are enrolled in the school district to or from any school of the school district or to or from any school of another school district attended by such pupils students in accordance with the provisions of an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto.

(b) (1) When any or all of the conditions specified in this provision exist, the board of education of a school district shall provide or furnish transportation for pupils students who reside in the school district and who attend any school of the school district or who attend any school of another school district in accordance with the provisions of an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto. The conditions which apply to the requirements of this provision are as follows:

(A) The residence of the pupil student is inside or outside the corporate limits of a city, the school building attended is outside the corporate limits of a city and the school building attended is more than $2\frac{1}{2}$ miles by the usually traveled road from the residence of the pupil student; or

(B) the residence of the pupil student is outside the corporate limits of a city, the school building attended is inside the corporate limits of a city and the school building attended is more than $2\frac{1}{2}$ miles by the usually traveled road from the residence of the pupil student; or

(C) the residence of the pupil student is inside the corporate limits of one city, the school building attended is inside the corporate limits of a different city and the school building attended is more than $2\frac{1}{2}$ miles by
the usually traveled road from the residence of the pupil student.

(2) The provisions of this subsection are subject to the provisions of subsections (c) and (d).

(c) The board of education of every school district is authorized to adopt rules and regulations to govern the conduct, control and discipline of all pupils students while being transported in school buses. The board may suspend or revoke the transportation privilege or entitlement of any pupil student who violates any rules and regulations adopted by the board under authority of this subsection.

(d) The board of education of every school district may suspend or revoke the transportation privilege or entitlement of any pupil student who is detained at school at the conclusion of the school day for violation of any rules and regulations governing pupil student conduct or for disobedience of an order of a teacher or other school authority. Suspension or revocation of the transportation privilege or entitlement of any pupil student specified in this subsection shall be limited to the school day or days on which the pupil student is detained at school. The provisions of this subsection do not apply to any pupil student who has been determined to be an exceptional child, except gifted children, under the provisions of the special education for exceptional children act.

(e) (1) Subject to the limitations specified in this subsection, the board of education of any school district may prescribe and collect fees to offset, totally or in part, the costs incurred for the provision or furnishing of transportation for pupils students. The limitations which apply to the authorization granted by this subsection are as follows:

(A) Fees for the provision or furnishing of transportation for pupils students shall be prescribed and collected only to recover the costs incurred as a result of and directly attributable to the provision or furnishing of transportation for pupils students and only to the extent that such costs are not reimbursed from any other source provided by law;

(B) fees for the provision or furnishing of transportation may not be assessed against or collected from any pupil student who is counted in determining the transportation weighting of the school district under the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto, or any student who is determined to be a child with disabilities under the provisions of the special education for exceptional children act or any pupil student who is eligible for free or reduced price meals under the national school lunch act or any pupil student who is entitled to transportation under the provisions of K.S.A. 72-8306(a), and amendments thereto, and who resides 2 1/2 miles or more by the regular route of a school bus from the school attended;

(C) fees for the provision or furnishing of transportation for pupils students in accordance with the provisions of an agreement entered—into
under authority of K.S.A. 72-8233 or 72-8307, and amendments thereto, shall be controlled by the provisions of the agreement.

(2) All moneys received by a school district from fees collected under this subsection shall be deposited in the general fund of the district.

Sec. 83. K.S.A. 2016 Supp. 72-8309 is hereby amended to read as follows: 72-8309. (a) The board of education of a school district shall not furnish or provide transportation for pupils or students who reside in another school district except in accordance with the written consent of the board of education of the school district in which such pupil or student resides, or in accordance with an order issued by a board of education under the provisions of K.S.A. 72-1046b, and amendments thereto, or in accordance with the provisions of an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto.

(b) A school district may transport a nonresident pupil or student if such pupil or student boards the school bus within the boundaries or on the boundary of the transporting school district. To the extent that the provisions of this subsection conflict with the provisions of subsection (a), the provisions of subsection (a) shall control.

(c) No student who is furnished or provided transportation by a school district that is not the school district in which the student resides shall be counted in the computation of the school district's transportation weighting under the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto.

Sec. 84. K.S.A. 2016 Supp. 72-8316 is hereby amended to read as follows: 72-8316. (a) Any board of education, pursuant to a policy developed and adopted by it, may provide for the use of district-owned or leased school buses when such buses are not being used for regularly required school purposes. The policy may provide for:

(1) (A) Transporting parents and other adults to or from school-related functions or activities; (B) transporting pupils students to or from functions or activities sponsored by organizations, the membership of which is principally composed of children of school age; and (C) transporting persons engaged in field trips in connection with their participation in an adult education program maintained by the transporting school district or by any other school district, within or outside the boundaries of the transporting school district; and

(2) contracting with: (A) The governing body of any township, city or county for transportation of individuals, groups or organizations; (B) the governing authority of any nonpublic school for transportation of pupils students attending such nonpublic school to or from interschool or intraschool functions or activities; (C) the board of trustees of any community college for transportation of students enrolled in such community college to or from attendance at class at the community college.
or to and from functions or activities of the community college; (D) a public recreation commission established and operated under the laws of this state, for any purposes related to the operation of the recreation commission and all programs and services thereof; (E) the board of education of any other school district for transportation, on a cooperative and shared-cost basis, of pupils, school personnel, parents and other adults to or from school-related functions or activities; or (F) a four-year college or university, area vocational school or area vocational-technical school for transportation of students to or from attendance at class at the four-year college or university, area vocational school or area vocational-technical school or for transportation of students, alumni and other members of the public to or from functions or activities of the four-year college or university, area vocational school or area vocational-technical school.

(b) The costs related to the use of school buses under the authority of this section shall not be considered in determining the transportation weighting of a school district under the Kansas school equity and enhancement act, section 3 et seq., and amendments thereto.

(c) Transportation fees may be charged by the board to offset, totally or in part, the costs incurred for the use of school buses under authority of this section.

(d) Any revenues received by a board of education as transportation fees or under any contract entered into pursuant to this section shall be deposited in the general fund of the school district and shall be considered reimbursements to the school district for the purpose of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 Kansas school equity and enhancement act, section 3 et seq., and amendments thereto. Such revenues may be expended whether the same have been budgeted or not.

(e) The provisions of K.S.A. 8-1556(c), and amendments thereto, apply to the use of school buses under authority of this section.

Sec. 85. K.S.A. 2016 Supp. 72-8415b is hereby amended to read as follows: 72-8415b. (a) Any school district that elects to become a self-insurer under the provisions of K.S.A. 72-8414, and amendments thereto, may transfer moneys from its general fund to the special reserve fund of the district as provided by K.S.A. 2016 Supp. 72-6478 section 42, and amendments thereto.

(b) Any community college that elects to become a self-insurer under the provisions of K.S.A. 72-8414, and amendments thereto, may transfer such amounts from its general fund to the health care services reserve fund or the disability income benefits reserve fund, or the group life benefit reserve fund, or all three, as may be deemed necessary to meet the cost of health care services or disability income benefits, or group life insurance
Sec. 86. K.S.A. 2016 Supp. 72-8801 is hereby amended to read as follows: 72-8801. (a) The board of education of any school district may make an annual tax levy at a mill rate not to exceed the statutorily prescribed mill rate upon the taxable tangible property in the school district for the purposes specified in this act and, with respect to any redevelopment district established prior to July 1, 2017, pursuant to K.S.A. 12-1771, and amendments thereto, for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district.

No levy shall be made under this act until a resolution is adopted by the board of education in the following form:

Unified School District No. _______,
___________ County, Kansas.

RESOLUTION

Be It Resolved that:

The above-named school board shall be authorized to make an annual tax levy for a period not to exceed ______ years in an amount not to exceed ______ mills upon the taxable tangible property in the school district for the purpose of acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing, maintaining and equipping of school district property and equipment necessary for school district purposes, including: (1) Acquisition of Computer software; (2) acquisition of performance uniforms; (3) housing and boarding pupils enrolled in an area vocational school operated under the board; (4) architectural expenses; (5) acquisition of building sites; (6) undertaking and maintenance of asbestos control projects; (7) acquisition of school buses; (8) utility expenses; (9) property and casualty insurance; and (8) acquisition of (10) other fixed assets, and with respect to any redevelopment district established prior to July 1, 2017, pursuant to K.S.A. 12-1771, and amendments thereto, for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. The tax levy authorized by this resolution may be made, unless a petition in opposition to the same, signed by not less than 10% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 40 calendar days after the last publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether the tax levy shall be authorized to the electors in the school district at an election called for that purpose or at the next general election, as is specified by the board of education of the above school district.
CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. ______, ____________ County, Kansas, on the ____ day of ____________, ____

______________________________
Clerk of the board of education.

All of the blanks in the above resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the word "mills" shall be filled with a specific number, and no word shall be inserted in either of the blanks. The resolution shall be published once a week for two consecutive weeks in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board of education may make the tax levy specified in the resolution. If a petition is filed as provided in the resolution, the board of education may notify the county election officer of the date of an election to be held to submit the question of whether the tax levy shall be authorized. If the board of education fails to notify the county election officer within 60 calendar days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board of education within the nine months following the first publication of the resolution.

(b) As used in this act:

(1) "Unconditionally authorized to make a capital outlay tax levy" means that the school district has adopted a resolution under this section, has published the same, and either that the resolution was not protested or that it was protested and an election has been held by which the tax levy specified in the resolution was approved;

(2) "Statutorily prescribed mill rate" means: (A) Eight mills; (B) the mill levy rate in excess of eight mills if the resolution fixing such rate was approved at an election prior to the effective date of this act; or (C) the mill levy rate in excess of eight mills if no petition or no sufficient petition was filed in protest to a resolution fixing such rate in excess of eight mills and the protest period for filing such petition has expired;

(3) "Asbestos control project" means any activity which is necessary or incidental to the control of asbestos-containing material in buildings of school districts and includes, but not by way of limitation, any activity undertaken for the removal or encapsulation of asbestos-containing material, for any remodeling, renovation, replacement, rehabilitation or other restoration necessitated by such removal or encapsulation, for conducting inspections, reinspections and periodic surveillance of buildings, performing response actions, and developing, implementing and updating operations and maintenance programs and management plans;
(4) "asbestos" means the asbestiform varieties of chrysotile (serpentine), crocidolite (riebeckite), amosite (cummingtongitegrunerite), anthophyllite, tremolite, and actinolite; and

(5) "asbestos-containing material" means any material or product which contains more than 1% asbestos.

Sec. 87. K.S.A. 72-8803 is hereby amended to read as follows: 72-8803. There is hereby established in every school district of the state a fund which shall be called the capital outlay fund. The capital outlay fund shall consist of all moneys deposited therein or transferred thereto in accordance with law. The proceeds of any tax levied under article 88 of chapter 72 of Kansas Statutes Annotated, and amendments thereto, shall be deposited in the capital outlay fund of the school district making such levy, except for an amount to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district, shall be deposited in the capital outlay fund of the school district making such levy with respect to any redevelopment district established prior to July 1, 2017, pursuant to K.S.A. 12-1771, and amendments thereto.

Sec. 88. K.S.A. 2016 Supp. 72-8804 is hereby amended to read as follows: 72-8804. (a) Any moneys in the capital outlay fund of any school district and any moneys received from issuance of bonds under K.S.A. 72-8805 or 72-8810, and amendments thereto, may be used for the purpose of the acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing, maintaining and equipping of school district property and equipment necessary for school district purposes, including: (1) acquisition of Computer software; (2) acquisition of performance uniforms; (3) housing and boarding pupils enrolled in an area vocational school operated under the board of education; (4) architectural expenses; (5) acquisition of building sites; (6) undertaking and maintenance of asbestos control projects; (7) acquisition of school buses; (8) utility expenses; (9) property and casualty insurance; and (8) acquisition of (10) other fixed assets, and, for school years 2015-2016 and 2016-2017, subject to the provisions of K.S.A. 2016 Supp. 72-6478, and amendments thereto, may be transferred to the general fund of the school district as approved by the board of education.

(b) The board of education of any school district is hereby authorized to invest any portion of the capital outlay fund of the school district which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein, or may invest the same in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the
government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the capital outlay fund.

Sec. 89. K.S.A. 2016 Supp. 72-8908 is hereby amended to read as follows: 72-8908. As used in this act:

(a) "Juvenile" means a person who is less than 18 years of age;
(b) "adult" means a person who is 18 years of age or older;
(c) "felony" means any crime designated a felony by the laws of Kansas or the United States;
(d) "misdemeanor" means any crime designated a misdemeanor by the laws of Kansas or the United States;
(e) "school day" means any day on which school is maintained;
(f) "school year" has the meaning ascribed thereto in K.S.A. 2016 Supp. 72-6464 section 4, and amendments thereto;
(g) "counsel" means any person a pupil selects to represent and advise the pupil at all proceedings conducted pursuant to the provisions of this act; and
(h) "principal witness" means any witness whose testimony is of major importance in support of the charges upon which a proposed suspension or expulsion from school is based, or in determination of material questions of fact.

Sec. 90. K.S.A. 2016 Supp. 72-9509 is hereby amended to read as follows: 72-9509. (a) There is hereby established in every school district a fund which shall be called the bilingual education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. Amounts deposited in the bilingual education fund may be used for the payment of expenses directly attributable to bilingual education or may be transferred to the general fund of the school district as approved by the board of education. The expenses of a school district directly attributable to such bilingual education programs shall be paid from the bilingual education fund. Moneys deposited in or otherwise transferred to the bilingual education fund shall only be expended for those costs directly attributable to the provision of bilingual education programs.

(b) Any balance remaining in the bilingual education fund at the end of the budget year shall be carried forward into the bilingual education 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 bilingual education 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.

(c) Each year the board of education of each school district shall prepare and submit to the state board a report on the bilingual education
program and assistance provided by the district. Such report shall include information specifying the number of pupils who were served or provided assistance, the type of service provided, the research upon which the district relied in determining that a need for service or assistance existed, the results of providing such service or assistance and any other information required by the state board.

Sec. 91. K.S.A. 2016 Supp. 72-9609 is hereby amended to read as follows: 72-9609. There is hereby established in every school district a fund which shall be called the professional development fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by the school district from whatever source for professional development programs established under this act shall be credited to the fund established by this section. Amounts deposited in the professional development fund may be used for the payment of expenses directly attributable to professional development or may be transferred to the general fund of the school district as approved by the board of education. The expenses of a school district directly attributable to professional development programs shall be paid from the professional development fund.

Sec. 92. K.S.A. 2016 Supp. 72-99a02 is hereby amended to read as follows: 72-99a02. As used in the tax credit for low income students scholarship program act:

(a) "Contributions" means monetary gifts or donations and in-kind contributions, gifts or donations that have an established market value.

(b) "Department" means the Kansas department of revenue.

(c) "Educational scholarship" means an amount not to exceed $8,000 per school year provided to an eligible student, or to a qualified school with respect to an eligible student, to cover all or a portion of the costs of education including tuition, fees and expenses of a qualified school and, if applicable, the costs of transportation to a qualified school if provided by such qualified school.

(d) "Eligible student" means a child who:

(1) (A) Qualifies as an at-risk pupil as defined in K.S.A. 72-6407, prior to its repeal, and who is attending a public school; or (B) has been eligible to receive an educational scholarship under this program and has not graduated from high school or reached 21 years of age;

(2) resides in Kansas while eligible for an educational scholarship; and

(3) (A) was enrolled in any public school in the previous school year in which an educational scholarship is first sought for the child; or (B) is eligible to be enrolled in any public school in the school year in which an educational scholarship is first sought for the child and the child is under the age of six years.
(e) "Parent" includes a guardian, custodian or other person with authority to act on behalf of the child.

(f) "Program" means the tax credit for low income students scholarship program established in K.S.A. 2016 Supp. 72-99a01 through 72-99a07, and amendments thereto.

(g) "Public school" means a school that would qualify as either a title I focus school or a title I priority school as described by the state board under the elementary and secondary education act flexibility waiver as amended in January 2013 and is operated by a school district.

(h) "Qualified school" means any nonpublic school that provides education to elementary or secondary students, has notified the state board of its intention to participate in the program and complies with the requirements of the program.

(i) "Scholarship granting organization" means an organization that complies with the requirements of this program and provides educational scholarships to eligible students or to qualified schools in which parents have enrolled eligible students.

(j) "School district" or "district" means any unified school district organized and operating under the laws of this state.

(k) "School year" shall have the meaning ascribed thereto in K.S.A. 2016 Supp. section 4, and amendments thereto.

(l) "Secretary" means the secretary of revenue.

(m) "State board" means the state board of education.

Sec. 93. On and after July 1, 2018, K.S.A. 2016 Supp. 72-99a02, as amended by section 92 of this act, is hereby amended to read as follows:

72-99a02. As used in the tax credit for low income students scholarship program act:

(a) "Contributions" means monetary gifts or donations and in-kind contributions, gifts or donations that have an established market value.

(b) "Department" means the Kansas department of revenue.

(c) "Educational scholarship" means an amount not to exceed $8,000 per school year provided to an eligible student, or to a qualified school with respect to an eligible student, to cover all or a portion of the costs of education including tuition, fees and expenses of a qualified school and, if applicable, the costs of transportation to a qualified school if provided by such qualified school.

(d) "Eligible student" means a child who:

   (1) (A) Qualifies as an at-risk pupil as defined in K.S.A. 72-6407, prior to its repeal, is an at-risk student, as defined in section 4, and amendments thereto, and who is attending a public school; or (B) has been eligible to receive an educational scholarship under this program and has not graduated from high school or reached 21 years of age;

   (2) resides in Kansas while eligible for an educational scholarship;
and

(3) (A) was enrolled in any public school in the previous school year in which an educational scholarship is first sought for the child; or (B) is eligible to be enrolled in any public school in the school year in which an educational scholarship is first sought for the child and the child is under the age of six years.

(e) "Parent" includes a guardian, custodian or other person with authority to act on behalf of the child.

(f) "Program" means the tax credit for low income students scholarship program established in K.S.A. 2016 Supp. 72-99a01 through 72-99a07, and amendments thereto.

(g) "Public school" means a school that would qualify as either a title I focus school or a title I priority school as described by the state board under the elementary and secondary education act flexibility waiver as amended in January 2013 and is operated by a school district, and identified by the state board as one of the lowest 100 performing schools with respect to student achievement among all schools operated by school districts for the current school year.

(h) "Qualified school" means any nonpublic school that provides education to elementary or secondary students, has notified the state board of its intention to participate in the program and complies with the requirements of the program. On and after July 1, 2020, a qualified school shall be accredited by the state board or a national or regional accrediting agency that is recognized by the state board.

(i) "Scholarship granting organization" means an organization that complies with the requirements of this program and provides educational scholarships to eligible students or to qualified schools in which parents have enrolled eligible students.

(j) "School district" or "district" means any unified school district organized and operating under the laws of this state.

(k) "School year" shall have the meaning ascribed thereto in section 4, and amendments thereto.

(l) "Secretary" means the secretary of revenue.

(m) "State board" means the state board of education.

Sec. 94. On and after July 1, 2018, K.S.A. 2016 Supp. 72-99a04 is hereby amended to read as follows: 72-99a04. (a) To be eligible to participate in the program, a scholarship granting organization shall comply with the following:

(1) The scholarship granting organization shall notify the secretary and the state board of the scholarship granting organization's intent to provide educational scholarships;

(2) upon granting an educational scholarship, the scholarship granting organization shall report such information to the state board;
(3) the scholarship granting organization shall provide verification to the secretary that the scholarship granting organization is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(4) upon receipt of contributions in an aggregate amount or value in excess of $50,000 during a school year, a scholarship granting organization shall file with the state board either:
   (A) A surety bond payable to the state in an amount equal to the aggregate amount of contributions expected to be received during the school year; or
   (B) financial information demonstrating the scholarship granting organization's ability to pay an aggregate amount equal to the amount of the contributions expected to be received during the school year, which must be reviewed and approved of in writing by the state board;

(5) scholarship granting organizations that provide other nonprofit services in addition to providing educational scholarships shall not commingle contributions made under the program with other contributions made to such organization. A scholarship granting organization under this subsection shall also file with the state board, prior to the commencement of each school year, either:
   (A) A surety bond payable to the state in an amount equal to the aggregate amount of contributions expected to be received during the school year; or
   (B) financial information demonstrating the nonprofit organization's ability to pay an aggregate amount equal to the amount of the contributions expected to be received during the school year, which must be reviewed and approved of in writing by the state board;

(6) each qualified school receiving educational scholarships from the scholarship granting organization shall annually certify to the scholarship granting organization its compliance with the requirements of the program;

(7) at the end of the calendar year, the scholarship granting organization shall have its accounts examined and audited by a certified public accountant. Such audit shall include, but not be limited to, information verifying that the educational scholarships awarded by the scholarship granting organization were distributed to qualified schools with respect to eligible students determined by the state board under K.S.A. 2016 Supp. 72-99a03(c), and amendments thereto, and information specified in this section. Prior to filing a copy of the audit with the state board, such audit shall be duly verified and certified by a certified public accountant; and

(8) if a scholarship granting organization decides to limit the number or type of qualified schools who will receive educational scholarships, the scholarship granting organization shall provide, in writing, the name or
names of those qualified schools to any contributor and the state board.

(b) A scholarship granting organization shall award at least 50% of all education scholarships in a school year to eligible students who are certified by the department for children and families as a member of a family whose household income does not exceed 130% of the federal poverty level established under the most recent poverty income guidelines published in the calendar year by the United States department of health and human services.

(b) (c) No scholarship granting organization shall provide an educational scholarship with respect to any eligible student to attend any qualified school with paid staff or paid board members, or relatives thereof, in common with the scholarship granting organization.

(c) (d) The scholarship granting organization shall disburse not less than 90% of contributions received pursuant to the program in the form of educational scholarships within 36 months of receipt of such contributions. If such contributions have not been disbursed within the applicable 36-month time period, then the scholarship granting organization shall not accept new contributions until 90% of the received contributions have been disbursed in the form of educational scholarships. Any income earned from contributions must be disbursed in the form of educational scholarships.

(d) (e) A scholarship granting organization may continue to provide an educational scholarship with respect to a student who was an eligible student in the year immediately preceding the current school year.

(e) (f) A scholarship granting organization shall direct payments of educational scholarships to the qualified school attended by the eligible student or in which the eligible student is enrolled. Payment may be made by check made payable to both the parent and the qualified school or to only the qualified school. If an eligible student transfers to a new qualified school during a school year, the scholarship granting organization shall direct payment in a prorated amount to the original qualified school and the new qualified school based on the eligible student's attendance. If the eligible student transfers to a public school and enrolls in such public school after September 20 of the current school year, the scholarship granting organization shall direct payment in a prorated amount to the original qualified school and the public school based on the eligible student's attendance. The prorated amount to the public school shall be considered a donation and shall be paid to the school district of such public school in accordance with K.S.A. 72-8210, and amendments thereto.

(f) (g) By June 1 of each year, a scholarship granting organization shall submit a report to the state board for the educational scholarships provided in the immediately preceding 12 months. Such report shall be in a form and manner as prescribed by the state board, approved and signed
by a certified public accountant, and shall contain the following information:

(1) The name and address of the scholarship granting organization;
(2) the name and address of each eligible student with respect to whom an educational scholarship was awarded by the scholarship granting organization;
(3) the total number and total dollar amount of contributions received during the 12-month reporting period; and
(4) the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period and the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period with respect to eligible students who qualified under K.S.A. 2016 Supp. 72-99a02(d), and amendments thereto.

No scholarship granting organization shall:

(1) Provide an educational scholarship with respect to an eligible student that is established by funding from any contributions made by any relative of such eligible student; or
(2) accept a contribution from any source with the express or implied condition that such contribution be directed toward an educational scholarship for a particular eligible student.

Sec. 95. K.S.A. 2016 Supp. 74-4939a is hereby amended to read as follows: 74-4939a. On and after the effective date of this act for each fiscal year commencing with fiscal year 2005, notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, or any other statute, all moneys appropriated for the department of education from the state general fund commencing with fiscal year 2005, and each ensuing fiscal year thereafter, by appropriation act of the legislature, in the KPERS — employer contributions account and all moneys appropriated for the department of education from the state general fund or any special revenue fund for each fiscal year commencing with fiscal year 2005, and each ensuing fiscal year thereafter, by any such appropriation act in that account or any other account for payment of employer contributions for school districts, shall be distributed by the department of education to school districts in accordance with this section. Notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, for school year 2015-2016, the department of education shall disburse to each school district that is an eligible employer as specified in K.S.A. 74-4931(1), and amendments thereto, an amount in accordance with K.S.A. 2016 Supp. 72-6465(a)(6), and amendments thereto, which shall be disbursed pursuant to K.S.A. 2016 Supp. 72-6465, and amendments thereto. Notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, for school year 2016-2017, the department of education shall disburse to each school district that is an eligible employer as specified in K.S.A. 74-4931(1), and amendments-
thereto, an amount in accordance with K.S.A. 2016 Supp. 72-6465(b)(4), and amendments thereto, which shall be disbursed pursuant to K.S.A.-2016 Supp. 72-6465, and amendments thereto, certified by the board of trustees of the Kansas public employees retirement system that is equal to the participating employer's obligation of such school district to the system in accordance with policies and procedures that are hereby authorized and directed to be adopted by the state board of education for the purposes of this section and in accordance with any requirements prescribed by the board of trustees of the Kansas public employees retirement system. Upon receipt of each such disbursement of moneys, the school district shall deposit the entire amount thereof into a special retirement contributions fund of the school district, which shall be established by the school district in accordance with such policies and procedures and which shall be used for the sole purpose of receiving such disbursements from the department of education and making the remittances to the system in accordance with this section and such policies and procedures. Upon receipt of each such disbursement of moneys from the department of education, the school district shall remit, in accordance with the provisions of such policies and procedures and in the manner and on the date or dates prescribed by the board of trustees of the Kansas public employees retirement system, an equal amount to the Kansas public employees retirement system from the special retirement contributions fund of the school district to satisfy such school district's obligation as a participating employer. Notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, each school district that is an eligible employer as specified in K.S.A. 74-4931(1), and amendments thereto, shall show within the budget of such school district all amounts received from disbursements into the special retirement contributions fund of such school district. Notwithstanding the provisions of any other statute, no official action of the school board of such school district shall be required to approve a remittance to the system in accordance with this section and such policies and procedures. All remittances of moneys to the system by a school district in accordance with this subsection and such policies and procedures shall be deemed to be expenditures of the school district.

Sec. 96. K.S.A. 2016 Supp. 74-8925 is hereby amended to read as follows: 74-8925. (a) For the purposes of this act, the term "taxing subdivision" shall include the county, the city, the unified school district and any other taxing subdivision levying real property taxes, the territory or jurisdiction of which includes any currently existing or subsequently created redevelopment district. The term "real property taxes" includes all taxes levied on an ad valorem basis upon land and improvements thereon, other than the property tax levied pursuant to the provisions of K.S.A. 2016 Supp. 72-6470 section 14, and amendments thereto, or any other
property tax levied by or on behalf of a school district.

(b) All tangible taxable property located within a redevelopment district shall be assessed and taxed for ad valorem tax purposes pursuant to law in the same manner that such property would be assessed and taxed if located outside such district, and all ad valorem taxes levied on such property shall be paid to and collected by the county treasurer in the same manner as other taxes are paid and collected. Except as otherwise provided in this section, the county treasurer shall distribute such taxes as may be collected in the same manner as if such property were located outside a redevelopment district. Each redevelopment district established under the provisions of this act shall constitute a separate taxing unit for the purpose of the computation and levy of taxes.

(c) Beginning with the first payment of taxes which are levied following the date of approval of any redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act by and for the benefit of a taxing subdivision, as herein defined, on property located within such redevelopment district constituting a separate taxing unit under the provisions of this section, shall be divided as follows:

(1) From the taxes levied each year subject to the provisions of this act by or for each of the taxing subdivisions upon property located within a redevelopment district constituting a separate taxing unit under the provisions of this act, the county treasurer first shall allocate and pay to each such taxing subdivision all of the real property taxes collected which are produced from that portion of the current assessed valuation of such real property located within such separate taxing unit which is equal to the total assessed value of such real property on the date of the establishment of the redevelopment district.

(2) Any real property taxes produced from that portion of the current assessed valuation of real property within the redevelopment district constituting a separate taxing unit under the provisions of this section in excess of an amount equal to the total assessed value of such real property on the effective date of the establishment of the district shall be allocated and paid by the county treasurer according to specified percentages of the tax increment expressly agreed upon and consented to by the governing bodies of the county and school district in which the redevelopment district is located. The amount of the real property taxes allocated and payable to the authority under the agreement shall be paid by the county treasurer to the treasurer of the state. The remaining amount of the real property taxes not payable to the authority shall be allocated and paid in the same manner as other ad valorem taxes. Any real property taxes paid to the state treasurer under this section shall be deposited in the
redevelopment bond finance fund of the authority which is created pursuant to K.S.A. 74-8927, and amendments thereto, to pay the costs of any approved redevelopment project, including the payment of principal of and interest on any bonds issued by the authority to finance, in whole or in part, such project. When such bonds and interest thereon have been paid, all moneys thereafter received from real property taxes within such redevelopment district shall be allocated and paid to the respective taxing subdivisions in the same manner as are other ad valorem taxes. If such bonds and interest thereon have been paid before the completion of a project, the authority may continue to use such moneys for any purpose authorized by the redevelopment agreement until such time as the project costs are paid or reimbursed, but for a period not to exceed the final scheduled maturity of the bonds.

(d) In any redevelopment plan or in the proceedings for the issuing of any bonds by the authority to finance a project, the property tax increment portion of taxes provided for in subsection (c)(2) may be irrevocably pledged for the payment of the principal of and interest on such bonds. The authority may adopt a redevelopment plan in which only a specified percentage of the tax increment realized from taxpayers in the redevelopment district is pledged to the payment of costs.

Sec. 97. K.S.A. 2016 Supp. 74-99b43 is hereby amended to read as follows: 74-99b43. (a) The Kansas development finance authority is hereby authorized to issue special obligation bonds pursuant to K.S.A. 74-8901 et seq., and amendments thereto, in one or more series to finance the undertaking of any bioscience development project in accordance with the provisions of this act. No special obligation bonds may be issued pursuant to this section unless the Kansas development finance authority has received a resolution of the board of the authority requesting the issuance of such bonds. Such special obligation bonds shall be made payable, both as to principal and interest from one or more of the following, as directed by the authority:

(1) From ad valorem tax increments allocated to, and paid into the bioscience development bond fund for the payment of the project costs of a bioscience development project under the provisions of this section;

(2) from any private sources, contributions or other financial assistance from the state or federal government;

(3) from a pledge of a portion or all of the revenue received from transient guest, sales and use taxes collected pursuant to K.S.A. 12-1696 et seq., 79-3601 et seq., 79-3701 et seq. and 12-187 et seq., and amendments thereto, and which are collected from taxpayers doing business within that portion of the bioscience development district and paid into the bioscience development bond fund;

(4) from a pledge of a portion or all increased revenue received by
any city from franchise fees collected from utilities and other businesses
using public right-of-way within the bioscience development district; or
(5) by any combination of these methods.
(b) All tangible taxable property located within a bioscience
development district shall be assessed and taxed for ad valorem tax
purposes pursuant to law in the same manner that such property would be
assessed and taxed if located outside such district, and all ad valorem taxes
levied on such property shall be paid to and collected by the county
treasurer in the same manner as other taxes are paid and collected. Except
as otherwise provided in this section, the county treasurer shall distribute
such taxes as may be collected in the same manner as if such property
were located outside a bioscience development district. Each bioscience
development district established under the provisions of this act shall
constitute a separate taxing unit for the purpose of the computation and
levy of taxes.
(c) Beginning with the first payment of taxes which are levied
following the date of the establishment of the bioscience development
district real property taxes received by the county treasurer resulting from
taxes which are levied subject to the provisions of this act by and for the
benefit of a taxing subdivision, as defined in K.S.A. 2016 Supp. 12-1770a,
and amendments thereto, on property located within such bioscience
development district constituting a separate taxing unit under the
provisions of this section, shall be divided as follows:
(1) From the taxes levied each year subject to the provisions of this
act by or for each of the taxing subdivisions upon property located within a
bioscience development district constituting a separate taxing unit under
the provisions of this act, the county treasurer first shall allocate and pay to
each such taxing subdivision all of the real property taxes collected which
are produced from the base year assessed valuation.
(2) Any real property taxes, except for property taxes levied for
schools pursuant to K.S.A. 2016 Supp. 72-6470 section 14, and
amendments thereto, produced from that portion of the current assessed
valuation of real property within the bioscience development district
constituting a separate taxing unit under the provisions of this section in
excess of the base year assessed valuation shall be allocated and paid by
the county treasurer to the bioscience development bond fund to pay the
bioscience development project costs including the payment of principal
and interest on any special obligation bonds to finance, in whole or in part,
such bioscience development projects.
(d) The authority may pledge the bioscience development bond fund
or other available revenue to the repayment of such special obligation
bonds prior to, simultaneously with, or subsequent to the issuance of such
special obligation bonds.
(e) Any bonds issued under the provisions of this act and the interest paid thereon, unless specifically declared to be taxable in the authorizing resolution of the Kansas development finance authority, shall be exempt from all state, county and municipal taxes, and the exemption shall include income, estate and property taxes.

Sec. 98. K.S.A. 2016 Supp. 75-2319 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) 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 for the preceding school year 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. 2016 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 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, the state board of education shall:

(A) Determine the amount of the AVPP of each school district in the state for the preceding school year 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. 2016 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 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 general obligation bonds approved for issuance at an election held on or after July 1, 2015; and

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

(3) For general obligation bonds approved for issuance at an election held on or before June 30, 2016, 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.

(4) For general obligation bonds approved for issuance at an election held on or after July 1, 2016, the amount determined under subsection (b) (2)(E) is the amount of payment the school district shall receive from the school district capital improvements fund in the school year, except the total amount of payments school districts receive from the school district
capital improvements fund in the school year for such bonds shall not exceed the six-year average amount of capital improvement state aid as determined by the state board of education.

(A) The state board of education shall determine the six-year average amount of capital improvement state aid by calculating the average of the total amount of moneys expended per year from the school district capital improvements fund in the immediately preceding six fiscal years, not to include the current fiscal year.

(B) (i) Subject to clause (ii), the state board of education shall prioritize the allocations to school districts from the school district capital improvements fund in accordance with the priorities set forth as follows in order of highest priority to lowest priority:

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

(b) enrollment growth and imminent overcrowding as demonstrated by successive increases in enrollment of the school district in the immediately preceding three school years;

(c) impact on the delivery of educational services as demonstrated by restrictive inflexible design or limitations on installation of technology; and

(d) energy usage and other operational inefficiencies as demonstrated by a district-wide energy usage analysis, district-wide architectural analysis or other similar evaluation.

(ii) In allocating capital improvement state aid, the state board shall give higher priority to those school districts with a lower AVPP compared to the other school districts that are to receive capital improvement state aid under this section.

(C) On and after July 1, 2016, the state board of education shall approve the amount of state aid payments a school district shall receive from the school district capital improvements fund pursuant to subsection (b)(5) prior to an election to approve the issuance of general obligation bonds.

(5) Except as provided in subsections (b)(6) and (b)(7), the sum of the amounts determined under subsection (b)(3) and the amount determined or allocated to the district by the state board of education pursuant to subsection (b)(4), is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year.

(6) A school district that had an enrollment of less than 260 students in the school year immediately preceding the school year in which an election is held to approve the issuance of general obligation bonds shall
not be entitled to receive payments from the school district capital improvements fund unless such school district applied for and receive approval from the state board of education to issue such bonds prior to holding an election to approve such bond issuance. The provisions of this paragraph shall apply to general obligation bonds approved for issuance at an election held on or after July 1, 2017, that are issued for the purpose of financing the construction of new school facilities.

(7) For general obligation bonds approved for issuance at an election held on or after July 1, 2017, in determining the amount under subsection (b)(2)(D), the state board shall exclude payments for any capital improvement project, or portion thereof, that proposes to construct, reconstruct or remodel a facility that would be used primarily for extracurricular activities, unless the construction, reconstruction or remodeling of such facility is necessary due to concerns relating to the safety of the current facility or disability access to such facility as demonstrated by a state fire marshal report, an inspection under the Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar evaluation.

(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, 2017, June 30, 2015, 2018, and June 30, 2016, 2019, 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.

(f) On or before the first day of the legislative session in 2017, and each year thereafter, the state board of education shall prepare and submit a report to the legislature that includes information on school district elections held on or after July 1, 2016, to approve the issuance of general obligation bonds and the amount of payments school districts were approved to receive from the school district capital improvements fund pursuant to subsection (b)(4)(C).

Sec. 99. K.S.A. 2016 Supp. 79-201x is hereby amended to read as follows: 79-201x. For taxable years 2015 and 2016 and 2017 and 2018, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 2016 Supp. 72-6470 section 14, and amendments thereto: Property used for residential purposes to the extent of $20,000 of its appraised valuation.

Sec. 100. K.S.A. 2016 Supp. 79-213 is hereby amended to read as follows: 79-213. (a) Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the state board of tax appeals and provided by the county appraiser.

(b) The initial exemption request shall identify the property for which the exemption is requested and state, in detail, the legal and factual basis for the exemption claimed.

(c) The request for exemption shall be filed with the county appraiser of the county where such property is principally located.

(d) After a review of the exemption request, and after a preliminary examination of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.

(e) The county appraiser, after making such written recommendation, shall file the request for exemption and the recommendations of the county appraiser with the state board of tax appeals. With regard to a request for exemption from property tax pursuant to the provisions of K.S.A. 79-201g and 82a-409, and amendments thereto, not filed with the board of tax appeals by the county appraiser on or before the effective date of this act, if the county appraiser recommends the exemption request be granted, the exemption shall be provided in the amount recommended by the county appraiser and the county appraiser shall not file the request for exemption and recommendations of the county appraiser with the state board of tax appeals. The county clerk or county assessor shall annually make such adjustment in the taxes levied against the real property as the owner may
be entitled to receive under the provisions of K.S.A. 79-201g, and amendments thereto, as recommended by the county appraiser, beginning with the first period, following the date of issue of the certificate of completion on which taxes are regularly levied, and during the years which the landowner is entitled to such adjustment.

(f) Upon receipt of the request for exemption, the board shall docket the same and notify the applicant and the county appraiser of such fact.

(g) After examination of the request for exemption and the county appraiser's recommendation related thereto, the board may fix a time and place for hearing, and shall notify the applicant and the county appraiser of the time and place so fixed. A request for exemption pursuant to: (1) Section 13 of article 11 of the constitution of the state of Kansas; or (2) K.S.A. 79-201a Second, and amendments thereto, for property constructed or purchased, in whole or in part, with the proceeds of revenue bonds under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, prepared in accordance with instructions and assistance which shall be provided by the department of commerce, shall be deemed approved unless scheduled for hearing within 30 days after the date of receipt of all required information and data relating to the request for exemption, and such hearing shall be conducted within 90 days after such date. Such time periods shall be determined without regard to any extension or continuance allowed to either party to such request. In any case where a party to such request for exemption requests a hearing thereon, the same shall be granted. Hearings shall be conducted in accordance with the provisions of the Kansas administrative procedure act. In all instances where the board sets a request for exemption for hearing, the county shall be represented by its county attorney or county counselor.

(h) Except as otherwise provided by subsection (g), in the event of a hearing, the same shall be originally set not later than 90 days after the filing of the request for exemption with the board.

(i) During the pendency of a request for exemption, no person, firm, unincorporated association, company or corporation charged with real estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, on the tax books in the hands of the county treasurer shall be required to pay the tax from the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon and the same becomes a final order. In the event that taxes have been assessed against the subject property, no interest shall accrue on any unpaid tax for the year or years in question nor shall the unpaid tax be considered delinquent from the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon. In the event the board determines an application for exemption is without merit and filed in bad faith to delay the due date
of the tax, the tax shall be considered delinquent as of the date the tax
would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and
amendments thereto, and interest shall accrue as prescribed therein.

(j) In the event the board grants the initial request for exemption, the
same shall be effective beginning with the date of first exempt use except
that, with respect to property the construction of which commenced not to
exceed 24 months prior to the date of first exempt use, the same shall be
effective beginning with the date of commencement of construction.

(k) In conjunction with its authority to grant exemptions, the board
shall have the authority to abate all unpaid taxes that have accrued from
and since the effective date of the exemption. In the event that taxes have
been paid during the period where the subject property has been
determined to be exempt, the board shall have the authority to order a
refund of taxes for the year immediately preceding the year in which the
exemption application is filed in accordance with subsection (a).

(l) The provisions of this section shall not apply to: (1) Farm
machinery and equipment exempted from ad valorem taxation by K.S.A.
79-201j, and amendments thereto; (2) personal property exempted from ad
valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing
apparel, household goods and personal effects exempted from ad valorem
taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all
property exempted from ad valorem taxation by K.S.A. 79-201d, and
amendments thereto; (6) merchants' and manufacturers' inventories
exempted from ad valorem taxation by K.S.A. 79-201m, and amendments
thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n,
and amendments thereto; (8) property exempted from ad valorem taxation
by K.S.A. 79-201a Seventeenth, and amendments thereto, including all
property previously acquired by the secretary of transportation or a
predecessor in interest, which is used in the administration, construction,
maintenance or operation of the state system of highways. The secretary of
transportation shall at the time of acquisition of property notify the county
appraiser in the county in which the property is located that the acquisition
occurred and provide a legal description of the property acquired; (9)
property exempted from ad valorem taxation by K.S.A. 79-201a Ninth,
and amendments thereto, including all property previously acquired by the
Kansas turnpike authority which is used in the administration,
construction, maintenance or operation of the Kansas turnpike. The Kansas
turnpike authority shall at the time of acquisition of property notify the
county appraiser in the county in which the property is located that the
acquisition occurred and provide a legal description of the property
acquired; (10) aquaculture machinery and equipment exempted from ad
valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in
this section, "aquaculture" has the same meaning ascribed thereto by
K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (12) property used exclusively by the state or any municipality or political subdivision of the state for right-of-way purposes. The state agency or the governing body of the municipality or political subdivision shall at the time of acquisition of property for right-of-way purposes notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (13) machinery, equipment, materials and supplies exempted from ad valorem taxation by K.S.A. 79-201w, and amendments thereto; (14) vehicles owned by the state or by any political or taxing subdivision thereof and used exclusively for governmental purposes; (15) property used for residential purposes which is exempted pursuant to K.S.A. 79-201x, and amendments thereto, from the property tax levied pursuant to K.S.A. 2016 Supp. 72-6470 section 14, and amendments thereto; (16) from and after July 1, 1998, vehicles which are owned by an organization having as one of its purposes the assistance by the provision of transit services to the elderly and to disabled persons and which are exempted pursuant to K.S.A. 79-201 Ninth, and amendments thereto; (17) from and after July 1, 1998, motor vehicles exempted from taxation by K.S.A. 79-5107(e), and amendments thereto; (18) commercial and industrial machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2016 Supp. 79-223, and amendments thereto; (19) telecommunications machinery and equipment and railroad machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2016 Supp. 79-224, and amendments thereto; and (20) property exempted from property or ad valorem taxation by K.S.A. 2016 Supp. 79-234, and amendments thereto.

(m) The provisions of this section shall apply to property exempt pursuant to the provisions of section 13 of article 11 of the constitution of the state of Kansas.

(n) The provisions of subsection (k) as amended by this act shall be applicable to all exemption applications filed in accordance with subsection (a) after December 31, 2001.

Sec. 101. K.S.A. 2016 Supp. 79-2001 is hereby amended to read as follows: 79-2001. (a) As soon as the county treasurer receives the tax roll of the county, the treasurer shall enter in a column opposite the description of each tract or parcel of land the amount of unpaid taxes and the date of unredeemed sales, if any, for previous years on such land. The treasurer shall cause a notice to be published in the official county paper once each week for three consecutive weeks, stating in the notice the amount of taxes charged for state, county, township, school, city or other purposes for that year, on each $1,000 of valuation.
(b) Each year after receipt of the tax roll from the county clerk and before December 15, the treasurer shall mail to each taxpayer, as shown by the rolls, a tax statement which indicates the taxing unit, assessed value of real and personal property, the mill levy and tax due. In addition, with respect to land devoted to agricultural use, such statement shall indicate the acreage and description of each parcel of such land. The tax statement shall also indicate separately each parcel of real property which is separately classified for property tax purposes. The county appraiser shall provide the information necessary for the county treasurer to comply with the provisions of this section. The tax statement also may include the intangible tax due the county. All items may be on one statement or may be shown on separate statements and may be on a form prescribed by the county treasurer. The statement shall be mailed to the last known address of the taxpayer or to a designee authorized by the taxpayer to accept the tax statement, if the designee has an interest in receiving the statement. When any statement is returned to the county treasurer for failure to find the addressee, the treasurer shall make a diligent effort to find a forwarding address of the taxpayer and mail the statement to the new address. All tax statements mailed pursuant to this section shall be mailed by first-class mail. The requirement for mailing a tax statement shall extend only to the initial statement required to be mailed in each year and to any follow-up required by this section.

(c) For tax year 1998, and all tax years thereafter, after receipt of the tax roll from the county clerk and before December 15, the treasurer shall mail to each taxpayer, as shown by the tax rolls, a tax information form which indicates the taxing unit, assessed value of real property for the current and next preceding taxable year, the mill levy for the current and next preceding taxable year and, in the case of unified school districts, the mill levy required by K.S.A. 2016 Supp. 72-6470 section 14, and amendments thereto, shall be separately indicated, the tax due and an itemization of each taxing unit's mill levy for the current and next preceding taxable year and the percentage change in the amount of revenue produced therefrom, if any. In addition, with respect to land devoted to agricultural use, such form shall indicate the acreage and description of each parcel of such land. The tax information form shall also indicate separately each parcel of real property which is separately classified for property tax purposes. The county appraiser shall provide the information necessary for the county treasurer to comply with the provisions of this section. The tax information form may be separate from the tax statement or a part of the tax statement. The tax information form shall be in a format prescribed by the director of property valuation. The tax information form shall be mailed to the last known address of the taxpayer. When a tax information form is returned to the county treasurer
for failure to find the addressee, the treasurer shall make a diligent effort to
find a forwarding address of the taxpayer and mail the tax information
form to the new address. All tax information forms mailed pursuant to this
section shall be mailed by first class mail.

Sec. 102. K.S.A. 2016 Supp. 79-2925b is hereby amended to read as
follows: 79-2925b. (a) Without a majority vote so providing, the governing
body of any municipality shall not approve any appropriation or budget, as
the case requires, which may be funded by revenue produced from
property taxes, and which provides for funding with such revenue in an
amount exceeding that of the next preceding year, adjusted to reflect
changes in the consumer price index for all urban consumers as published
by the United States department of labor for the preceding calendar year. If
the total tangible property valuation in any municipality increases from the
next preceding year due to increases in the assessed valuation of existing
tangible property and such increase exceeds changes in the consumer price
index, the governing body shall lower the amount of ad valorem tax to be
levied to the amount of ad valorem tax levied in the next preceding year,
adjusted to reflect changes in the consumer price index. This subsection
shall not apply to ad valorem taxes levied under K.S.A. 76-6b01 and 76-
6b04 and K.S.A. 2016 Supp. 72-6470 section 14, and amendments thereto,
and any other ad valorem tax levy which was previously approved by the
voters of such municipality. Notwithstanding the requirements of this
subsection, nothing herein shall prohibit a municipality from increasing
the amount of ad valorem tax to be levied if the municipality approves the
proposed increase with a majority vote of the governing body by the
adoption of a resolution and publishes its vote to approve the appropriation
or budget including the increase as provided in subsection (c).

(b) Revenue that, in the current year, is produced and attributable to
the taxation of:

(1) New improvements to real property;
(2) increased personal property valuation;
(3) property located within added jurisdictional territory; or
(4) property which has changed in use shall not be considered when
determining whether revenue produced from property has increased from
the next preceding year.

(c) In the event the governing body votes to approve any
appropriation or budget, as the case requires, which may be funded by
revenue produced from property taxes, and which provides for funding
with such revenue in an amount exceeding that of the next preceding year
as provided in subsection (a), notice of such vote shall be published in the
official county newspaper of the county where such municipality is
located.

(d) The provisions of this section shall be applicable to all fiscal and
budget years commencing on and after the effective date of this act.

(e) The provisions of this section shall not apply to revenue received from property tax levied for the sole purpose of repayment of the principal of and interest upon bonded indebtedness, temporary notes and no-fund warrants.

(f) For purposes of this section:

(1) "Municipality" means any political subdivision of the state which levies an ad valorem tax on property and includes, but is not limited to, any township, municipal university, school district, community college, drainage district or other taxing district;

(2) "municipality" shall not include:

(A) Any such political subdivision or taxing district which receives $1,000 or less in revenue from property taxes in the current year; or

(B) any city or county.

Sec. 103. In sections 1 and 2, if any fund or account name described by words and the numerical accounting code that follows such fund or account name do not match, it shall be conclusively presumed that the legislature intended that the fund or account name described by words is the correct fund or account name, and such fund or account name described by words shall control over a contradictory or incorrect numerical accounting code.

Sec. 104. K.S.A. 2016 Supp. 72-64c01 is hereby amended to read as follows: 72-64c01. (a) It is the public policy goal of the state of Kansas that at least 65% 75% of the moneys appropriated, distributed or otherwise provided by the state to school districts shall be expended in the classroom or for instruction.

(b) All moneys attributable to the increase in the amount of base state aid per pupil under the provisions of this act shall be expended in the classroom or for instruction.

(c) The amount of moneys expended per pupil in the classroom or for instruction in school year 2005-2006, shall not be less than the amount of moneys expended per pupil for such purposes in school year 2004-2005, plus $35 per pupil.

(d) As used in this section, "instruction" means the activities dealing directly with the interaction between teachers and students and may be provided in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving cocurricular activities. Instruction also may be provided through the internet, television, radio, computer, multimedia telephone, correspondence that is delivered inside or outside the classroom and other teacher-student settings or through other approved media. Instruction also includes the activities of aides or classroom assistants of any type including, but not limited to, clerks, graders and teaching
machines which assist in the instructional process, the activities of
instructional support staff and student support staff, the cost of utilities,
the cost of construction of new classroom facilities and the cost of
maintenance of classroom facilities.

New Sec. 105. The Kansas school equity and enhancement act,
sections 3 through 47 and 105, and amendments thereto, shall expire on
July 1, 2027.

New Sec. 106. On and after July 1, 2027, and every 10 years
thereafter, the legislature shall review the act, or any successor school
finance act, to ensure that education funding is reasonably calculated to
have students meet or exceed the educational goal set forth in K.S.A.
2016 Supp. 72-1127(c), and amendments thereto.

Sec. 104. {107.} K.S.A. 12-17,115 and 72-8803 and K.S.A. 2016
Supp. 10-1116a, 12-1677, 12-1770a, 12-1775a, 12-1776a, 46-1133, 72-
978, 72-1046b, 72-1398, 72-1414, 72-1923, 72-3712, 72-3715, 72-5333b,
72-6482, 72-64b01, {72-64c01,} 72-64e03, 72-64e05, 72-6622, 72-6624,
72-6625, 72-6757, 72-67,115, 72-7535, 72-8187, 72-8190, 72-8230, 72-
8233, 72-8236, 72-8249, 72-8250, 72-8251, 72-8302, 72-8309, 72-8316,
72-8415b, 72-8801, 72-8804, 72-8908, 72-9509, 72-9609, 72-99a02, 74-
4939a, 74-8925, 74-99b43, 75-2319, 75-2319, as amended by section 46
of Senate Substitute for Substitute for House Bill No. 2052, 79-201x, 79-
213, 79-2001 and 79-2925b are hereby repealed.

Sec. 105. {108.} On and after July 1, 2018, K.S.A. 2016 Supp. 72-
99a02, as amended by section 92 of this act, and 72-99a04 are hereby
repealed.

Sec. 106. {109.} This act shall take effect and be in force from and
after its publication in the statute book.