

HOUSE BILL No. 2773

By Committee on Appropriations

3-20

1 AN ACT concerning schools; relating to the financing and instruction
2 thereof; establishing the K-12 student performance and efficiency
3 commission; pertaining to school performance accreditation; creating a
4 presumption in school finance litigation that state moneys have been
5 first applied to certain costs; authorizing innovation incentive bonuses
6 for teachers; providing teacher licensure to certain persons; expanding
7 public innovative districts; specifying coverage of teachers under the
8 Kansas tort claims act; relating to the Kansas uniform financial
9 accounting and reporting act; school district capital improvements and
10 state aid; transportation weighting; at-risk pupils; enacting the
11 corporate education tax credit scholarship program act; authorizing a
12 tax credit; enacting the Kansas educational opportunity zone act;
13 relating to capital outlay; making and concerning appropriations for the
14 fiscal year ending June 30, 2015, for the department of education;
15 amending K.S.A. 72-5333b, 72-6411 and 72-6416 and K.S.A. 2013
16 Supp. 72-1925, 72-6407, 72-6410, 72-6414, 72-6417, 72-6431, 72-
17 6439, 72-6439a, 72-8254, 72-8814, 75-2319, 75-6102, 79-32,117 and
18 79-32,138 and repealing the existing sections; also repealing K.S.A.
19 2013 Supp. 72-1127.

20
21 *Be it enacted by the Legislature of the State of Kansas:*

22 New Section 1. Article 6 of the constitution of the state of Kansas
23 states that the legislature shall provide for intellectual, educational,
24 vocational and scientific improvement by establishing and maintaining
25 public schools; provide for a state board of education having general
26 supervision of public schools, educational institutions and the educational
27 interests of the state, except those delegated by law to the state board of
28 regents; and make suitable provision for finance of the educational
29 interests of the state. It is the purpose and intention of the legislature to
30 provide a system of educational finance for grade kindergarten and grades
31 one through 12 which provides students with the capacities set forth in
32 section 3, and amendments thereto. Such financing system shall be
33 sufficiently flexible for the legislature to consider and utilize financing
34 methods from all available resources in order to satisfy the constitutional
35 requirements under article 6. Such financing methods shall include, but are
36 not limited to, the following:

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

3 (b) appropriations of state moneys for the improvement of public
4 schools, including, but not limited to, the following:

5 (1) Financing to unified school districts through the school district
6 finance and quality performance act pursuant to K.S.A. 72-6405 et seq.,
7 and amendments thereto;

8 (2) employer contributions to the Kansas public employees retirement
9 system for public schools;

10 (3) appropriations to the Kansas children's cabinet for programs
11 which assist students enrolled in unified school districts with their
12 educational needs;

13 (4) transportation financing, including any transfers from the state
14 general fund and state highway fund to the state department of education
15 to provide technical education transportation, special education
16 transportation or school bus safety;

17 (5) financing to other facilities which provides public education to
18 students, such as the Kansas state school for the blind, the Kansas state
19 school for the deaf, school district juvenile detention facilities and Flint
20 Hills job corps center;

21 (6) appropriations relating to the Kansas academy of mathematics and
22 science;

23 (7) appropriations relating to teaching excellence, such as
24 scholarships, awards, training or in-service workshops;

25 (8) appropriations to the state board of regents to provide technical
26 education incentives to unified school districts and tuition costs to
27 postsecondary institutions which provide career technical education to
28 secondary students; and

29 (9) appropriations to any postsecondary educational institution which
30 provides postsecondary education to a secondary student without charging
31 tuition to such student; and

32 (c) any provision which provides unified school districts with the
33 authority to levy local taxes for the financing of public schools.

34 New Sec. 2. (a) There is hereby established the K-12 student
35 performance and efficiency commission. The commission shall study and
36 analyze current K-12 school district spending and make recommendations
37 to the Legislature regarding opportunities to make more efficient use of
38 taxpayer money. The commission shall particularly study and review the
39 following areas:

40 (1) Opportunities for unified school districts to be organized and
41 operated in a cost-effective manner;

42 (2) variances in per-pupil expenditures among unified school districts
43 with comparable enrollment, demographics and outcomes on statewide

1 assessments;

2 (3) opportunities for implementation of any recommendations made
3 by any efficiency task forces established by the governor prior to July 1,
4 2014;

5 (4) administrative functions that may be consolidated between unified
6 school districts; and

7 (5) expenditures that are not directly or sufficiently related to the goal
8 of providing each and every child with the capacities set forth in section 3,
9 and amendments thereto.

10 (b) The K-12 student performance and efficiency commission shall
11 be composed of nine voting members as follows:

12 (1) (A) Six at-large members appointed as follows: Two shall be
13 appointed by the president of the senate, one shall be appointed by the
14 minority leader of the senate, two shall be appointed by the speaker of the
15 house of representatives and one shall be appointed by the minority leader
16 of the house of representatives; and

17 (B) three at-large members appointed by the governor.

18 (2) The commissioner of education, the director of the budget, the
19 revisor of statutes and the director of legislative research shall be non-
20 voting, ex-officio members of the commission.

21 (c) The speaker of the house of representatives shall designate the
22 member to convene and organize the first meeting of the commission at
23 which the commission shall elect a chairperson from among its voting
24 members. Any vacancy in the membership of the commission shall be
25 filled by appointment in the manner prescribed by this section for the
26 original appointment.

27 (d) A majority of members shall constitute a quorum. All actions of
28 the commission shall be taken by a majority of all members of the
29 commission.

30 (e) Members of the commission shall receive expenses, mileage and
31 subsistence allowances as provided in subsection (e) of K.S.A. 75-3223,
32 and amendments thereto.

33 (f) The staff of the office of revisor of statutes, the Kansas legislative
34 research department and other central legislative staff service agencies
35 shall provide such assistance as may be requested by the commission.

36 (g) The commission shall submit a report to the legislature before
37 January 12, 2015, with any findings and recommendations which the
38 commission deems necessary, including the recommendation of any
39 legislation.

40 New Sec. 3. (a) The legislature shall provide for a system of
41 education which has as its goal to provide each and every child with at
42 least the following capacities:

43 (1) Sufficient oral and written communication skills to enable

- 1 students to function in a complex and rapidly changing civilization;
- 2 (2) sufficient knowledge of economic, social, and political systems to
3 enable the student to make informed choices;
- 4 (3) sufficient understanding of governmental processes to enable the
5 student to understand the issues that affect his or her community, state, and
6 nation;
- 7 (4) sufficient self-knowledge and knowledge of his or her mental and
8 physical wellness;
- 9 (5) sufficient grounding in the arts to enable each student to
10 appreciate his or her cultural and historical heritage;
- 11 (6) sufficient training or preparation for advanced training in either
12 academic or vocational fields so as to enable each child to choose and
13 pursue life work intelligently; and
- 14 (7) sufficient levels of academic or vocational skills to enable public
15 school students to compete favorably with their counterparts in
16 surrounding states, in academics or in the job market.

17 (b) This section shall be part of and supplemental to article 64 of
18 chapter 72 of the Kansas Statutes Annotated, and amendments thereto.

19 Sec. 4. K.S.A. 2013 Supp. 72-6439 is hereby amended to read as
20 follows: 72-6439. (a) In order to accomplish the mission for Kansas
21 education, the state board of education shall design and adopt a school
22 performance accreditation system based upon ~~improvement in~~
23 ~~performance that reflects high~~ and academic standards *which reflect the*
24 *goal of providing each and every child with the capacities set forth in*
25 *section 3, and amendments thereto*, and is measurable.

26 (b) The state board shall establish curriculum standards ~~which reflect~~
27 ~~high~~ *based on academic standards reflecting the goal of providing each*
28 *and every child with the capacities set forth in section 3, and amendments*
29 *thereto*, for the core academic areas of mathematics, science, reading,
30 writing and social studies. The curriculum standards shall be reviewed at
31 least every seven years. Nothing in this subsection shall be construed in
32 any manner so as to impinge upon any district's authority to determine its
33 own curriculum.

34 (c) The state board shall provide for statewide assessments in the core
35 academic areas of mathematics, science, reading, writing and social
36 studies. The board shall ensure compatibility between the statewide
37 assessments and the curriculum standards established pursuant to
38 subsection (b). Such assessments shall be administered at three grade
39 levels, as determined by the board. The state board shall determine
40 performance levels on the statewide assessments, the achievement of
41 which represents ~~high~~ *academic standards reflecting the goal of providing*
42 *each and every child with the capacities set forth in section 3, and*
43 *amendments thereto*, in the academic area at the grade level to which the

1 assessment applies. The state board should specify ~~high~~ academic
2 standards *reflecting the goal of providing each and every child with the*
3 *capacities set forth in section 3, and amendments thereto*, both for
4 individual performance and school performance on the assessments.

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

20 Sec. 5. K.S.A. 2013 Supp. 72-6439a is hereby amended to read as
21 follows: 72-6439a. (a) *Any school that is accredited by the state board of*
22 *education shall be deemed as having satisfied the goal of providing each*
23 *and every child with the capacities set forth in section 3, and amendments*
24 *thereto.*

25 (b) Whenever the state board of education determines that a school
26 has failed either to ~~meet~~ *satisfy* the accreditation requirements established
27 by rules and regulations or standards adopted by the state board or provide
28 the curriculum required by state law, the state board shall so notify the
29 school district in which the school is located. Such notice shall specify the
30 accreditation requirements that the school has failed to ~~meet~~ *satisfy* and the
31 curriculum that the school has failed to provide. Upon receipt of such
32 notice, the board of education of such district are encouraged to reallocate
33 the resources of the district to remedy all deficiencies identified by the
34 state board. When making such reallocation, the board of education shall
35 take into consideration the resource strategies of highly resource-efficient
36 districts as identified in Phase III of the Kansas Education Resource
37 Management Study conducted by Standard and Poor's (March 2006).

38 New Sec. 6. (a) In any action challenging the adequacy of the state's
39 provision for finance of the educational interests of the state under article 6
40 of the constitution of the state of Kansas, all state moneys appropriated,
41 distributed or otherwise provided by the state to unified school districts
42 shall be deemed by the court to have been first applied to pay the costs
43 related to providing the areas of instruction required by K.S.A. 72-1101,

1 72-1103, 72-1117 and section 3, and amendments thereto, and for the
2 courses included in the pre-college curriculum prescribed by the state
3 board of regents pursuant to K.S.A. 76-717, and amendments thereto.

4 (b) This section shall be part of and supplemental to article 64b of
5 chapter 72 of the Kansas Statutes Annotated, and amendments thereto.

6 New Sec. 7. (a) As used in this section, the term "teacher" means any
7 instructor who holds a teaching certificate or license issued by the state
8 board of education.

9 (b) A teacher may receive an innovation incentive bonus if such
10 teacher meets or exceeds the performance criteria determined by a
11 principal appointed under K.S.A. 72-8202b, and amendments thereto. The
12 principal shall determine the innovation incentive bonus of a teacher
13 employed in the same school building as such principal based on
14 performance criteria which has been published to all teachers at the time of
15 contract renewal. The principal shall determine the performance criteria to
16 be used for a teacher and evaluate each such teacher using the same
17 performance criteria.

18 New Sec. 8. (a) As used in this section:

19 (1) "Applicant" means a person who:

20 (A) Is seeking licensure as a teacher at the secondary level in the state
21 of Kansas; and

22 (B) has provided documentation to the state board verifying that the
23 applicant has secured a commitment from the board of education of a
24 school district to be hired as a teacher in such school district subject to
25 receiving such licensure as a teacher.

26 (2) "Career technical education" shall have the same meaning as such
27 term is defined in K.S.A. 72-4412, and amendments thereto.

28 (3) "Teacher preparation program" means professional education
29 pedagogy coursework provided at an accredited college or university
30 engaged in teacher preparation.

31 (4) "State board" means the state board of education.

32 (b) Notwithstanding any other provision of law, an applicant shall not
33 be required to complete a teacher preparation program prior to licensure as
34 a teacher if such applicant satisfies one of the following:

35 (1) The applicant holds a valid teaching license from another
36 jurisdiction and has obtained the required scores on the Praxis series tests
37 as required by the state board for licensure;

38 (2) the applicant has obtained an industry-recognized certificate in a
39 technical profession; has at least five years of work experience in such
40 technical profession; and has secured a commitment from the board of
41 education of a school district to be hired as a teacher to teach a career
42 technical education course related to such technical profession; or

43 (3) the applicant has obtained at least a bachelor's degree in the

1 subject matter area of science, technology, engineering, mathematics,
2 finance or accounting; has at least five years of work experience in such
3 subject matter area; and has secured a commitment from the board of
4 education of a school district to be hired as a teacher to teach in such
5 subject matter area.

6 (c) An applicant shall only be authorized to teach in the subject or
7 subjects specified on the face of the license.

8 (d) The state board shall adopt rules and regulations necessary to
9 carry out the provisions of this section.

10 (e) This section shall be part of and supplemental to the provisions of
11 article 13 of chapter 72 of the Kansas Statutes Annotated, and amendments
12 thereto.

13 Sec. 9. K.S.A. 72-5333b is hereby amended to read as follows: 72-
14 5333b. (a) The unified school district maintaining and operating a school
15 on the Fort Leavenworth military reservation, being unified school district
16 No. 207 of Leavenworth county, state of Kansas, shall have a governing
17 body, which shall be known as the "Fort Leavenworth school district board
18 of education" and which shall consist of three members who shall be
19 appointed by, and serve at the pleasure of the commanding general of Fort
20 Leavenworth. One member of the board shall be the president and one
21 member shall be the vice-president. The commanding general, when
22 making any appointment to the board, shall designate which of the offices
23 the member so appointed shall hold. Except as otherwise expressly
24 provided in this section, the district board and the officers thereof shall
25 have and may exercise all the powers, duties, authority and jurisdiction
26 imposed or conferred by law on unified school districts and boards of
27 education thereof, except such school district shall not offer or operate any
28 of grades 10 through 12.

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

31 (c) Except as otherwise expressly provided in this subsection, the
32 provisions of the school district finance and quality performance act apply
33 to the school district. As applied to the school district, the terms ~~local~~
34 ~~effort~~ *school financing sources* and federal impact aid shall not include any
35 moneys received by the school district under subsection (3)(d)(2)(b) of
36 public law 81-874. Any such moneys received by the school district shall
37 be deposited in the general fund of the school district or, at the discretion
38 of the board of education, in the capital outlay fund of the school district.

39 Sec. 10. K.S.A. 2013 Supp. 72-6410 is hereby amended to read as
40 follows: 72-6410. (a) "State financial aid" means an amount equal to the
41 product obtained by multiplying base state aid per pupil by the adjusted
42 enrollment of a district.

43 (b) (1) "Base state aid per pupil" means an amount of state financial

1 aid per pupil. Subject to the other provisions of this subsection, the amount
2 of base state aid per pupil is \$4,433 in school year 2008-2009 and \$4,492
3 in school year 2009-2010 and each school year thereafter.

4 (2) The amount of base state aid per pupil is subject to reduction
5 commensurate with any reduction under K.S.A. 75-6704, and amendments
6 thereto, in the amount of the appropriation from the state general fund for
7 general state aid. If the amount of appropriations for general state aid is
8 insufficient to pay in full the amount each district is entitled to receive for
9 any school year, the amount of base state aid per pupil for such school year
10 is subject to reduction commensurate with the amount of the insufficiency.

11 (c) ~~"Local effort"~~ *"School financing sources"* means the sum of *the*
12 *following amounts:*

13 (1) An amount equal to the proceeds from the ~~tax levied under~~
14 ~~authority of K.S.A. 72-6431, and amendments thereto, and state public~~
15 ~~school financing levy;~~

16 (2) an amount equal to any unexpended and unencumbered balance
17 remaining in the general fund of the district, except amounts received by
18 the district and authorized to be expended for the purposes specified in
19 K.S.A. 72-6430, and amendments thereto, ~~and;~~

20 (3) an amount equal to any unexpended and unencumbered balances
21 remaining in the program weighted funds of the district, except any
22 amount in the vocational education fund of the district if the district is
23 operating an area vocational school, ~~and;~~

24 (4) an amount equal to any remaining proceeds from taxes levied
25 under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto,
26 prior to the repeal of such statutory sections, ~~and;~~

27 (5) an amount equal to the amount deposited in the general fund in
28 the current school year from amounts received in such year by the district
29 under the provisions of subsection (a) of K.S.A. 72-1046a, and
30 amendments thereto, ~~and;~~

31 (6) an amount equal to the amount deposited in the general fund in
32 the current school year from amounts received in such year by the district
33 pursuant to contracts made and entered into under authority of K.S.A. 72-
34 6757, and amendments thereto, ~~and;~~

35 (7) an amount equal to the amount credited to the general fund in the
36 current school year from amounts distributed in such year to the district
37 under the provisions of articles 17 and 34 of chapter 12 of *the* Kansas
38 Statutes Annotated and under the provisions of articles 42 and 51 of
39 chapter 79 of *the* Kansas Statutes Annotated, and *amendments thereto;*

40 (8) an amount equal to the amount of payments received by the
41 district under the provisions of K.S.A. 72-979, and amendments thereto,
42 ~~and;~~

43 (9) an amount equal to the amount of a grant, if any, received by the

1 district under the provisions of K.S.A. 72-983, and amendments thereto;
2 and

3 (10) an amount equal to 70% of the federal impact aid of the district.

4 (d) "Federal impact aid" means an amount equal to the federally
5 qualified percentage of the amount of moneys a district receives in the
6 current school year under the provisions of title I of public law 874 and
7 congressional appropriations therefor, excluding amounts received for
8 assistance in cases of major disaster and amounts received under the low-
9 rent housing program. The amount of federal impact aid defined herein as
10 an amount equal to the federally qualified percentage of the amount of
11 moneys provided for the district under title I of public law 874 shall be
12 determined by the state board in accordance with terms and conditions
13 imposed under the provisions of the public law and rules and regulations
14 thereunder.

15 (e) *"State public school financing levy" means the tax levied under*
16 *authority of K.S.A. 72-6431, and amendments thereto.*

17 Sec. 11. K.S.A. 72-6416 is hereby amended to read as follows: 72-
18 6416. (a) In each school year, the state board shall determine entitlement
19 of each district to general state aid for the school year as provided in this
20 section.

21 (b) The state board shall determine the amount of the district's ~~local~~
22 ~~effort~~ *school financing sources* for the school year. If the amount of the
23 district's ~~local~~ ~~effort~~ *school financing sources* is greater than the amount of
24 state financial aid determined for the district for the school year, the
25 district shall not be entitled to general state aid. If the amount of the
26 district's ~~local~~ ~~effort~~ *school financing sources* is less than the amount of
27 state financial aid determined for the district for the school year, the state
28 board shall subtract the amount of the district's ~~local~~ ~~effort~~ *school*
29 *financing sources* from the amount of state financial aid. The remainder is
30 the amount of general state aid the district is entitled to receive for the
31 current school year.

32 (c) The provisions of this section shall take effect and be in force
33 from and after July 1, 1992.

34 Sec. 12. K.S.A. 2013 Supp. 72-6417 is hereby amended to read as
35 follows: 72-6417. (a) The distribution of general state aid under this act
36 shall be made in accordance with appropriation acts each year as provided
37 in this section.

38 (b) (1) In the months of July through May of each school year, the
39 state board shall determine the amount of general state aid which will be
40 required by each district to maintain operations in each such month. In
41 making such determination, the state board shall take into consideration
42 the district's access to ~~local~~ ~~effort~~ *school financing sources* and the
43 obligations of the general fund which must be satisfied during the month.

1 The amount determined by the state board under this provision is the
2 amount of general state aid which will be distributed to the district in the
3 months of July through May;

4 (2) in the month of June of each school year, subject to the provisions
5 of subsection (d), payment shall be made of the full amount of the general
6 state aid entitlement determined for the school year, less the sum of the
7 monthly payments made in the months of July through May.

8 (c) The state board of education shall prescribe the dates upon which
9 the distribution of payments of general state aid to school districts shall be
10 due. Payments of general state aid shall be distributed to districts once
11 each month on the dates prescribed by the state board. The state board
12 shall certify to the director of accounts and reports the amount due as
13 general state aid to each district in each of the months of July through
14 June. Such certification, and the amount of general state aid payable from
15 the state general fund, shall be approved by the director of the budget. The
16 director of accounts and reports shall draw warrants on the state treasurer
17 payable to the district treasurer of each district entitled to payment of
18 general state aid, pursuant to vouchers approved by the state board. Upon
19 receipt of such warrant, each district treasurer shall deposit the amount of
20 general state aid in the general fund, except that, an amount equal to the
21 amount of federal impact aid not included in the ~~local effort~~ *school*
22 *financing sources* of a district may be disposed of as provided in
23 subsection (a) of K.S.A. 72-6427, and amendments thereto.

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

33 Sec. 13. K.S.A. 2013 Supp. 72-6431 is hereby amended to read as
34 follows: 72-6431. (a) The board of each district shall levy an ad valorem
35 tax upon the taxable tangible property of the district in the school years
36 specified in subsection (b) for the purpose of:

37 (1) Financing that portion of the district's general fund budget which
38 is not financed from any other source provided by law;

39 (2) paying a portion of the costs of operating and maintaining public
40 schools in partial fulfillment of the constitutional obligation of the
41 legislature to finance the educational interests of the state; and

42 (3) with respect to any redevelopment district established prior to July
43 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a

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

4 (b) The tax required under subsection (a) shall be levied at a rate of
5 20 mills in the school year 2013-2014 and school year 2014-2015.

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

12 (d) On June 6 of each year, the amount, if any, by which a district's
13 ~~local effort~~ *school financing sources* exceeds the amount of the district's
14 state financial aid, as determined by the state board, shall be remitted to
15 the state treasurer. Upon receipt of any such remittance, the state treasurer
16 shall deposit the same in the state treasury to the credit of the state school
17 district finance fund.

18 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
19 1964b, and amendments thereto.

20 Sec. 14. K.S.A. 2013 Supp. 72-1925 is hereby amended to read as
21 follows: 72-1925. (a) Until such time as two or more public innovative
22 districts have been granted authority to operate as public innovative
23 districts pursuant to K.S.A. 2013 Supp. 72-1923, and amendments thereto,
24 any board of education of a school district desiring to operate as a public
25 innovative district shall submit a request for approval to operate as a
26 public innovative district to the governor, the chairperson of the senate
27 committee on education and the chairperson of the house of
28 representatives committee on education and have such request approved
29 by a majority of the three persons prior to submitting an application to the
30 state board under K.S.A. 2013 Supp. 72-1923, and amendments thereto.
31 The request for approval shall include such information as is required to be
32 included on an application for authority to operate as a public innovative
33 district under K.S.A. 2013 Supp. 72-1923, and amendments thereto.

34 (b) Upon the approval of the first two public innovative districts, the
35 board of education of a school district desiring to operate as a public
36 innovative district shall submit a request for approval to operate as a
37 public innovative district to the coalition board and have such request
38 approved by the coalition board prior to submitting any application to the
39 state board under K.S.A. 2013 Supp. 72-1923, and amendments thereto.
40 The coalition board, in its sole discretion, shall approve or deny the
41 request. As part of its review of such request, the coalition board may
42 make recommendations to the requesting school district to modify the
43 request, and may consider any such modifications prior to making a final

1 decision.

2 (c) The request for approval required by subsection (b) shall include
3 such information as is required to be included on an application for
4 authority to operate as a public innovative district under K.S.A. 2013
5 Supp. 72-1923, and amendments thereto. Copies of the request for
6 approval shall be submitted to each public innovative district that is a
7 member of the coalition. Within 30 days after receipt of the request for
8 approval by the last member to receive such request, the coalition board
9 shall meet to approve or deny the request. Notification of the approval or
10 denial of a request shall be sent to the board of education of the requesting
11 school district within 10 days after such decision. If the request is denied,
12 the notification shall specify the reasons therefor. Within 30 days from the
13 date a notification of denial is sent, the board of education of the
14 requesting school district may submit a request to the coalition board for
15 reconsideration of the request for approval and may submit an amended
16 request for approval with the request for reconsideration. The coalition
17 board shall act on the request for reconsideration within 30 days of receipt
18 of such request.

19 (d) No more than ~~10%~~ 20% of the school districts in the state shall
20 operate as public innovative districts at any one time. Any request for
21 approval submitted at such time shall be denied by the coalition board.

22 Sec. 15. K.S.A. 2013 Supp. 75-6102 is hereby amended to read as
23 follows: 75-6102. As used in K.S.A. 75-6101 through 75-6118, and
24 amendments thereto, unless the context clearly requires otherwise:

25 (a) "State" means the state of Kansas and any department or branch of
26 state government, or any agency, authority, institution or other
27 instrumentality thereof.

28 (b) "Municipality" means any county, township, city, school district
29 or other political or taxing subdivision of the state, or any agency,
30 authority, institution or other instrumentality thereof.

31 (c) "Governmental entity" means state or municipality.

32 (d) (1) "Employee" means: (A) Any officer, employee, servant or
33 member of a board, commission, committee, division, department, branch
34 or council of a governmental entity, including elected or appointed
35 officials and persons acting on behalf or in service of a governmental
36 entity in any official capacity, whether with or without compensation and a
37 charitable health care provider;

38 (B) any steward or racing judge appointed pursuant to K.S.A. 74-
39 8818, and amendments thereto, regardless of whether the services of such
40 steward or racing judge are rendered pursuant to contract as an
41 independent contractor;

42 (C) employees of the United States marshal's service engaged in the
43 transportation of inmates on behalf of the secretary of corrections;

1 (D) a person who is an employee of a nonprofit independent
2 contractor, other than a municipality, under contract to provide educational
3 or vocational training to inmates in the custody of the secretary of
4 corrections and who is engaged in providing such service in an institution
5 under the control of the secretary of corrections provided that such
6 employee does not otherwise have coverage for such acts and omissions
7 within the scope of their employment through a liability insurance contract
8 of such independent contractor;

9 (E) a person who is an employee or volunteer of a nonprofit program,
10 other than a municipality, who has contracted with the commissioner of
11 juvenile justice or with another nonprofit program that has contracted with
12 the commissioner of juvenile justice to provide a juvenile justice program
13 for juvenile offenders in a judicial district provided that such employee or
14 volunteer does not otherwise have coverage for such acts and omissions
15 within the scope of their employment or volunteer activities through a
16 liability insurance contract of such nonprofit program;

17 (F) a person who contracts with the Kansas guardianship program to
18 provide services as a court-appointed guardian or conservator;

19 (G) an employee of an indigent health care clinic;

20 (H) former employees for acts and omissions within the scope of their
21 employment during their former employment with the governmental
22 entity;

23 (I) any member of a regional medical emergency response team,
24 created under the provisions of K.S.A. 48-928, and amendments thereto, in
25 connection with authorized training or upon activation for an emergency
26 response; ~~and~~

27 (J) medical students enrolled at the university of Kansas medical
28 center who are in clinical training, on or after July 1, 2008, at the
29 university of Kansas medical center or at another health care institution;,
30 *and*

31 *(K) any person who is required to hold a teaching certificate or*
32 *license in any school district.*

33 (2) "Employee" does not include: (A) An individual or entity for
34 actions within the scope of K.S.A. 60-3614, and amendments thereto; or

35 (B) any independent contractor under contract with a governmental
36 entity except those contractors specifically listed in paragraph (1) of this
37 subsection.

38 (e) "Charitable health care provider" means a person licensed by the
39 state board of healing arts as an exempt licensee or a federally active
40 licensee, a person issued a limited permit by the state board of healing arts,
41 a physician assistant licensed by the state board of healing arts, a mental
42 health practitioner licensed by the behavioral sciences regulatory board, an
43 ultrasound technologist currently registered in any area of sonography

1 credentialed through the American registry of radiology technologists, the
2 American registry for diagnostic medical sonography or cardiovascular
3 credentialing international and working under the supervision of a person
4 licensed to practice medicine and surgery, or a health care provider as the
5 term "health care provider" is defined under K.S.A. 65-4921, and
6 amendments thereto, who has entered into an agreement with:

7 (1) The secretary of health and environment under K.S.A. 75-6120,
8 and amendments thereto, who, pursuant to such agreement, gratuitously
9 renders professional services to a person who has provided information
10 which would reasonably lead the health care provider to make the good
11 faith assumption that such person meets the definition of medically
12 indigent person as defined by this section or to a person receiving medical
13 assistance from the programs operated by the department of health and
14 environment, and who is considered an employee of the state of Kansas
15 under K.S.A. 75-6120, and amendments thereto;

16 (2) the secretary of health and environment and who, pursuant to such
17 agreement, gratuitously renders professional services in conducting
18 children's immunization programs administered by the secretary;

19 (3) a local health department or indigent health care clinic, which
20 renders professional services to medically indigent persons or persons
21 receiving medical assistance from the programs operated by the
22 department of health and environment gratuitously or for a fee paid by the
23 local health department or indigent health care clinic to such provider and
24 who is considered an employee of the state of Kansas under K.S.A. 75-
25 6120, and amendments thereto. Professional services rendered by a
26 provider under this paragraph (3) shall be considered gratuitous
27 notwithstanding fees based on income eligibility guidelines charged by a
28 local health department or indigent health care clinic and notwithstanding
29 any fee paid by the local health department or indigent health care clinic to
30 a provider in accordance with this paragraph (3); or

31 (4) the secretary of health and environment to provide dentistry
32 services defined by K.S.A. 65-1422 et seq., and amendments thereto, or
33 dental hygienist services defined by K.S.A. 65-1456, and amendments
34 thereto, that are targeted, but are not limited to, medically indigent
35 persons, and are provided on a gratuitous basis: (A) At a location
36 sponsored by a not-for-profit organization that is not the dentist or dental
37 hygienist office location; or (B) at the office location of a dentist or dental
38 hygienist provided the care be delivered as part of a program organized by
39 a not-for-profit organization and approved by the secretary of health and
40 environment; or (C) as part of a charitable program organized by the
41 dentist that has been approved by the secretary of health and environment
42 upon a showing that the dentist seeks to treat medically indigent patients
43 on a gratuitous basis, except that such dentistry services and dental

1 hygienist services shall not include "oral and maxillofacial surgery" as
2 defined by K.A.R. 71-2-2, or use sedation or general anesthesia that result
3 in "deep sedation" or "general anesthesia" as defined by K.A.R. 71-5-7.

4 (f) "Medically indigent person" means a person who lacks resources
5 to pay for medically necessary health care services and who meets the
6 eligibility criteria for qualification as a medically indigent person
7 established by the secretary of health and environment under K.S.A. 75-
8 6120, and amendments thereto.

9 (g) "Indigent health care clinic" means an outpatient medical care
10 clinic operated on a not-for-profit basis which has a contractual agreement
11 in effect with the secretary of health and environment to provide health
12 care services to medically indigent persons.

13 (h) "Local health department" shall have the meaning ascribed to
14 such term under K.S.A. 65-241, and amendments thereto.

15 (i) "Fire control, fire rescue or emergency medical services
16 equipment" means any vehicle, firefighting tool, protective clothing,
17 breathing apparatus and any other supplies, tools or equipment used in
18 firefighting or fire rescue or in the provision of emergency medical
19 services.

20 Sec. 16. K.S.A. 2013 Supp. 72-8254 is hereby amended to read as
21 follows: 72-8254. (a) This section shall be known and may be cited as the
22 Kansas uniform financial accounting and reporting act.

23 (b) As used in this section:

24 (1) "Budget summary" means a *one-page* summary of the official
25 budget adopted by the board of education of the school district, and shall
26 include, but is not limited to, graphs depicting the total expenditures in the
27 budget by category, supplemental and general fund expenditures,
28 instruction expenditures, enrollment figures, mill rates by fund and
29 average salaries. For purposes of this section, ~~the~~ a *one-page* budget at a
30 glance format developed by the state board, and any successor format shall
31 be deemed a budget summary, provided it complies with the requirements
32 of this section.

33 (2) "Reporting system" means the uniform reporting system,
34 including a uniform chart of accounts, developed by the state board as
35 required by this section.

36 (3) "School district" means a unified school district organized and
37 operated under the laws of this state.

38 (4) "State board" means the state board of education.

39 (c) The state board shall develop and maintain a uniform reporting
40 system for the receipts and expenditures of school districts. The
41 accounting records maintained by each school district shall be coordinated
42 with the uniform reporting system. Each school district shall record the
43 receipts and expenditures of the district in accordance with a uniform

1 classification of accounts or chart of accounts and reports as shall be
2 prescribed by the state board. Each school district shall submit such
3 reports and statements as may be required by the state board. The state
4 board shall design, revise and direct the use of accounting records and
5 fiscal procedures and prescribe uniform classifications for receipts and
6 expenditures for all school districts. The reporting system shall include all
7 funds held by a school district regardless of the source of the moneys held
8 in such funds, including, but not limited to, all funds funded by fees or
9 other sources of revenue not derived from tax levies. The state board shall
10 prescribe the necessary forms to be used by school districts in connection
11 with such uniform reporting system.

12 (d) The reporting system developed by the state board shall be
13 developed in such a manner that allows school districts to record and
14 report any information required by state or federal law.

15 (e) The reporting system shall provide records showing by funds,
16 accounts and other pertinent classifications, the amounts appropriated, the
17 estimated revenues, actual revenues or receipts, the amounts available for
18 expenditure, the total and itemized expenditures, the unencumbered cash
19 balances, excluding state aid receivable, actual balances on hand and the
20 unencumbered balances of allotments or appropriations for each school
21 district.

22 (f) The reporting system shall allow a person to search the data and
23 allow for the comparison of data by school district.

24 (g) Each school district shall annually submit a report to the state
25 board on all construction activity undertaken by the school district which
26 was financed by the issuance of bonds and which such bonds have not
27 matured. Such report shall include all revenue receipts, all expenditures of
28 bond proceeds authorized by law, the dates for commencement and
29 completion of such construction activity, the estimated cost and the actual
30 cost of such construction activity. The information provided in the report
31 shall be in a form so as to readily identify such information with a specific
32 construction project. Such report shall be submitted in a form and manner
33 prescribed by the state board in accordance with the provisions of this
34 section.

35 (h) From and after July 1, 2012, the board of education of each school
36 district shall record and report the receipts and expenditures of the district
37 in the manner prescribed by the state board in accordance with this section.

38 (i) (1) Each school district shall annually publish on such district's
39 internet website:

40 (A) A copy of form 150, estimated legal maximum general fund
41 budget, or any successor document containing the same or similar
42 information, that was submitted by such district to the state board of
43 education for the immediately preceding school year; and

1 (B) the budget summary for the current school year and actual
 2 expenditures for the immediately preceding two school years showing total
 3 dollars net of transfers and dollars per pupil for each of the following:

4 ~~(1)~~(i) Function 1000, instruction;

5 ~~(2)~~(ii) function 2100, student support;

6 ~~(3)~~(iii) function 2200, instructional staff support;

7 ~~(4)~~(iv) functions 2300 through 2500, administration;

8 ~~(5)~~(v) function 2600, operation and maintenance;

9 ~~(6)~~(vi) function 2700, transportation;

10 ~~(7)~~(vii) function 3100, food service;

11 ~~(8)~~(viii) functions 2900, 3200 and 3300, other current spending;

12 ~~(9)~~(ix) function 4000, capital outlay;

13 ~~(10)~~(x) function 5100, debt service;

14 ~~(11)~~(xi) the total expenditures which is the sum of the amounts in
 15 paragraphs ~~(1)~~ clauses (i) through ~~(10)~~(x);

16 ~~(12)~~(xii) the spending allocated to function 1000, instruction,
 17 excluding capital outlay and debt service expenditures, as a percentage of
 18 total expenditures;

19 ~~(13)~~(xiii) the spending allocated to function 1000, instruction,
 20 excluding capital outlay and debt service expenditures, as a percentage of
 21 current spending, which is the sum of expenditures for functions 1000
 22 through 3300 less capital outlay and debt service expenditures included in
 23 any of those functions; and

24 ~~(14)~~(xiv) the revenue in total dollars net of transfers both in total and
 25 disaggregated to show the amount of revenue received from local, state
 26 and federal revenue sources.

27 (2) For purposes of subsection (i)(1)(B), all per pupil amounts shall
 28 be calculated using the full-time equivalent enrollment of the school
 29 district. All function categories and other accounting categories shall refer
 30 to those same categories as established and required for financial
 31 accounting purposes by the state board as published in the Kansas state
 32 department of education's Kansas accounting handbook for unified school
 33 districts, as published in August 2012, or later versions as established in
 34 rules and regulations adopted by the state board.

35 ~~(2)~~(3) Publications required by this subsection shall be published with
 36 an easily identifiable link located on such district's website homepage.

37 (4) *Publications required by this subsection shall be made available*
 38 *to the public at every meeting held by the board of education of each*
 39 *school district when the board is discussing the district's budget or any*
 40 *other school finance matters.*

41 (j) (1) The department of education shall annually publish on its
 42 internet website:

43 (A) All of the publications required under subsection (i); and

1 (B) the following expenditures for each school district on a per pupil
2 basis:

- 3 (i) Total expenditures;
- 4 (ii) capital outlay expenditures;
- 5 (iii) bond and interest expenditures; and
- 6 (iv) all other expenditures not included in (ii) or (iii).

7 (2) Publications required by this subsection shall be published with
8 an easily identifiable link located on the department's website homepage.

9 Sec. 17. K.S.A. 2013 Supp. 75-2319 is hereby amended to read as
10 follows: 75-2319. (a) There is hereby established in the state treasury the
11 school district capital improvements fund. The fund shall consist of all
12 amounts transferred thereto under the provisions of subsection (c).

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

19 (1) Determine the amount of the assessed valuation per pupil (AVPP)
20 of each school district in the state and round such amount to the nearest
21 \$1,000. The rounded amount is the AVPP of a school district for the
22 purposes of this section;

23 (2) determine the median AVPP of all school districts;

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

33 (4) determine a state aid percentage factor for each school district by
34 assigning a state aid computation percentage to the amount of the median
35 AVPP shown on the schedule, decreasing the state aid computation
36 percentage assigned to the amount of the median AVPP by one percentage
37 point for each \$1,000 interval above the amount of the median AVPP, and
38 increasing the state aid computation percentage assigned to the amount of
39 the median AVPP by one percentage point for each \$1,000 interval below
40 the amount of the median AVPP. Except as provided by K.S.A. 2013 Supp.
41 75-2319c, and amendments thereto, the state aid percentage factor of a
42 school district is the percentage assigned to the schedule amount that is
43 equal to the amount of the AVPP of the school district. The state aid

1 percentage factor of a school district shall not exceed 100%. The state aid
2 computation percentage is ~~5% for contractual bond obligations incurred by~~
3 ~~a school district prior to the effective date of this act, and 25% for~~
4 ~~contractual bond obligations incurred by a school district on or after the~~
5 ~~effective date of this act:~~

6 (A) *five percent for contractual bond obligations incurred by a school*
7 *district prior to July 1, 1992;*

8 (B) *twenty-five percent for contractual bond obligations incurred by*
9 *a school district on or after July 1, 1992, if the issuance of such bonds has*
10 *been approved by the electors of the school district at an election held*
11 *prior to July 1, 2014; and*

12 (C) *for contractual bond obligations incurred by a school district if*
13 *the issuance of which was approved by the electors of the district at an*
14 *election held on or after July 1, 2014, the following:*

15 (i) *twenty-five percent in the first year of such contractual bond*
16 *obligations;*

17 (ii) *twenty percent in the second year of such contractual bond*
18 *obligations;*

19 (iii) *fifteen percent in the third year of such contractual bond*
20 *obligations;*

21 (iv) *ten percent in the fourth year of such contractual bond*
22 *obligations;*

23 (v) *five percent in the fifth year of such contractual bond obligations;*
24 *and*

25 (vi) *zero percent for the sixth year, and every year thereafter, of such*
26 *contractual bond obligations;*

27 (5) determine the amount of payments in the aggregate that a school
28 district is obligated to make from its bond and interest fund and, of such
29 amount, compute the amount attributable to contractual bond obligations
30 incurred by the school district ~~prior to the effective date of this act and the~~
31 ~~amount attributable to contractual bond obligations incurred by the school~~
32 ~~district on or after the effective date of this act under paragraphs (4)(A),~~
33 ~~(4)(B) and (4)(C) of this subsection;~~

34 (6) multiply each of the amounts computed under (5) by the
35 applicable state aid percentage factor; and

36 (7) add the products obtained under (6). The amount of the sum is the
37 amount of payment the school district is entitled to receive from the school
38 district capital improvements fund in the school year.

39 (c) The state board of education shall certify to the director of
40 accounts and reports the entitlements of school districts determined under
41 the provisions of subsection (b), and an amount equal thereto shall be
42 transferred by the director from the state general fund to the school district
43 capital improvements fund for distribution to school districts. All transfers

1 made in accordance with the provisions of this subsection shall be
2 considered to be demand transfers from the state general fund, except that
3 all such transfers during the fiscal years ending ~~June 30, 2013, June 30,~~
4 ~~2014,~~ June 30, 2015, and June 30, 2016, shall be considered to be revenue
5 transfers from the state general fund.

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

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

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

26 Sec. 18. K.S.A. 72-6411 is hereby amended to read as follows: 72-
27 6411. (a) The transportation weighting of each district shall be determined
28 by the state board as follows:

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

32 ~~(2) divide the amount determined under (1) by the total number of~~
33 ~~pupils who were included in the enrollment of the district in the preceding~~
34 ~~school year and for whom transportation was made available by the~~
35 ~~district;~~

36 ~~(3) multiply the quotient obtained under (2) by the total number of~~
37 ~~pupils who were included in the enrollment of the district in the preceding~~
38 ~~school year, were residing less than 2 1/2 miles by the usually traveled~~
39 ~~road from the school building they attended, and for whom transportation~~
40 ~~was made available by the district;~~

41 ~~(4) multiply the product obtained under (3) by 50%;~~

42 ~~(5) subtract the product obtained under (4) from the amount~~
43 ~~determined under (1);~~

1 ~~(6) divide the remainder obtained under (5) by the total number of~~
2 ~~pupils who were included in the enrollment of the district in the preceding~~
3 ~~school year, were residing 2 1/2 miles or more by the usually traveled road~~
4 ~~from the school building they attended and for whom transportation was~~
5 ~~made available by the district. The quotient is the per-pupil cost of~~
6 ~~transportation;~~

7 *(2) determine the sum of: (A) The number of pupils who were*
8 *included in the enrollment of the district in the preceding school year who*
9 *resided less than 2.5 miles by the usually traveled road from the school*
10 *building such pupils attended and for whom transportation was made*
11 *available by the district; and (B) the number of nonresident pupils who*
12 *were included in the enrollment of the district for the preceding school*
13 *year and for whom transportation was made available by the district;*

14 *(3) determine the number of pupils who were included in the*
15 *enrollment of the district in the preceding school year who resided 2.5*
16 *miles or more by the usually traveled road from the school building such*
17 *pupils attended and for whom transportation was made available by the*
18 *district;*

19 *(4) multiply the number of pupils determined under paragraph (3) by*
20 *two;*

21 *(5) divide the amount determined under paragraph (2) by the product*
22 *obtained under paragraph (4);*

23 *(6) add one to the quotient obtained under paragraph (5);*

24 *(7) multiply the sum obtained under paragraph (6) by the amount*
25 *determined under paragraph (3);*

26 *(8) divide the amount determined under paragraph (1) by the product*
27 *obtained under paragraph (7). The resulting quotient is the per-pupil cost*
28 *of transportation;*

29 ~~(7)(9)~~ *on a density-cost graph plot the per-pupil cost of transportation*
30 *for each district;*

31 ~~(8)(10)~~ *construct a curve of best fit for the points so plotted;*

32 ~~(9)(11)~~ *locate the index of density for the district on the base line of*
33 *the density-cost graph and from the point on the curve of best fit directly*
34 *above this point of index of density follow a line parallel to the base line to*
35 *the point of intersection with the vertical line, which point is the formula*
36 *per-pupil cost of transportation of the district;*

37 ~~(10)(12)~~ *divide the formula per-pupil cost of transportation of the*
38 *district by base state aid per pupil; and*

39 ~~(11)(13)~~ *multiply the quotient obtained under ~~(10)~~ paragraph (12) by*
40 *the number of pupils who are included in the enrollment of the district, are*
41 *residing ~~2 1/2~~ 2.5 miles or more by the usually traveled road to the school*
42 *building they attend, and for whom transportation is being made available*
43 *by, and at the expense of, the district. The product is the transportation*

1 weighting of the district.

2 (b) For the purpose of providing accurate and reliable data on pupil
3 transportation, the state board is authorized to adopt rules and regulations
4 prescribing procedures which districts shall follow in reporting pertinent
5 information relative thereto, including uniform reporting of expenditures
6 for transportation.

7 (c) "Index of density" means the number of pupils who are included
8 in the enrollment of a district in the current school year, are residing ~~2 1/2~~
9 2.5 miles or more by the usually traveled road from the school building
10 they attend, and for whom transportation is being made available on
11 regular school routes by the district, divided by the number of square miles
12 of territory in the district.

13 (d) "Density-cost graph" means a drawing having: (1) A horizontal or
14 base line divided into equal intervals of density, beginning with zero on the
15 left; and (2) a scale for per-pupil cost of transportation to be shown on a
16 line perpendicular to the base line at the left end thereof, such scale to
17 begin with zero dollars at the base line ascending by equal per-pupil cost
18 intervals.

19 (e) "Curve of best fit" means the curve on a density-cost graph drawn
20 so the sum of the distances squared from such line to each of the points
21 plotted on the graph is the least possible.

22 ~~(f) The provisions of this section shall take effect and be in force~~
23 ~~from and after July 1, 1992.~~

24 Sec. 19. K.S.A. 2013 Supp. 72-6407 is hereby amended to read as
25 follows: 72-6407. (a) (1) "Pupil" means any person who is regularly
26 enrolled in a district and attending kindergarten or any of the grades one
27 through 12 maintained by the district or who is regularly enrolled in a
28 district and attending kindergarten or any of the grades one through 12
29 another district in accordance with an agreement entered into under
30 authority of K.S.A. 72-8233, and amendments thereto, or who is regularly
31 enrolled in a district and attending special education services provided for
32 preschool-aged exceptional children by the district.

33 (2) Except as otherwise provided in paragraph (3) of this subsection,
34 a pupil in attendance full time shall be counted as one pupil. A pupil in
35 attendance part time shall be counted as that proportion of one pupil (to the
36 nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance. A
37 pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil. A pupil enrolled
38 in and attending an institution of postsecondary education which is
39 authorized under the laws of this state to award academic degrees shall be
40 counted as one pupil if the pupil's postsecondary education enrollment and
41 attendance together with the pupil's attendance in either of the grades 11 or
42 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that
43 proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's

1 postsecondary education attendance and attendance in grade 11 or 12, as
2 applicable, bears to full-time attendance. A pupil enrolled in and attending
3 an area vocational school, area vocational-technical school or approved
4 vocational education program shall be counted as one pupil if the pupil's
5 vocational education enrollment and attendance together with the pupil's
6 attendance in any of grades nine through 12 is at least $\frac{5}{6}$ time, otherwise
7 the pupil shall be counted as that proportion of one pupil (to the nearest
8 $\frac{1}{10}$) that the total time of the pupil's vocational education attendance and
9 attendance in any of grades nine through 12 bears to full-time attendance.
10 A pupil enrolled in a district and attending a non-virtual school and also
11 attending a virtual school shall be counted as that proportion of one pupil
12 (to the nearest $\frac{1}{10}$) that the pupil's attendance at the non-virtual school
13 bears to full-time attendance. Except as provided by this section for
14 preschool-aged exceptional children and virtual school pupils, a pupil
15 enrolled in a district and attending special education and related services,
16 provided for by the district shall be counted as one pupil. A pupil enrolled
17 in a district and attending special education and related services provided
18 for by the district and also attending a virtual school shall be counted as
19 that proportion of one pupil (to the nearest $\frac{1}{10}$) that the pupil's attendance
20 at the non-virtual school bears to full-time attendance. A pupil enrolled in a
21 district and attending special education and related services for preschool-
22 aged exceptional children provided for by the district shall be counted as
23 $\frac{1}{2}$ pupil. A preschool-aged at-risk pupil enrolled in a district and receiving
24 services under an approved at-risk pupil assistance plan maintained by the
25 district shall be counted as $\frac{1}{2}$ pupil. A pupil in the custody of the ~~secretary~~
26 ~~of social and rehabilitation~~ *for children and families* services or in the
27 custody of the commissioner of juvenile justice and enrolled in unified
28 school district No. 259, Sedgwick county, Kansas, but housed, maintained,
29 and receiving educational services at the Judge James V. Riddel Boys
30 Ranch, shall be counted as two pupils. Except as provided in section 1 of
31 chapter 76 of the 2009 Session Laws of the state of Kansas, and
32 amendments thereto, a pupil in the custody of the ~~secretary of social and~~
33 ~~rehabilitation services for children and families~~ or in the custody of the
34 commissioner of juvenile justice and enrolled in unified school district No.
35 409, Atchison, Kansas, but housed, maintained and receiving educational
36 services at the youth residential center located on the grounds of the
37 former Atchison juvenile correctional facility, shall be counted as two
38 pupils.

39 (3) A pupil residing at the Flint Hills job corps center shall not be
40 counted. A pupil confined in and receiving educational services provided
41 for by a district at a juvenile detention facility shall not be counted. A pupil
42 enrolled in a district but housed, maintained, and receiving educational
43 services at a state institution or a psychiatric residential treatment facility

1 shall not be counted.

2 (4) *A pupil enrolled in a public charter school authorized by an*
3 *authorizer other than the school district in accordance with the Kansas*
4 *educational opportunity zone act, sections 29 through 55, and*
5 *amendments thereto, shall not be counted.*

6 (b) "Preschool-aged exceptional children" means exceptional
7 children, except gifted children, who have attained the age of three years
8 but are under the age of eligibility for attendance at kindergarten.

9 (c) "At-risk pupils" means pupils who are *19 years of age or under*
10 *and who are* eligible for free meals under the national school lunch act and
11 who are enrolled in a district which maintains an approved at-risk pupil
12 assistance plan.

13 (d) "Preschool-aged at-risk pupil" means an at-risk pupil who has
14 attained the age of four years, is under the age of eligibility for attendance
15 at kindergarten, and has been selected by the state board in accordance
16 with guidelines consonant with guidelines governing the selection of
17 pupils for participation in head start programs.

18 (e) "Enrollment" means: (1) (A) Subject to the provisions of
19 paragraph (1)(B), for districts scheduling the school days or school hours
20 of the school term on a trimestral or quarterly basis, the number of pupils
21 regularly enrolled in the district on September 20 plus the number of
22 pupils regularly enrolled in the district on February 20 less the number of
23 pupils regularly enrolled on February 20 who were counted in the
24 enrollment of the district on September 20; and for districts not specified
25 in this paragraph (1), the number of pupils regularly enrolled in the district
26 on September 20; (B) a pupil who is a foreign exchange student shall not
27 be counted unless such student is regularly enrolled in the district on
28 September 20 and attending kindergarten or any of the grades one through
29 12 maintained by the district for at least one semester or two quarters or
30 the equivalent thereof;

31 (2) if enrollment in a district in any school year has decreased from
32 enrollment in the preceding school year, enrollment of the district in the
33 current school year means whichever is the greater of (A): *The sum of (i)*
34 *enrollment in the preceding school year, excluding pupils under*
35 *subparagraph (A)(ii), minus enrollment in such school year of preschool-*
36 *aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the*
37 *current school year of preschool-aged at-risk pupils, if any such pupils are*
38 *enrolled, ~~or~~ and (ii), if any, adjusted enrollment in the preceding school*
39 *year of any pupils participating in the corporate education tax credit*
40 *scholarship program pursuant to sections 21 through 27, and amendments*
41 *thereto, in the current school year, plus adjusted enrollment in the*
42 *preceding school year of preschool-aged at-risk pupils participating in the*
43 *corporate education tax credit scholarship program pursuant to sections*

1 21 through 27, and amendments thereto, in the current school year, if any
2 such pupils were enrolled; or (B) the sum of enrollment in the current
3 school year of preschool-aged at-risk pupils, if any such pupils are
4 enrolled and the average (mean) of the sum of (i) enrollment of the district
5 in the current school year minus enrollment in such school year of
6 preschool-aged at-risk pupils, if any such pupils are enrolled, and (ii)
7 enrollment in the preceding school year minus enrollment in such school
8 year of preschool-aged at-risk pupils, if any such pupils were enrolled, and
9 (iii) enrollment in the school year next preceding the preceding school year
10 minus enrollment in such school year of preschool-aged at-risk pupils, if
11 any such pupils were enrolled; or

12 (3) the number of pupils as determined under K.S.A. 72-6447 or
13 K.S.A. 2013 Supp. 72-6448, and amendments thereto.

14 (f) "Adjusted enrollment" means: (1) Enrollment adjusted by adding
15 at-risk pupil weighting, program weighting, low enrollment weighting, if
16 any, high density at-risk pupil weighting, if any, ~~medium density at-risk~~
17 ~~pupil weighting, if any,~~ nonproficient pupil weighting, if any, high
18 enrollment weighting, if any, declining enrollment weighting, if any,
19 school facilities weighting, if any, ancillary school facilities weighting, if
20 any, cost of living weighting, if any, special education and related services
21 weighting, and transportation weighting to enrollment; or (2) adjusted
22 enrollment as determined under K.S.A. 2013 Supp. 72-6457 or 72-6458,
23 and amendments thereto.

24 (g) "At-risk pupil weighting" means an addend component assigned
25 to enrollment of districts on the basis of enrollment of at-risk pupils.

26 (h) "Program weighting" means an addend component assigned to
27 enrollment of districts on the basis of pupil attendance in educational
28 programs which differ in cost from regular educational programs.

29 (i) "Low enrollment weighting" means an addend component
30 assigned to enrollment of districts pursuant to K.S.A. 72-6412, and
31 amendments thereto, on the basis of costs attributable to maintenance of
32 educational programs by such districts in comparison with costs
33 attributable to maintenance of educational programs by districts having to
34 which high enrollment weighting is assigned pursuant to K.S.A. 2013
35 Supp. 72-6442b, and amendments thereto.

36 (j) "School facilities weighting" means an addend component
37 assigned to enrollment of districts on the basis of costs attributable to
38 commencing operation of new school facilities.

39 (k) "Transportation weighting" means an addend component assigned
40 to enrollment of districts on the basis of costs attributable to the provision
41 or furnishing of transportation.

42 (l) "Cost of living weighting" means an addend component assigned
43 to enrollment of districts to which the provisions of K.S.A. 2013 Supp. 72-

1 6449, and amendments thereto, apply on the basis of costs attributable to
2 the cost of living in the district.

3 (m) "Ancillary school facilities weighting" means an addend
4 component assigned to enrollment of districts to which the provisions of
5 K.S.A. 72-6441, and amendments thereto, apply on the basis of costs
6 attributable to commencing operation of new school facilities. Ancillary
7 school facilities weighting may be assigned to enrollment of a district only
8 if the district has levied a tax under authority of K.S.A. 72-6441, and
9 amendments thereto, and remitted the proceeds from such tax to the state
10 treasurer. Ancillary school facilities weighting is in addition to assignment
11 of school facilities weighting to enrollment of any district eligible for such
12 weighting.

13 (n) "Juvenile detention facility" has the meaning ascribed thereto by
14 72-8187, and amendments thereto.

15 (o) "Special education and related services weighting" means an
16 addend component assigned to enrollment of districts on the basis of costs
17 attributable to provision of special education and related services for
18 pupils determined to be exceptional children.

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

29 (q) "Declining enrollment weighting" means an addend component
30 assigned to enrollment of districts to which the provisions of K.S.A. 2013
31 Supp. 72-6451, and amendments thereto, apply on the basis of reduced
32 revenues attributable to the declining enrollment of the district.

33 (r) "High enrollment weighting" means an addend component
34 assigned to enrollment of districts pursuant to K.S.A. 2013 Supp. 72-
35 6442b, and amendments thereto, on the basis of costs attributable to
36 maintenance of educational programs by such districts as a correlate to low
37 enrollment weighting assigned to enrollment of districts pursuant to
38 K.S.A. 72-6412, and amendments thereto.

39 (s) "High density at-risk pupil weighting" means an addend
40 component assigned to enrollment of districts to which the provisions of
41 K.S.A. 2013 Supp. 72-6455, and amendments thereto, apply.

42 (t) "Nonproficient pupil" means a pupil who is not eligible for free
43 meals under the national school lunch act and who has scored less than

1 proficient on the mathematics or reading state assessment during the
2 preceding school year and who is enrolled in a district which maintains an
3 approved proficiency assistance plan.

4 (u) "Nonproficient pupil weighting" means an addend component
5 assigned to enrollment of districts on the basis of enrollment of
6 nonproficient pupils pursuant to K.S.A. 2013 Supp. 72-6454, and
7 amendments thereto.

8 (v) "Psychiatric residential treatment facility" has the meaning
9 ascribed thereto by K.S.A. 72-8187, and amendments thereto.

10 ~~(w) "Medium density at-risk pupil weighting" means an addend~~
11 ~~component assigned to enrollment of districts to which the provisions of~~
12 ~~K.S.A. 2013 Supp. 72-6459, and amendments thereto, apply.~~

13 Sec. 20. K.S.A. 2013 Supp. 72-6414 is hereby amended to read as
14 follows: 72-6414. (a) The at-risk pupil weighting of each district shall be
15 determined by the state board ~~by multiplying the number of at-risk pupils~~
16 ~~included in enrollment of the district by .278 for school year 2006-2007,~~
17 ~~by .378 for school year 2007-2008 and by .456 for school year 2008-2009~~
18 ~~and each school year thereafter as follows: (1) Compute the full-time~~
19 ~~equivalent enrollment of at-risk pupils; and (2) multiply the number~~
20 ~~determined under paragraph (1) by .456.~~ The product is the at-risk pupil
21 weighting of the district.

22 (b) Except as provided in subsection (d), of the amount a district
23 receives from the at-risk pupil weighting, an amount produced by a pupil
24 weighting of .01 shall be used by the district for achieving mastery of
25 basic reading skills by completion of the third grade in accordance with
26 standards and outcomes of mastery identified by the state board under
27 K.S.A. 72-7534, and amendments thereto.

28 (c) A district shall include such information in its at-risk pupil
29 assistance plan as the state board may require regarding the district's
30 remediation strategies and the results thereof in achieving the third grade
31 reading standards and outcomes of mastery identified by the state board.
32 The reporting requirements shall include information documenting
33 remediation strategies and improvement made by pupils who performed
34 below the expected standard on the second grade diagnostic reading test
35 prescribed by the state board.

36 (d) A district whose pupils substantially achieve the state board
37 standards and outcomes of mastery of reading skills upon completion of
38 third grade may be released, upon request, by the state board from the
39 requirements of subsection (b).

40 (e) (1) A district may expend amounts received from the at-risk pupil
41 weighting to pay for the cost of providing full-day kindergarten to any
42 pupil enrolled in the district and attending full-day kindergarten whether or
43 not such pupil is an at-risk pupil.

1 (2) Nothing in this subsection shall be construed as requiring school
2 districts to provide full-day kindergarten nor as requiring any pupil to
3 attend full-day kindergarten.

4 (3) As used in this subsection (e):

5 (A) "District" means any school district which offers both full-day
6 and half-day kindergarten.

7 (B) "Cost" means that portion of the cost of providing full-day
8 kindergarten which is not paid by the state.

9 (f) A school district may expend amounts received from the at-risk
10 weighting to pay the cost of providing preschool-aged at-risk, bilingual
11 and vocational education programs and services.

12 New Sec. 21. The provisions of sections 21 through 27, and
13 amendments thereto, shall be known and may be cited as the corporate
14 education tax credit scholarship program act.

15 New Sec. 22. As used in the corporate education tax credit
16 scholarship program act:

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

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

20 (c) "Educational scholarship" means an amount not to exceed \$8,000
21 provided to eligible students to cover all or a portion of the costs of tuition,
22 fees and expenses of a qualified school and, if applicable, the costs of
23 transportation to a qualified school if provided by such qualified school.

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

25 (1) (A) Qualifies as an at-risk pupil as defined in K.S.A. 72-6407, and
26 amendments thereto, and who is attending a school that would qualify as
27 either a title I focus school or a title I priority school as described by the
28 state board under the elementary and secondary education act flexibility
29 waiver as amended in January 2013; or (B) has received an educational
30 scholarship under this program and has not graduated from high school or
31 reached 21 years of age;

32 (2) resides in Kansas while receiving an educational scholarship; and

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

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

40 (f) "Program" means the corporate education tax credit scholarship
41 program established in sections 21 through 27, and amendments thereto.

42 (g) "Public school" means a school operated by a school district.

43 (h) "Qualified school" means any nonpublic school that provides

1 education to elementary and secondary students, has notified the state
2 board of its intention to participate in the program and complies with the
3 requirements of the program.

4 (i) "Scholarship granting organization" means an organization that
5 complies with the requirements of this program and provides educational
6 scholarships to students attending qualified schools of their parents'
7 choice.

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

10 (k) "School year" shall have the meaning ascribed thereto in K.S.A.
11 72-6408, and amendments thereto.

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

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

14 New Sec. 23. (a) There is hereby established the corporate education
15 tax credit scholarship program. The program shall provide eligible students
16 with an opportunity to attend schools of their parents' choice.

17 (b) Each scholarship granting organization shall issue a receipt, in a
18 form prescribed by the secretary, to each contributing taxpayer indicating
19 the value of the contribution received. Each taxpayer shall provide a copy
20 of such receipt when claiming the tax credit established in section 27, and
21 amendments thereto.

22 (c) Prior to awarding an educational scholarship to an eligible
23 student, unless such student is under the age of six years, the scholarship
24 granting organization shall receive written verification from the state board
25 that such student is an eligible student under this program, provided the
26 state board and the board of education of the school district in which the
27 eligible student was enrolled the previous school year have received
28 written consent from such eligible student's parent authorizing the release
29 of such information.

30 (d) Upon receipt of information in accordance with subsection (a)(2)
31 of section 24, and amendments thereto, the state board shall inform the
32 scholarship granting organization if such student has already been
33 designated to receive an educational scholarship by another scholarship
34 granting organization.

35 (e) In each school year, each eligible student under this program shall
36 not receive more than one educational scholarship under this program.

37 (f) An eligible student's participation in this program by receiving an
38 educational scholarship constitutes a waiver to special education services
39 provided by any school district, unless such school district agrees to
40 provide such services to the qualified school.

41 New Sec. 24. (a) To be eligible to participate in the program, a
42 scholarship granting organization shall comply with the following:

43 (1) The scholarship granting organization shall notify the secretary

1 and the state board of the scholarship granting organization's intent to
2 provide educational scholarships to students attending qualified schools;

3 (2) upon granting an educational scholarship to an eligible student,
4 the scholarship granting organization shall report such information to the
5 state board;

6 (3) the scholarship granting organization shall provide verification to
7 the secretary that the scholarship granting organization is exempt from
8 federal income taxation pursuant to section 501(c)(3) of the federal
9 internal revenue code of 1986;

10 (4) upon receipt of contributions in an aggregate amount or value in
11 excess of \$50,000 during a school year, a scholarship granting
12 organization shall file with the state board either:

13 (A) A surety bond payable to the state in an amount equal to the
14 aggregate amount of contributions expected to be received during the
15 school year; or

16 (B) financial information demonstrating the scholarship granting
17 organization's ability to pay an aggregate amount equal to the amount of
18 the contributions expected to be received during the school year, which
19 must be reviewed and approved of in writing by the state board;

20 (5) scholarship granting organizations that provide other nonprofit
21 services in addition to providing educational scholarships shall not
22 commingle contributions made under the program with other contributions
23 made to such organization. A scholarship granting organization under this
24 subsection shall also file with the state board, prior to the commencement
25 of each school year, either:

26 (A) A surety bond payable to the state in an amount equal to the
27 aggregate amount of contributions expected to be received during the
28 school year; or

29 (B) financial information demonstrating the nonprofit organization's
30 ability to pay an aggregate amount equal to the amount of the
31 contributions expected to be received during the school year, which must
32 be reviewed and approved of in writing by the state board;

33 (6) the scholarship granting organization shall ensure that each
34 qualified school receiving educational scholarships from the scholarship
35 granting organization is in compliance with the requirements of the
36 program;

37 (7) at the end of the calendar year, the scholarship granting
38 organization shall have its accounts examined and audited by a certified
39 public accountant. Such audit shall include, but not be limited to,
40 information verifying that the educational scholarships awarded by the
41 scholarship granting organization were distributed to the eligible students
42 determined by the state board under subsection (c) of section 23, and
43 amendments thereto, and information specified in section 24, and

1 amendments thereto. Prior to filing a copy of the audit with the state board,
2 such audit shall be duly verified and certified by a certified public
3 accountant; and

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

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

12 (c) The scholarship granting organization shall disburse not less than
13 90% of contributions received pursuant to the program to eligible students
14 in the form of educational scholarships within 36 months of receipt of such
15 contributions. If such contributions have not been disbursed within the
16 applicable 36-month time period, then the scholarship granting
17 organization shall not accept new contributions until 90% of the received
18 contributions have been disbursed in the form of educational scholarships.
19 Any income earned from contributions must be disbursed in the form of
20 educational scholarships.

21 (d) A scholarship granting organization may continue to provide an
22 educational scholarship to an eligible student who received an educational
23 scholarship under this program in the year immediately preceding the
24 current school year.

25 (e) A scholarship granting organization shall direct payments of an
26 educational scholarship to the qualified school on behalf of the eligible
27 student. Payment shall be made by check made payable to both the parent
28 and the qualified school. If an eligible student transfers to a new qualified
29 school during a school year, the scholarship granting organization shall
30 direct payment in a prorated amount to the original qualified school and
31 the new qualified school based on the eligible student's attendance. If the
32 eligible student transfers to a public school and enrolls in such public
33 school after September 20 of the current school year, the scholarship
34 granting organization shall direct payment in a prorated amount to the
35 original qualified school and the public school based on the eligible
36 student's attendance. The prorated amount to the public school shall be
37 considered a donation and shall be paid to the school district of such public
38 school in accordance with K.S.A. 72-8210, and amendments thereto, to
39 provide for the education of such eligible student.

40 (f) By June 1 of each year, a scholarship granting organization shall
41 submit a report to the state board for the educational scholarships provided
42 in the immediately preceding 12 months. Such report shall be in a form
43 and manner as prescribed by the state board, approved and signed by a

1 certified public accountant, and shall contain the following information:

2 (1) The name and address of the scholarship granting organization;

3 (2) the name and address of each eligible student receiving an
4 educational scholarship by the scholarship granting organization;

5 (3) the total number and total dollar amount of contributions received
6 during the 12-month reporting period; and

7 (4) the total number and total dollar amount of educational
8 scholarships awarded during the 12-month reporting period, the total
9 number and total dollar amount of educational scholarships awarded
10 during the 12-month reporting period to eligible students who qualified
11 under subsection (d)(1)(A) of section 22, and amendments thereto, and
12 total number and total dollar amount of educational scholarships awarded
13 during the 12-month reporting period to eligible students who qualified
14 under subsection (d)(1)(B) of section 22, and amendments thereto.

15 (g) No scholarship granting organization shall:

16 (1) Provide an eligible student with an educational scholarship
17 established by funding from any contributions made by any relative of
18 such eligible student; or

19 (2) accept a contribution from any source with the express or implied
20 condition that such contribution be directed toward an educational
21 scholarship for a particular eligible student.

22 New Sec. 25. On or before the first day of the legislative session in
23 2015, and each year thereafter, the state board shall prepare and submit a
24 report to the legislature on the program. Annual reports shall include
25 information reported to the state board under subsection (f) of section 24,
26 and amendments thereto, and a summary of such information.

27 New Sec. 26. (a) (1) To qualify for the tax credit allowed by this act,
28 the scholarship granting organization shall apply each tax year to the state
29 board for a certification that the scholarship granting organization is in
30 substantial compliance with the program based on information received in
31 the annual audit and yearly report filed by the scholarship granting
32 organization with the state board.

33 (2) The state board shall prescribe the form of the application, which
34 shall include, but not be limited to, the information set forth in subsection
35 (a)(1).

36 (b) If the state board determines that the requirements under this
37 section were met by the scholarship granting organization, the state board
38 shall issue a certificate of compliance to the director of taxation.

39 (c) The state board shall adopt rules and regulations to implement the
40 provisions of this section.

41 New Sec. 27. (a) There shall be allowed a credit against the corporate
42 income tax liability imposed upon a taxpayer pursuant to the Kansas
43 income tax act, the privilege tax liability imposed upon a taxpayer

1 pursuant to the privilege tax imposed upon any national banking
2 association, state bank, trust company or savings and loan association
3 pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and
4 amendments thereto, and the premium tax liability imposed upon a
5 taxpayer pursuant to the premiums tax and privilege fees imposed upon an
6 insurance company pursuant to K.S.A. 40-252, and amendments thereto,
7 for tax years commencing after December 31, 2014, an amount equal to
8 70% of the amount contributed to a scholarship granting organization
9 authorized pursuant to section 21 et seq., and amendments thereto.

10 (b) The credit shall be claimed and deducted from the taxpayer's tax
11 liability during the tax year in which the contribution was made to the any
12 such scholarship granting organization.

13 (c) For each tax year, in no event shall the total amount of credits
14 allowed under this section exceed \$10,000,000 for any one tax year.
15 Except as otherwise provided, the allocation of such tax credits for each
16 scholarship granting organization shall be determined by the scholarship
17 granting organization in consultation with the secretary, and such
18 determination shall be completed prior to the issuance of any tax credits
19 pursuant to this section.

20 (d) If the amount of any such tax credit claimed by a taxpayer
21 exceeds the taxpayer's income, privilege or premium tax liability, such
22 excess amount may be carried over for deduction from the taxpayer's
23 income, privilege or premium tax liability in the next succeeding year or
24 years until the total amount of the credit has been deducted from tax
25 liability.

26 (e) The secretary shall adopt rules and regulations regarding filing of
27 documents that support the amount of credit claimed pursuant to this
28 section.

29 Sec. 28. K.S.A. 2013 Supp. 79-32,138 is hereby amended to read as
30 follows: 79-32,138. (a) Kansas taxable income of a corporation taxable
31 under this act shall be the corporation's federal taxable income for the
32 taxable year with the modifications specified in this section.

33 (b) There shall be added to federal taxable income: (i) The same
34 modifications as are set forth in subsection (b) of K.S.A. 79-32,117, and
35 amendments thereto, with respect to resident individuals, except
36 subsections (b)(xix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii).

37 (ii) The amount of all depreciation deductions claimed for any
38 property upon which the deduction allowed by K.S.A. 2013 Supp. 79-
39 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-
40 32,255 or 79-32,256, and amendments thereto, is claimed.

41 (iii) The amount of any charitable contribution deduction claimed for
42 any contribution or gift to or for the use of any racially segregated
43 educational institution.

1 (iv) For taxable years commencing December 31, 2013, that portion
2 of the amount of any expenditure deduction claimed in determining federal
3 adjusted gross income for expenses paid by a taxpayer for health care
4 when such expenses were paid or incurred for abortion coverage, a health
5 benefit plan, as defined in K.S.A. 2013 Supp. 65-6731, and amendments
6 thereto, when such expenses were paid or incurred for abortion coverage
7 or amounts contributed to health savings accounts for such taxpayer's
8 employees for the purchase of an optional rider for coverage of abortion in
9 accordance with K.S.A. 2013 Supp. 40-2,190, and amendments thereto.

10 (v) *The amount of any charitable contribution deduction claimed for*
11 *any contribution or gift made to a scholarship granting organization to the*
12 *extent the same is claimed as the basis for the credit allowed pursuant to*
13 *section 27, and amendments thereto.*

14 (c) There shall be subtracted from federal taxable income: (i) The
15 same modifications as are set forth in subsection (c) of K.S.A. 79-32,117,
16 and amendments thereto, with respect to resident individuals, except
17 subsection (c)(xx).

18 (ii) The federal income tax liability for any taxable year commencing
19 prior to December 31, 1971, for which a Kansas return was filed after
20 reduction for all credits thereon, except credits for payments on estimates
21 of federal income tax, credits for gasoline and lubricating oil tax, and for
22 foreign tax credits if, on the Kansas income tax return for such prior year,
23 the federal income tax deduction was computed on the basis of the federal
24 income tax paid in such prior year, rather than as accrued. Notwithstanding
25 the foregoing, the deduction for federal income tax liability for any year
26 shall not exceed that portion of the total federal income tax liability for
27 such year which bears the same ratio to the total federal income tax
28 liability for such year as the Kansas taxable income, as computed before
29 any deductions for federal income taxes and after application of
30 subsections (d) and (e) of this section as existing for such year, bears to the
31 federal taxable income for the same year.

32 (iii) An amount for the amortization deduction allowed pursuant to
33 K.S.A. 2013 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-
34 32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

35 (iv) For all taxable years commencing after December 31, 1987, the
36 amount included in federal taxable income pursuant to the provisions of
37 section 78 of the internal revenue code.

38 (v) For all taxable years commencing after December 31, 1987, 80%
39 of dividends from corporations incorporated outside of the United States
40 or the District of Columbia which are included in federal taxable income.

41 (vi) *For all taxable years beginning after December 31, 2013, the*
42 *amount of any contribution or gift made to a public charter school in*
43 *accordance with section 53, and amendments thereto, to the extent the*

1 *amount has not been claimed as a deduction by the taxpayer under the*
2 *federal internal revenue code, and amendments thereto.*

3 (d) If any corporation derives all of its income from sources within
4 Kansas in any taxable year commencing after December 31, 1979, its
5 Kansas taxable income shall be the sum resulting after application of
6 subsections (a) through (c) hereof. Otherwise, such corporation's Kansas
7 taxable income in any such taxable year, after excluding any refunds of
8 federal income tax and before the deduction of federal income taxes
9 provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-
10 3271 to K.S.A. 79-3293, inclusive, and amendments thereto, plus any
11 refund of federal income tax as determined under paragraph (iv) of
12 subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus
13 the deduction for federal income taxes as provided by subsection (c)(ii)
14 shall be such corporation's Kansas taxable income.

15 (e) A corporation may make an election with respect to its first
16 taxable year commencing after December 31, 1982, whereby no addition
17 modifications as provided for in subsection (b)(ii) of K.S.A. 79-32,138,
18 and amendments thereto, and subtraction modifications as provided for in
19 subsection (c)(iii) of K.S.A. 79-32,138, and amendments thereto, as those
20 subsections existed prior to their amendment by this act, shall be required
21 to be made for such taxable year.

22 New Sec. 29. The provisions of sections 29 through 55, and
23 amendments thereto, shall be known and may be cited as the Kansas
24 educational opportunity zone act.

25 New Sec. 30. (a) The legislature hereby finds and declares the
26 following:

27 (1) The state of Kansas recognizes the establishment of public charter
28 schools as necessary to improving the opportunities of all families to
29 choose the public school that meets the needs of their children, and
30 believes that public charter schools serve a distinct purpose in supporting
31 innovations and best practices that can be adopted among all public
32 schools.

33 (2) The state of Kansas recognizes that there must be a variety of
34 institutions that can authorize the establishment of public charter schools,
35 and recognizes that multiple authorizing authorities contribute to the health
36 and growth of strong and innovative public charter schools.

37 (b) The legislature hereby finds and declares that the purpose of this
38 act is to do the following:

39 (1) Allow the creation of innovative public charter schools which
40 may operate independently of state laws and rules and regulations, other
41 than those specified in this act, deemed by the public charter school
42 authorizer to hinder its goals to achieve at the highest level possible;

43 (2) establish that other entities, in addition to unified school district

1 school boards of education, may be authorized to approve and monitor
2 public charter schools;

3 (3) remove procedural and funding barriers to public charter school
4 success; and

5 (4) provide additional opportunities to address inequities in
6 educational opportunities for all students, including academic
7 achievement, drop-out rates and other measures of educational success for
8 students across all economic, racial, ethnic, geographic and other groups.

9 New Sec. 31. As used in sections 29 through 55, and amendments
10 thereto, unless the context requires otherwise:

11 (a) "Act" means the Kansas educational opportunity zone act.

12 (b) "Average amount of general state aid per pupil" means the total
13 general state aid for all school districts as determined by the state board for
14 the immediately preceding school year divided by the total enrollment of
15 pupils in all school districts for the immediately preceding school year.

16 (c) "Average amount of supplemental general state aid per pupil"
17 means the total supplemental general state aid for all school districts as
18 determined by the state board for the immediately preceding school year
19 divided by the total enrollment of pupils in all school districts for the
20 immediately preceding school year.

21 (d) "Board of education" means the board of education of a school
22 district exercising management and control of a school district pursuant to
23 state law.

24 (e) "Department" means the department of education.

25 (f) "Educational management organization" means a partnership,
26 nonprofit or business corporation, or any other association, corporation,
27 trust or other legal entity that enters into a management agreement with a
28 public charter school.

29 (g) "Governing board" means the independent board of a public
30 charter school that is party to the charter contract with the authorizer and
31 whose members have been elected or selected pursuant to such school's
32 petition.

33 (h) "Kansas independent charter board" or "KICB" means the
34 governing body established under section 32, and amendments thereto, to
35 oversee the authorization of public charter schools under this act.

36 (i) "Management agreement" means an agreement to provide
37 comprehensive educational, administrative, management or instructional
38 services or staff to a public charter school.

39 (j) "Postsecondary educational institution" and "private
40 postsecondary educational institution" shall have the same meanings as
41 those terms are defined in K.S.A. 74-3201b, and amendments thereto.

42 (k) "Public charter school" means any school, whether newly
43 established or already existing, including any online school, that is

1 approved by a public charter school authorizer to operate as a public
2 charter school under the provisions of this act.

3 (l) "Public charter school authorizer" or "authorizer" means an entity
4 or body granted authority to approve and oversee public charter schools
5 under section 33, and amendments thereto.

6 (m) "Public charter school petitioner" or "petitioner" means a person,
7 organization or other entity that seeks approval from a public charter
8 school authorizer to operate a public charter school.

9 (n) "School district" means any unified school district organized and
10 operating under the laws of this state which operates a school deemed to
11 be either a title I focus school or a title I priority school as described by the
12 state board under the elementary and secondary education act flexibility
13 waiver, as amended in January 2013.

14 (o) "State board" means the state board of education created by article
15 6 of the constitution of Kansas.

16 (p) "Statewide average state aid per pupil" means the average amount
17 of general state aid per pupil plus the average amount of supplemental
18 general state aid per pupil for the immediately preceding school year.

19 New Sec. 32. (a) There is hereby established the Kansas independent
20 chartering board. The KICB shall have the authority to serve as a
21 statewide authorizer of public charter schools.

22 (b) The KICB shall consist of nine members who shall be appointed
23 as follows:

24 (1) Three members shall be appointed by the governor;

25 (2) two members shall be appointed by the president of the senate;

26 (3) one member shall be appointed by the minority leader of the
27 senate;

28 (4) two members shall be appointed by the speaker of the house of
29 representatives; and

30 (5) one member shall be appointed by the minority leader of the
31 house of representatives.

32 (c) Members appointed to the KICB shall collectively possess strong
33 experience and expertise in public and nonprofit governance, management
34 and finance, public school leadership, higher education, assessments,
35 curriculum and instruction and public education law. All members of the
36 KICB shall have a demonstrated understanding of and a commitment to
37 public education, including, but not limited to, charter schooling.

38 (d) Members shall serve not more than two consecutive terms of four
39 years each, except that the initial members appointed pursuant to
40 subsections (b)(2) and (b)(3) shall serve an initial term of three years, and
41 the initial members appointed pursuant to subsections (b)(4) and (b)(5)
42 shall serve an initial term of two years. Whenever a vacancy occurs in the
43 membership of the KICB, a successor shall be appointed in accordance

1 with subsection (b) for the unexpired portion of the term.

2 (e) The commissioner of education shall organize and schedule the
3 first meeting of the KICB, at which time the members shall elect a
4 chairperson.

5 (f) The KICB may meet at any time and at any place within the state
6 on the call of the chairperson. A quorum of the KICB shall be five
7 members. All actions of the KICB shall be by motion adopted by a
8 majority of those members present when there is a quorum.

9 (g) Members of the KICB attending regular or special meetings or
10 sucommittee meetings authorized by the KICB shall be paid amounts for
11 expenses, mileage and subsistence in accordance with subsection (e) of
12 K.S.A. 75-3223, and amendments thereto.

13 New Sec. 33. (a) Any entity which may be granted authority to
14 authorize public charter schools under subsection (c) that desires to be a
15 public charter school authorizer may apply to the KICB for a grant of
16 authority to be an authorizer. The application shall be submitted in such
17 form and manner as prescribed by the KICB. Such application shall
18 include the following:

19 (1) Notification of intent to serve as a public charter school authorizer
20 in accordance with this act;

21 (2) a description of the entity's strategic vision for authorizing public
22 charter schools;

23 (3) a description of the entity's budget, personnel and commitment to
24 execute the duties and functions of authorizing public charter schools;

25 (4) a description of the petition process that the entity, if approved,
26 would use in determining whether to authorize a public charter school;

27 (5) a description of the performance framework that the entity, if
28 approved, would use to guide the formation of a charter contract and for
29 ongoing oversight and evaluation of public charter schools authorized by
30 such entity;

31 (6) a description of the entity's charter renewal, revocation and
32 nonrenewal procedures;

33 (7) a statement of assurance that the entity seeks to serve as an
34 authorizer in fulfillment of the expectations, spirit and intent of this act;
35 and

36 (8) a statement that the entity will ensure public accountability and
37 transparency in all matters concerning authorizer practices, decisions and
38 expenditures.

39 (b) (1) The KICB shall review the application within 30 days
40 following the date the application was submitted. If the KICB determines
41 the application is in compliance with the provisions of subsection (a) and
42 the entity is qualified to be an authorizer, the KICB may approve the
43 application and grant such entity authority to authorize public charter

1 schools. The KICB shall notify the entity of such approval in writing.

2 (2) If the KICB determines such application does not contain the
3 information required under subsection (a) or that the entity is not qualified
4 to be an authorizer, the KICB shall deny the application. The KICB shall
5 send a notification of denial to the entity and shall specify the reasons
6 therefor. Within 30 days from the date such notification is sent, the entity
7 may submit a request to the KICB for reconsideration of the application
8 and may submit an amended application with such request. The KICB
9 shall act on the request for reconsideration within 30 days of receipt of the
10 request.

11 (c) The following entities may be granted authority to authorize
12 public charter schools:

13 (1) The KICB;

14 (2) the state board of regents established by K.S.A. 74-3202a, and
15 amendments thereto;

16 (3) the governing board of any public or private postsecondary
17 educational institution; and

18 (4) the board of education of a school district.

19 New Sec. 34. Within 90 days after approving an application under
20 section 33, and amendments thereto, the KICB shall execute a renewable
21 authorizing contract with the approved entity. The initial term of an
22 authorizing contract shall be six years. The authorizing contract must
23 specify each approved entity's agreement to serve as an authorizer in
24 accordance with the expectations, spirit and intent of this act, and may
25 specify additional performance terms based on the entity's application and
26 plan for authorizing public charter schools. Renewal of such authorizing
27 contract shall be subject to the terms and conditions of such agreement and
28 review of such authorizer's performance shall be conducted in accordance
29 with section 37, and amendments thereto. No approved entity may
30 authorize a public charter school without an authorizing contract in effect.

31 New Sec. 35. Any board of education that is operating a charter
32 school on or before the effective date of this act pursuant to K.S.A. 72-
33 1903, and amendments thereto, and intends to continue the operation of
34 such charter school shall be deemed an authorizer by the KICB and shall
35 have the authority to authorize any public charter schools within the
36 boundaries of the school district governed by such local board of education
37 in accordance with the provisions of this act.

38 New Sec. 36. (a) Public charter school authorizers shall have the
39 following powers and duties:

40 (1) Soliciting and evaluating public charter school petitions;

41 (2) approving public charter school petitions that meet identified
42 educational needs, promoting a diversity of educational choices and
43 satisfying the requirements of this act;

1 (3) denying public charter school petitions that fail to satisfy the
2 requirements of this act, or the petition criteria established by the
3 authorizer;

4 (4) negotiating and executing charter contracts with each approved
5 public charter school petitioner;

6 (5) monitoring, in accordance with charter contract terms, the
7 performance and legal compliance of public charter schools approved by
8 the authorizer; and

9 (6) determining whether each charter contract merits renewal,
10 nonrenewal or revocation.

11 (b) The power of an authorizer to oversee and regulate public charter
12 schools shall be limited to those powers and duties specified in this act,
13 and shall be consistent with the spirit and intent of this act.

14 (c) An authorizer may enter into an agreement with any other person
15 or entity for such person or entity to assume the duties and functions of the
16 authorizer established by this act, provided such agreement shall expressly
17 provide that such person or entity shall remain at all times under the
18 direction of the authorizer with respect to such duties and functions.

19 (d) Each authorizer shall annually report to the KICB, the governor
20 and the legislature on the progress of public charter schools authorized by
21 such authorizer. Such report shall include:

22 (1) The number of public charter schools authorized during the
23 preceding calendar year, and a brief description of each such school;

24 (2) the academic progress of pupils attending public charter schools
25 authorized by such authorizer;

26 (3) a comparison of the test scores on the math and reading state
27 assessments of the pupils attending public charter schools authorized by
28 such authorizer with the disaggregated test scores on the same assessments
29 of those pupils attending schools in the school district in which such public
30 charter schools are located that are reasonably reflective of the
31 demographic composition of such public charter schools; and

32 (4) such other information as the authorizer deems necessary.

33 New Sec. 37. (a) Authorizers shall be held accountable by the KICB
34 for the overall academic performance of schools authorized by such
35 authorizer and for effectively carrying out the responsibilities of an
36 authorizer throughout the life cycle of charter school authorizing,
37 including reviewing applications, contracting with schools, oversight and
38 monitoring, renewal, closure and revocation when necessary and
39 implementation of practices that comply with authorizing standards.
40 Authorizers shall be subject to review and evaluation by the KICB, which
41 shall assess the performance of each authorizer with respect to national
42 industry standards of quality charter school authorizing, and on the basis
43 of the academic outcomes of the public charter schools such authorizer

1 oversees.

2 (b) The KICB may, upon a finding of ineffective, insufficient
3 practices by an authorizer, subject that authorizer to corrective actions as
4 needed, including the termination of charter contracts with public charter
5 schools authorized by the authorizer. As part of that review, the KICB shall
6 comment in writing on each authorizer's evaluation process for providing
7 formal written evaluation of the performance of each of the public charter
8 schools in its portfolio before renewal of a charter contract.

9 (c) In the event 30% or more of the public charter schools authorized
10 by an authorizer do not meet standards on the math and reading state
11 assessments, or an equivalent standard adopted by the state board, for three
12 consecutive school years, such authorizer shall not authorize any
13 additional public charter schools until such time as such percentage is less
14 than 30%.

15 New Sec. 38. (a) Except as otherwise provided in section 37, and
16 amendments thereto, there shall be no limit on the number of public
17 charter schools that may be authorized pursuant to the provisions of this
18 act.

19 (b) Public charter school authorizers shall authorize only the
20 following public charter schools:

21 (1) Public charter schools that are located in a school district, as
22 defined in section 31, and amendments thereto; or

23 (2) public charter schools whose objective is to provide educational
24 opportunities to students who have an individualized education program
25 with a particular disability or developmental delay.

26 New Sec. 39. All charter schools in operation on or before the
27 effective date of this act shall not be subject to the provisions of this act,
28 but shall remain subject to the provisions of K.S.A. 72-1903 et seq., and
29 amendments thereto.

30 New Sec. 40. (a) Each public charter school authorizer shall establish
31 a charter petition process and timeline that complies with the requirements
32 of the provisions of this act, while optimizing effective review of such
33 authorizer's proposed public charter schools and oversight of such
34 authorizer's approved public charter schools.

35 (b) A public charter school petitioner shall submit a written petition to
36 an authorizer. Such petition shall be submitted in such form and manner as
37 prescribed by the authorizer and shall include:

38 (1) The mission statement of the public charter school;

39 (2) a description of the educational programs of the proposed public
40 charter school and how such programs will meet or exceed the student
41 performance standards adopted by the state board;

42 (3) a description of student achievement goals and the chosen
43 methods of evaluating attainment of such goals;

- 1 (4) the proposed governance structure of the public charter school,
2 including:
- 3 (A) A list of members of the initial governing board;
4 (B) a description of the qualifications;
5 (C) terms and method of appointment or election of members of the
6 governing board;
7 (D) the organizational structure of the public charter school; and
8 (E) the processes to be followed by the public charter school to
9 promote parental and staff involvement in school governance;
- 10 (5) admission policies and procedures, which shall be consistent with
11 section 42, and amendments thereto;
- 12 (6) a proposed budget and fiscal plan for the public charter school,
13 including supporting evidence that the fiscal plan is sound and that
14 sufficient start-up funds will be available to the public charter school;
- 15 (7) requirements and procedures for programmatic and independent
16 fiscal audits to be conducted at least annually along with such other audits
17 which are comparable in scope to audits required of school districts;
- 18 (8) the hiring and personnel policies and procedures of the public
19 charter school, including the qualifications to be used in the hiring of
20 teachers, school administrators and other school employees, and a
21 description of staff responsibilities;
- 22 (9) the policies and procedures for disciplining students including,
23 but not limited to, expulsion or suspension from the public charter school,
24 which shall be consistent with the requirements of due process and with
25 federal laws and regulations governing the placement of students with
26 disabilities;
- 27 (10) information regarding the facilities to be used by the public
28 charter school, including the location of the school, if known, and the
29 means by which pupils will be transported to and from the school. If the
30 facilities to be used by the proposed school are not known at the time the
31 petition is submitted, the petitioner shall notify the public charter school
32 authorizer within ten business days of acquiring facilities for such school,
33 provided that the public charter school shall obtain a certificate of
34 occupancy for such facilities prior to the date on which instruction is to
35 commence at the school;
- 36 (11) a description of the ages and grade levels to be served by the
37 public charter school;
- 38 (12) the identity, including the name, address and occupation, of all
39 persons listed on the petition and the proposed members of the governing
40 board;
- 41 (13) the criteria by which the public charter school shall be held
42 accountable both financially and with respect to academic progress to the
43 authorizer;

1 (14) the type and amount of any insurance coverage to be obtained by
2 the public charter school, including, but not limited to, coverage for
3 general liability, property loss and personal injury;

4 (15) a description of the health and food services to be provided to
5 students;

6 (16) the methods and strategies for serving students with disabilities
7 in compliance with all federal laws and regulations relating thereto;

8 (17) the procedures to be followed in the case of the closure or
9 dissolution of the public charter school, including provisions for the
10 transfer of students and student records to the appropriate school, and the
11 disposition of the public charter school's assets;

12 (18) if the school serves grade 12, the requirements for the granting
13 of a diploma; and

14 (19) a code of ethics for the public charter school.

15 (c) (1) Any public charter school petition received by a public charter
16 school authorizer shall be reviewed by such authorizer and such authorizer
17 shall approve or deny such petition within 90 days from the date such
18 petition was submitted.

19 (2) If a petition is approved, the authorizer shall notify the petitioner
20 in writing within 15 days of such approval, and a charter contract shall be
21 entered into within 30 days from the date such petition was approved.

22 (3) If a petition is denied by the authorizer, the authorizer shall notify
23 the petitioner in writing within 15 days of such denial. The petitioner may
24 request reconsideration of the petition by the authorizer and may submit an
25 amended petition with such request.

26 New Sec. 41. The initial term of a charter contract shall be five years.
27 After the initial term, a charter contract shall be renewed for a term not to
28 exceed five years, provided the three-year rolling average of test scores on
29 math and reading state assessments of the students attending such public
30 charter school are at least equal to the three-year rolling average of such
31 test scores of the students attending a school in the same school district in
32 which such public charter school is located when such comparison is based
33 on the test scores of students with the same or nearly the same
34 demographic profile.

35 New Sec. 42. (a) (1) A public charter school shall be open to any
36 student residing in the state.

37 (2) A public charter school shall not limit admission based on
38 ethnicity, national origin, religion, gender, income level, disabling
39 condition, proficiency in the English language or academic or athletic
40 ability.

41 (3) A public charter school may limit admission to students within a
42 given age group or grade level and may be organized around a special
43 emphasis, theme or concept as stated in the school's application.

1 (4) A public charter school shall enroll all students who wish to
2 attend the school, unless the number of students exceeds the capacity of a
3 program, class, grade level or building. If capacity is insufficient to enroll
4 all students wanting to attend the school, the public charter school shall
5 select students through a lottery.

6 (5) Any public school converting to a public charter school shall
7 adopt and maintain a policy giving enrollment preference to students who
8 reside within the former attendance area of such public school.

9 (6) A public charter school shall give enrollment preference to
10 students enrolled in the public charter school the previous school year and
11 to siblings of students already enrolled in the public charter school. An
12 enrollment preference for returning students excludes those students from
13 entering into a lottery. A public charter school may give enrollment
14 preference to children of a public charter school's founders, members of
15 the governing board and full-time employees, provided such students
16 constitute no more than 10% of the school's total student enrollment.

17 (b) This section does not preclude the formation of a public charter
18 school whose mission is focused on serving students with disabilities,
19 students of the same gender, students who pose such severe disciplinary
20 problems that such students warrant a specific educational program or
21 students who are at risk of academic failure. If capacity is insufficient to
22 enroll all students wanting to attend such school, the public charter school
23 shall select students through a lottery.

24 New Sec. 43. (a) A public charter school shall be a public school and
25 is part of the state's system of public education.

26 (b) A public charter school shall be subject to all federal and state
27 laws prohibiting discrimination on the basis of disability, race, creed,
28 color, gender, national origin, religion, ancestry or need for special
29 education services.

30 (c) (1) Except as provided in subsection (c)(2) or as otherwise
31 provided in this act, a public charter school shall be exempt from all laws
32 and rules and regulations that are otherwise applicable to public schools in
33 this state.

34 (2) (A) A public charter school shall be subject to all laws and rules
35 and regulations pertaining to the state assessment program established by
36 the state board.

37 (B) A public charter school shall be subject to all laws providing for
38 accessibility for students with disabilities and for student health, safety and
39 welfare.

40 (C) A public charter school and the governing boards thereof shall be
41 subject to the Kansas open meetings act and the Kansas open records act.

42 New Sec. 44. (a) A public charter school shall function as a local
43 educational agency. A public charter school shall meet all requirements of

1 local educational agencies under federal law, including all laws pertaining
2 to special education. A public charter school's status as a local educational
3 agency shall not preclude such school from contracting with school
4 districts for services, resources or programs, or from otherwise forming
5 partnerships with school districts for such services, resources or programs.

6 (b) The identification of special education needs and the provision of
7 special education services for enrolled students shall be the responsibility
8 of the public charter school. If a student's individualized education
9 program team determines that the student's needs cannot be met in the
10 public charter school and the public charter school cannot provide a free
11 and appropriate public education to that student, then the school district in
12 which the student resides shall place the student in accordance with the
13 individualized education program. The public charter school shall be
14 financially responsible for any special education services provided by the
15 school district in accordance with this subsection.

16 (c) Public charter schools shall receive special education and related
17 services state aid pursuant to K.S.A. 72-978, and amendments thereto, and
18 catastrophic state aid pursuant to K.S.A. 72-983, and amendments thereto,
19 as necessary to provide special education services for students enrolled
20 and placed in the public charter school. Such state aid shall be paid to the
21 public charter school by the authorizing school district in the same manner
22 as payments made under section 42, and amendments thereto.

23 New Sec. 45. (a) A public charter school shall have the the following
24 powers:

- 25 (1) To receive and disburse funds for school purposes;
- 26 (2) to secure appropriate insurance and to enter into contracts and
27 leases, which shall not be subject to prevailing wage laws;
- 28 (3) to contract with an educational management organization for the
29 management and operation of the public charter school, provided the
30 school's governing board retains oversight authority over the school;
- 31 (4) to incur debt in reasonable anticipation of the receipt of public or
32 private funds;
- 33 (5) to pledge, assign or encumber its assets to be used as collateral for
34 loans or extensions of credit;
- 35 (6) to solicit and accept any gifts or grants for school purposes
36 subject to all applicable laws and the terms of the charter contract;
- 37 (7) to acquire real property for use as its facility or facilities, from
38 public or private sources;
- 39 (8) to sue and be sued in its own name; and
- 40 (9) any other powers the governing board deems necessary to carry
41 out the duties and functions of the public charter school under the charter
42 contract, provided such powers are consistent with the provisions of this
43 act.

1 (b) A public charter school shall not discriminate against any person
2 on the basis of race, creed, color, sex, disability, national origin or any
3 other category that would be unlawful if done by a public school. A public
4 charter school shall not discriminate against any student on the basis of
5 national origin, minority status or limited proficiency in English.
6 Consistent with federal civil rights laws, public charter schools shall
7 provide limited English proficient students with appropriate services
8 designed to teach them English and the general curriculum.

9 (c) No public charter school may engage in any sectarian practices in
10 its educational program, admissions or employment policies or operations.

11 (d) A public charter school shall not charge tuition and may only
12 charge such fees as may be imposed by public schools.

13 New Sec. 46. A public charter school shall be eligible to participate in
14 any state board or school district sponsored interscholastic leagues,
15 competitions, awards, scholarships and recognition programs for students,
16 teachers, administrators and schools to the same extent as public schools.

17 New Sec. 47. (a) In accordance with section 43, and amendments
18 thereto, teachers in public charter schools shall be exempt from the teacher
19 certification requirements established by the state board.

20 (b) Except as otherwise provided in this act, employees in public
21 charter schools shall have the same rights and privileges as employees
22 employed by school districts, including, but not limited to, participation in
23 the Kansas public employees retirement system, health insurance and other
24 benefits programs, provided the public charter school chooses to
25 participate in such programs.

26 (c) Teachers and other school personnel, including members of the
27 governing board, shall be subject to the same criminal history record
28 checks and fingerprinting requirements applicable to employees employed
29 by school districts.

30 (d) Public charter school employees shall not be required to be
31 members of any existing collective bargaining agreement between a school
32 district and its employees. A public charter school shall not interfere with
33 laws and other applicable rules protecting the rights of employees to
34 organize and be free from discrimination. The provisions of article 54 of
35 chapter 72 of the Kansas Statutes Annotated, and amendments thereto,
36 shall not apply to any contract, or other agreement for services between the
37 governing board of a public charter school and any such school's
38 employees.

39 New Sec. 48. The governing board of a public charter school may
40 enter into or renew a management agreement with an educational
41 management organization to carry out the operations of the public charter
42 school.

43 New Sec. 49. (a) The authorizer may terminate a charter contract

1 upon the occurrence of any of the following:

2 (1) The public charter school fails to automatically qualify for
3 renewal of the charter contract under section 41, and amendments thereto;

4 (2) the public charter school fails to improve in the percentage of high
5 school graduates of such public charter school that have enlisted in
6 military service or completed a postsecondary educational certificate
7 program or degree program as determined by the national student
8 clearinghouse, or other postsecondary educational program completion
9 database utilized by such public charter school;

10 (3) a serious violation of law by the public charter school or any
11 officer, director or administrator thereof;

12 (4) a material and substantial violation of the charter contract,
13 including fiscal mismanagement; or

14 (5) a determination that the public charter school demonstrates a
15 practice and pattern of egregious and intentional violations of any
16 provision of law from which the public charter school is not exempted.

17 (b) Notice of an authorizer's intent to revoke a public charter shall be
18 provided to the governing board of a public charter school at least 30 days
19 prior to the effective date of the proposed revocation. Such notice shall
20 include a statement of reasons for the proposed revocation. The public
21 charter school shall be allowed at least 30 days to correct the problems
22 associated with the proposed revocation. Prior to revocation of the charter,
23 a public charter school shall be provided an opportunity to be heard,
24 consistent with the requirements of due process. Upon the termination of a
25 charter, the public charter school shall proceed with dissolution pursuant to
26 the procedures contained in the charter contract and at the direction of the
27 public charter authorizer.

28 (c) In addition, the public charter school authorizer may place a
29 charter school on probationary status to allow the implementation of a
30 remedial action plan. The failure of a public charter school to comply with
31 the terms and conditions of a remedial action plan may result in summary
32 revocation of the school's charter contract.

33 (d) If a charter contract is not renewed or is terminated, the public
34 charter school shall be liable for all debts of such public charter school.

35 New Sec. 50. (a) Each authorizer shall certify under oath to the state
36 board a report showing the total enrollment of all of the public charter
37 schools under the oversight of such authorizer. Such report shall be
38 prepared and submitted in accordance with K.S.A. 72-6419, and
39 amendments thereto.

40 (b) (1) For a public charter school authorized by a school district, the
41 school district shall pay to the public charter school an amount equal to the
42 total enrollment of the public charter school multiplied by the general state
43 aid per pupil plus the supplemental general state aid per pupil received by

1 the school district pursuant to K.S.A. 72-6405 et seq., and amendments
2 thereto.

3 (2) For purposes of this subsection and for calculating enrollment
4 pursuant to K.S.A. 72-6405 et seq., and amendments thereto, a school
5 district shall continue to count any student attending a public charter
6 school authorized by such school district as a pupil of the school district.

7 (c) (1) For a public charter school authorized by an authorizer other
8 than a school district, the state board shall distribute an amount equal to
9 the total enrollment of all public charter schools authorized by such
10 authorizer multiplied by the statewide average state aid per pupil to such
11 authorizer. Such authorizer shall pay to each public charter school under
12 its oversight a portion of the distribution received by such authorizer from
13 the state board based on the enrollment of such public charter school.

14 (2) For purposes of this subsection and for calculating enrollment
15 pursuant to K.S.A. 72-6405 et seq., and amendments thereto, a resident
16 school district shall not count any student attending a public charter school
17 as a pupil of such resident school district.

18 (3) For purposes of this subsection, "resident school district" means
19 the school district in which the student resides and would otherwise be
20 enrolled if the student were not enrolled in a public charter school.

21 (d) Distributions made by the state board pursuant to subsection (c)
22 shall be made at the same time as general state aid distributions and shall
23 be made in accordance with the provisions of K.S.A. 72-6417, and
24 amendments thereto.

25 (e) Except as otherwise provided in subsection (f), payments by
26 authorizers required by this section shall be made in 12 substantially equal
27 payments on the first day of each month. If any authorizer fails to make a
28 payment required by this section, the state board shall deduct the amount
29 of such underpayment from the amount to be distributed to the authorizer
30 and shall pay such amount directly to the public charter school that is
31 entitled to receive such funds.

32 (f) Amounts payable to a public charter school during its first year of
33 operations shall be based on first year enrollment projections as
34 established in the charter contract. Such projections shall be reconciled
35 with the actual enrollment of the public charter school and any necessary
36 adjustments shall be made to the payments made to the public charter
37 school during the remainder of the first year of operation. At least 90 days
38 prior to the first day of instruction, a public charter school shall receive an
39 amount equal to $\frac{1}{3}$ of the aggregate amount of funds such public charter
40 school is entitled to receive under this section based on first year
41 enrollment projections. The remaining $\frac{2}{3}$ of the aggregate amount of such
42 funds shall be paid in 12 substantially equal payments on the first day of
43 each month of such year. In the event a public charter school fails to open

1 as provided in the charter contract, the authorizer of such public charter
2 school shall pay that amount of money advanced to such public charter
3 school prior to the first day of instruction pursuant to this subsection to the
4 state board. Upon receipt of such money, the state board shall deposit the
5 entire amount in the state treasury to the credit of the state school district
6 finance fund.

7 (g) If a student transfers from the public charter school to a school
8 district and enrolls in such school district after September 20 of the current
9 school year, the authorizer shall direct payment in a prorated amount to the
10 public charter school and the school district based on such student's
11 attendance. The prorated amount to the school district shall be considered
12 a donation and shall be paid to the school district in accordance with
13 K.S.A. 72-8210, and amendments thereto, to provide for the education of
14 such student.

15 New Sec. 51. (a) Every public charter school shall maintain a system
16 of accounts, including receipts and expenditures, that is in accordance with
17 either governmental accounting standards, board rules or generally
18 accepted accounting principles. Each public charter school shall have its
19 financial records audited annually by an independent auditor. The cost of
20 the audit shall be borne solely by the public charter school.

21 (b) Within 30 days after receipt of any financial audit report made
22 pursuant to this section, the public charter school shall submit a copy of
23 such report, along with any other information provided by the auditor, to
24 the authorizer of such public charter school.

25 New Sec. 52. Any funds received by a public charter school from any
26 source and remaining in an account held by the public charter school at the
27 end of the fiscal year shall remain in such account and be expended by
28 such public charter school in any subsequent fiscal year.

29 New Sec. 53. Nothing in this act shall be construed to prohibit any
30 individual or organization from providing funding or other assistance in
31 establishing or operating a public charter school. The governing board of a
32 public charter school may accept gifts, donations and grants of any kind
33 made to the public charter school. The public charter school shall expend
34 or use such gifts, donations or grants in accordance with the conditions
35 prescribed by the donor, provided that no gift, donation or grant may be
36 accepted and expended if subject to a condition that is in direct conflict
37 with any provision of law or term of the charter contract.

38 New Sec. 54. The provisions of this act, should be interpreted
39 liberally to support the findings and purposes of this section and to
40 advance a renewed commitment by the state to the mission, goals and
41 diversity of public education.

42 New Sec. 55. Notwithstanding any provision of law to the contrary, to
43 the extent that any provision of this act is inconsistent with any other state

1 or local law, rule or regulation, the provisions of this act shall govern and
2 be controlling.

3 Sec. 56. K.S.A. 2013 Supp. 79-32,117 is hereby amended to read as
4 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
5 means such individual's federal adjusted gross income for the taxable year,
6 with the modifications specified in this section.

7 (b) There shall be added to federal adjusted gross income:

8 (i) Interest income less any related expenses directly incurred in the
9 purchase of state or political subdivision obligations, to the extent that the
10 same is not included in federal adjusted gross income, on obligations of
11 any state or political subdivision thereof, but to the extent that interest
12 income on obligations of this state or a political subdivision thereof issued
13 prior to January 1, 1988, is specifically exempt from income tax under the
14 laws of this state authorizing the issuance of such obligations, it shall be
15 excluded from computation of Kansas adjusted gross income whether or
16 not included in federal adjusted gross income. Interest income on
17 obligations of this state or a political subdivision thereof issued after
18 December 31, 1987, shall be excluded from computation of Kansas
19 adjusted gross income whether or not included in federal adjusted gross
20 income.

21 (ii) Taxes on or measured by income or fees or payments in lieu of
22 income taxes imposed by this state or any other taxing jurisdiction to the
23 extent deductible in determining federal adjusted gross income and not
24 credited against federal income tax. This paragraph shall not apply to taxes
25 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
26 amendments thereto, for privilege tax year 1995, and all such years
27 thereafter.

28 (iii) The federal net operating loss deduction.

29 (iv) Federal income tax refunds received by the taxpayer if the
30 deduction of the taxes being refunded resulted in a tax benefit for Kansas
31 income tax purposes during a prior taxable year. Such refunds shall be
32 included in income in the year actually received regardless of the method
33 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
34 be deemed to have resulted if the amount of the tax had been deducted in
35 determining income subject to a Kansas income tax for a prior year
36 regardless of the rate of taxation applied in such prior year to the Kansas
37 taxable income, but only that portion of the refund shall be included as
38 bears the same proportion to the total refund received as the federal taxes
39 deducted in the year to which such refund is attributable bears to the total
40 federal income taxes paid for such year. For purposes of the foregoing
41 sentence, federal taxes shall be considered to have been deducted only to
42 the extent such deduction does not reduce Kansas taxable income below
43 zero.

1 (v) The amount of any depreciation deduction or business expense
2 deduction claimed on the taxpayer's federal income tax return for any
3 capital expenditure in making any building or facility accessible to the
4 handicapped, for which expenditure the taxpayer claimed the credit
5 allowed by K.S.A. 79-32,177, and amendments thereto.

6 (vi) Any amount of designated employee contributions picked up by
7 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
8 and amendments thereto.

9 (vii) The amount of any charitable contribution made to the extent the
10 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
11 32,196, and amendments thereto.

12 (viii) The amount of any costs incurred for improvements to a swine
13 facility, claimed for deduction in determining federal adjusted gross
14 income, to the extent the same is claimed as the basis for any credit
15 allowed pursuant to K.S.A. 2013 Supp. 79-32,204, and amendments
16 thereto.

17 (ix) The amount of any ad valorem taxes and assessments paid and
18 the amount of any costs incurred for habitat management or construction
19 and maintenance of improvements on real property, claimed for deduction
20 in determining federal adjusted gross income, to the extent the same is
21 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
22 and amendments thereto.

23 (x) Amounts received as nonqualified withdrawals, as defined by
24 K.S.A. 2013 Supp. 75-643, and amendments thereto, if, at the time of
25 contribution to a family postsecondary education savings account, such
26 amounts were subtracted from the federal adjusted gross income pursuant
27 to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments
28 thereto, or if such amounts are not already included in the federal adjusted
29 gross income.

30 (xi) The amount of any contribution made to the same extent the
31 same is claimed as the basis for the credit allowed pursuant to K.S.A. 2013
32 Supp. 74-50,154, and amendments thereto.

33 (xii) For taxable years commencing after December 31, 2004,
34 amounts received as withdrawals not in accordance with the provisions of
35 K.S.A. 2013 Supp. 74-50,204, and amendments thereto, if, at the time of
36 contribution to an individual development account, such amounts were
37 subtracted from the federal adjusted gross income pursuant to paragraph
38 (xiii) of subsection (c), or if such amounts are not already included in the
39 federal adjusted gross income.

40 (xiii) The amount of any expenditures claimed for deduction in
41 determining federal adjusted gross income, to the extent the same is
42 claimed as the basis for any credit allowed pursuant to K.S.A. 2013 Supp.
43 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

1 (xiv) The amount of any amortization deduction claimed in
2 determining federal adjusted gross income to the extent the same is
3 claimed for deduction pursuant to K.S.A. 2013 Supp. 79-32,221, and
4 amendments thereto.

5 (xv) The amount of any expenditures claimed for deduction in
6 determining federal adjusted gross income, to the extent the same is
7 claimed as the basis for any credit allowed pursuant to K.S.A. 2013 Supp.
8 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
9 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
10 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

11 (xvi) The amount of any amortization deduction claimed in
12 determining federal adjusted gross income to the extent the same is
13 claimed for deduction pursuant to K.S.A. 2013 Supp. 79-32,227, 79-
14 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments
15 thereto.

16 (xvii) The amount of any amortization deduction claimed in
17 determining federal adjusted gross income to the extent the same is
18 claimed for deduction pursuant to K.S.A. 2013 Supp. 79-32,256, and
19 amendments thereto.

20 (xviii) For taxable years commencing after December 31, 2006, the
21 amount of any ad valorem or property taxes and assessments paid to a state
22 other than Kansas or local government located in a state other than Kansas
23 by a taxpayer who resides in a state other than Kansas, when the law of
24 such state does not allow a resident of Kansas who earns income in such
25 other state to claim a deduction for ad valorem or property taxes or
26 assessments paid to a political subdivision of the state of Kansas in
27 determining taxable income for income tax purposes in such other state, to
28 the extent that such taxes and assessments are claimed as an itemized
29 deduction for federal income tax purposes.

30 (xix) For all taxable years beginning after December 31, 2012, the
31 amount of any: (1) Loss from business as determined under the federal
32 internal revenue code and reported from schedule C and on line 12 of the
33 taxpayer's form 1040 federal individual income tax return; (2) loss from
34 rental real estate, royalties, partnerships, S corporations, except those with
35 wholly owned subsidiaries subject to the Kansas privilege tax, estates,
36 trusts, residual interest in real estate mortgage investment conduits and net
37 farm rental as determined under the federal internal revenue code and
38 reported from schedule E and on line 17 of the taxpayer's form 1040
39 federal individual income tax return; and (3) farm loss as determined under
40 the federal internal revenue code and reported from schedule F and on line
41 18 of the taxpayer's form 1040 federal income tax return; all to the extent
42 deducted or subtracted in determining the taxpayer's federal adjusted gross
43 income. For purposes of this subsection, references to the federal form

1 1040 and federal schedule C, schedule E, and schedule F, shall be to such
2 form and schedules as they existed for tax year 2011, and as revised
3 thereafter by the internal revenue service.

4 (xx) For all taxable years beginning after December 31, 2012, the
5 amount of any deduction for self-employment taxes under section 164(f)
6 of the federal internal revenue code as in effect on January 1, 2012, and
7 amendments thereto, in determining the federal adjusted gross income of
8 an individual taxpayer.

9 (xxi) For all taxable years beginning after December 31, 2012, the
10 amount of any deduction for pension, profit sharing, and annuity plans of
11 self-employed individuals under section 62(a)(6) of the federal internal
12 revenue code as in effect on January 1, 2012, and amendments thereto, in
13 determining the federal adjusted gross income of an individual taxpayer.

14 (xxii) For all taxable years beginning after December 31, 2012, the
15 amount of any deduction for health insurance under section 162(l) of the
16 federal internal revenue code as in effect on January 1, 2012, and
17 amendments thereto, in determining the federal adjusted gross income of
18 an individual taxpayer.

19 (xxiii) For all taxable years beginning after December 31, 2012, the
20 amount of any deduction for domestic production activities under section
21 199 of the federal internal revenue code as in effect on January 1, 2012,
22 and amendments thereto, in determining the federal adjusted gross income
23 of an individual taxpayer.

24 (xxiv) For taxable years commencing after December 31, 2013, that
25 portion of the amount of any expenditure deduction claimed in
26 determining federal adjusted gross income for expenses paid for medical
27 care of the taxpayer or the taxpayer's spouse or dependents when such
28 expenses were paid or incurred for an abortion, or for a health benefit plan,
29 as defined in K.S.A. 2013 Supp. 65-6731, and amendments thereto, for the
30 purchase of an optional rider for coverage of abortion in accordance with
31 K.S.A. 2013 Supp. 40-2,190, and amendments thereto, to the extent that
32 such taxes and assessments are claimed as an itemized deduction for
33 federal income tax purposes.

34 (xxv) For taxable years commencing after December 31, 2013, that
35 portion of the amount of any expenditure deduction claimed in
36 determining federal adjusted gross income for expenses paid by a taxpayer
37 for health care when such expenses were paid or incurred for abortion
38 coverage, a health benefit plan, as defined in K.S.A. 2013 Supp. 65-6731,
39 and amendments thereto, when such expenses were paid or incurred for
40 abortion coverage or amounts contributed to health savings accounts for
41 such taxpayer's employees for the purchase of an optional rider for
42 coverage of abortion in accordance with K.S.A. 2013 Supp. 40-2,190, and
43 amendments thereto, to the extent that such taxes and assessments are

1 claimed as a deduction for federal income tax purposes.

2 (c) There shall be subtracted from federal adjusted gross income:

3 (i) Interest or dividend income on obligations or securities of any
4 authority, commission or instrumentality of the United States and its
5 possessions less any related expenses directly incurred in the purchase of
6 such obligations or securities, to the extent included in federal adjusted
7 gross income but exempt from state income taxes under the laws of the
8 United States.

9 (ii) Any amounts received which are included in federal adjusted
10 gross income but which are specifically exempt from Kansas income
11 taxation under the laws of the state of Kansas.

12 (iii) The portion of any gain or loss from the sale or other disposition
13 of property having a higher adjusted basis for Kansas income tax purposes
14 than for federal income tax purposes on the date such property was sold or
15 disposed of in a transaction in which gain or loss was recognized for
16 purposes of federal income tax that does not exceed such difference in
17 basis, but if a gain is considered a long-term capital gain for federal
18 income tax purposes, the modification shall be limited to that portion of
19 such gain which is included in federal adjusted gross income.

20 (iv) The amount necessary to prevent the taxation under this act of
21 any annuity or other amount of income or gain which was properly
22 included in income or gain and was taxed under the laws of this state for a
23 taxable year prior to the effective date of this act, as amended, to the
24 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
25 the right to receive the income or gain, or to a trust or estate from which
26 the taxpayer received the income or gain.

27 (v) The amount of any refund or credit for overpayment of taxes on
28 or measured by income or fees or payments in lieu of income taxes
29 imposed by this state, or any taxing jurisdiction, to the extent included in
30 gross income for federal income tax purposes.

31 (vi) Accumulation distributions received by a taxpayer as a
32 beneficiary of a trust to the extent that the same are included in federal
33 adjusted gross income.

34 (vii) Amounts received as annuities under the federal civil service
35 retirement system from the civil service retirement and disability fund and
36 other amounts received as retirement benefits in whatever form which
37 were earned for being employed by the federal government or for service
38 in the armed forces of the United States.

39 (viii) Amounts received by retired railroad employees as a
40 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
41 228c (a)(1) et seq.

42 (ix) Amounts received by retired employees of a city and by retired
43 employees of any board of such city as retirement allowances pursuant to

1 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
2 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
3 amendments thereto.

4 (x) For taxable years beginning after December 31, 1976, the amount
5 of the federal tentative jobs tax credit disallowance under the provisions of
6 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
7 amount of the targeted jobs tax credit and work incentive credit
8 disallowances under 26 U.S.C. § 280 C.

9 (xi) For taxable years beginning after December 31, 1986, dividend
10 income on stock issued by Kansas Venture Capital, Inc.

11 (xii) For taxable years beginning after December 31, 1989, amounts
12 received by retired employees of a board of public utilities as pension and
13 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,
14 and amendments thereto.

15 (xiii) For taxable years beginning after December 31, 2004, amounts
16 contributed to and the amount of income earned on contributions deposited
17 to an individual development account under K.S.A. 2013 Supp. 74-50,201
18 et seq., and amendments thereto.

19 (xiv) For all taxable years commencing after December 31, 1996, that
20 portion of any income of a bank organized under the laws of this state or
21 any other state, a national banking association organized under the laws of
22 the United States, an association organized under the savings and loan
23 code of this state or any other state, or a federal savings association
24 organized under the laws of the United States, for which an election as an
25 S corporation under subchapter S of the federal internal revenue code is in
26 effect, which accrues to the taxpayer who is a stockholder of such
27 corporation and which is not distributed to the stockholders as dividends of
28 the corporation. For all taxable years beginning after December 31, 2012,
29 the amount of modification under this subsection shall exclude the portion
30 of income or loss reported on schedule E and included on line 17 of the
31 taxpayer's form 1040 federal individual income tax return.

32 (xv) For all taxable years beginning after December 31, 2006,
33 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a
34 joint return, for each designated beneficiary which are contributed to a
35 family postsecondary education savings account established under the
36 Kansas postsecondary education savings program or a qualified tuition
37 program established and maintained by another state or agency or
38 instrumentality thereof pursuant to section 529 of the internal revenue
39 code of 1986, as amended, for the purpose of paying the qualified higher
40 education expenses of a designated beneficiary at an institution of
41 postsecondary education. The terms and phrases used in this paragraph
42 shall have the meaning respectively ascribed thereto by the provisions of
43 K.S.A. 2013 Supp. 75-643, and amendments thereto, and the provisions of

1 such section are hereby incorporated by reference for all purposes thereof.

2 (xvi) For all taxable years beginning after December 31, 2004,
3 amounts received by taxpayers who are or were members of the armed
4 forces of the United States, including service in the Kansas army and air
5 national guard, as a recruitment, sign up or retention bonus received by
6 such taxpayer as an incentive to join, enlist or remain in the armed services
7 of the United States, including service in the Kansas army and air national
8 guard, and amounts received for repayment of educational or student loans
9 incurred by or obligated to such taxpayer and received by such taxpayer as
10 a result of such taxpayer's service in the armed forces of the United States,
11 including service in the Kansas army and air national guard.

12 (xvii) For all taxable years beginning after December 31, 2004,
13 amounts received by taxpayers who are eligible members of the Kansas
14 army and air national guard as a reimbursement pursuant to K.S.A. 48-
15 281, and amendments thereto, and amounts received for death benefits
16 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section
17 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and
18 amendments thereto, to the extent that such death benefits are included in
19 federal adjusted gross income of the taxpayer.

20 (xviii) For the taxable year beginning after December 31, 2006,
21 amounts received as benefits under the federal social security act which
22 are included in federal adjusted gross income of a taxpayer with federal
23 adjusted gross income of \$50,000 or less, whether such taxpayer's filing
24 status is single, head of household, married filing separate or married filing
25 jointly; and for all taxable years beginning after December 31, 2007,
26 amounts received as benefits under the federal social security act which
27 are included in federal adjusted gross income of a taxpayer with federal
28 adjusted gross income of \$75,000 or less, whether such taxpayer's filing
29 status is single, head of household, married filing separate or married filing
30 jointly.

31 (xix) Amounts received by retired employees of Washburn university
32 as retirement and pension benefits under the university's retirement plan.

33 (xx) For all taxable years beginning after December 31, 2012, the
34 amount of any: (1) Net profit from business as determined under the
35 federal internal revenue code and reported from schedule C and on line 12
36 of the taxpayer's form 1040 federal individual income tax return; (2) net
37 income from rental real estate, royalties, partnerships, S corporations,
38 estates, trusts, residual interest in real estate mortgage investment conduits
39 and net farm rental as determined under the federal internal revenue code
40 and reported from schedule E and on line 17 of the taxpayer's form 1040
41 federal individual income tax return; and (3) net farm profit as determined
42 under the federal internal revenue code and reported from schedule F and
43 on line 18 of the taxpayer's form 1040 federal income tax return; all to the

1 extent included in the taxpayer's federal adjusted gross income. For
2 purposes of this subsection, references to the federal form 1040 and
3 federal schedule C, schedule E, and schedule F, shall be to such form and
4 schedules as they existed for tax year 2011 and as revised thereafter by the
5 internal revenue service.

6 *(xxi) For all taxable years beginning after December 31, 2013, the*
7 *amount of any contribution or gift made to a public charter school in*
8 *accordance with section 53, and amendments thereto, to the extent the*
9 *amount has not been claimed as a deduction by the taxpayer under the*
10 *federal internal revenue code, and amendments thereto.*

11 (d) There shall be added to or subtracted from federal adjusted gross
12 income the taxpayer's share, as beneficiary of an estate or trust, of the
13 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
14 amendments thereto.

15 (e) The amount of modifications required to be made under this
16 section by a partner which relates to items of income, gain, loss, deduction
17 or credit of a partnership shall be determined under K.S.A. 79-32,131, and
18 amendments thereto, to the extent that such items affect federal adjusted
19 gross income of the partner.

20 New Sec. 57.

21 DEPARTMENT OF EDUCATION

22 (a) There is appropriated for the above agency from the state general
23 fund for the fiscal year ending June 30, 2015, the following:

24 Supplemental general state aid.....\$103,865,000

25 Sec. 58. K.S.A. 2013 Supp. 72-8814 is hereby amended to read as
26 follows: 72-8814. (a) There is hereby established in the state treasury the
27 school district capital outlay state aid fund. Such fund shall consist of all
28 amounts transferred thereto under the provisions of subsection (c).

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

34 (1) Determine the amount of the assessed valuation per pupil (AVPP)
35 of each school district in the state and round such amount to the nearest
36 \$1,000. The rounded amount is the AVPP of a school district for the
37 purposes of this section;

38 (2) determine the median AVPP of all school districts;

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

1 school districts and shall range downward in equal \$1,000 intervals from
2 the point of beginning to and including an amount that is equal to the
3 amount of the AVPP of the school district with the lowest AVPP of all
4 school districts;

5 (4) determine a state aid percentage factor for each school district by
6 assigning a state aid computation percentage to the amount of the median
7 AVPP shown on the schedule, decreasing the state aid computation
8 percentage assigned to the amount of the median AVPP by one percentage
9 point for each \$1,000 interval above the amount of the median AVPP, and
10 increasing the state aid computation percentage assigned to the amount of
11 the median AVPP by one percentage point for each \$1,000 interval below
12 the amount of the median AVPP. Except as provided by K.S.A. 2013 Supp.
13 72-8814b, and amendments thereto, the state aid percentage factor of a
14 school district is the percentage assigned to the schedule amount that is
15 equal to the amount of the AVPP of the school district, except that the state
16 aid percentage factor of a school district shall not exceed 100%. The state
17 aid computation percentage is 25%;

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

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

24 (c) The state board shall certify to the director of accounts and reports
25 the entitlements of school districts determined under the provisions of
26 subsection (b), and an amount equal thereto shall be transferred by the
27 director from the state general fund to the school district capital outlay
28 state aid fund for distribution to school districts, ~~except that no transfers~~
29 ~~shall be made from the state general fund to the school district capital~~
30 ~~outlay state aid fund during the fiscal years ending June 30, 2013, June 30,~~
31 ~~2014, June 30, 2015, or June 30, 2016.~~ All transfers made in accordance
32 with the provisions of this subsection shall be considered to be demand
33 transfers from the state general fund.

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

43 (e) Amounts transferred to the capital outlay fund of a school district

1 as authorized by K.S.A. 72-6433, and amendments thereto, shall not be
2 included in the computation when determining the amount of state aid to
3 which a district is entitled to receive under this section.

4 New Sec. 59. If any provision of this act or the application thereof to
5 any person or circumstances is held invalid, the invalidity shall not affect
6 other provisions or applications of the act which can be given effect
7 without the invalid provision or application. To this end the provisions of
8 this act are severable.

9 Sec. 60. K.S.A. 72-5333b, 72-6411 and 72-6416 and K.S.A. 2013
10 Supp. 72-1127, 72-1925, 72-6407, 72-6410, 72-6414, 72-6417, 72-6431,
11 72-6439, 72-6439a, 72-8254, 72-8814, 75-2319, 75-6102, 79-32,117 and
12 79-32,138 are hereby repealed.

13 Sec. 61. This act shall take effect and be in force from and after its
14 publication in the statute book.

15