

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS,
IN THE MATTER OF PROCEEDINGS BEFORE THE
THREE-JUDGE PANEL APPOINTED PURSUANT TO K.S.A. 72-64b03 IN RE SCHOOL FINANCE
LITIGATION

LUKE GANNON, <i>et al.</i> ,)	
)	
Plaintiffs,)	
)	
v.)	Case No. 10C1569
)	
STATE OF KANSAS,)	
)	
Defendant.)	
_____)	

NOTICE OF FULL EQUALIZATION FUNDING AND
MOTION TO DISMISS THE INDIVIDUAL PLAINTIFFS AND THE EQUITY CLAIMS

The Kansas Supreme Court held that none of the individual plaintiffs in this case established standing, and the State now moves to dismiss those plaintiffs from the lawsuit.

Further, the Legislature has acted timely and in good faith to fully and conclusively address the inequities in the funding of capital outlay state aid (“capital outlay equalization”) and supplemental general state aid (“LOB equalization”) which the Kansas Supreme Court found necessary to satisfy the requirements of Article 6, § 6 of the Kansas Constitution. Because those constitutional infirmities are now cured, there is nothing more for the panel to do with regard to the equity claims. The School District Plaintiffs’ claims regarding capital outlay equalization and LOB equalization must now be dismissed.

Notice of Facts

1. On April 21, 2014, the Governor signed into law 2014 Senate Substitute for House Bill 2506 (“HB 2506”). *See* Exhibit A.¹

2. Pursuant to HB 2506:

- The Legislature fully funded capital outlay equalization at the statutory level “as contemplated in K.S.A. 2013 Supp. 72-8814,” *Gannon v. State*, ___ Kan. ___, 319 P.3d 1196, 1252 (2014) (“*Gannon*”). HB 2506 §§ 7(j) & 47 will produce in FY 2015 an estimated \$25,200,786 million in additional funding for such aid. Exhibit B, “Memo and Spreadsheet – KSDE – Senate Sub. HB 2506,” provided to the Senate Floor and to House Republican and Democratic Caucuses in connection with legislative debate and adoption of the final conference committee report, April 6, 2014, p. 2.
- Importantly, the Legislature also removed restriction in K.S.A. 2013 Supp. 72-8814 on the distribution of capital outlay equalization funds so that, going forward, whenever such funds are required they will flow automatically to the school districts entitled to those funds. HB 2506 § 47.
- The Legislature also fully funded LOB equalization (“as contemplated in the existing SDFQPA, K.S.A. 72-6405 *et seq.*,” *Gannon*, at 1252), by providing \$109,265,000 in additional funding, which is more than the panel and the Kansas State Department of Education (“KSDE”) identified as necessary to “fully fund” such aid at the statutory level. HB 2506 § 7. Indeed, for the reason described below, that amount of funding *exceeds* the amount needed to “fully fund” LOB equalization at the statutory level. KSDE officials reported to the Legislature that \$103,865,000 was needed to fully fund LOB equalization

¹ The panel should take judicial notice of the law and its legislative history. K.S.A. 60-409. *See Montoy v. State*, 282 Kan. 9, 26-27, 138 P.3d 755 (2006) (considering act and its legislative history in determining whether the legislature had cured Article 6 violations).

in FY 2015 soon after the Supreme Court's decision in *Gannon*. That sum was accepted by the Legislature, throughout its deliberations, as the amount necessary to satisfy the Court's order related to LOB equalization. Exhibit B, p. 2.

- The Legislature also amended the LOB statutes to allow school districts to generate *additional* LOB revenue, including LOB equalization funding when appropriate, with the end result that millions of dollars more in total LOB funding is now available to Kansas public schools for FY 2015. HB 2506 § 42.

Argument

The Kansas Supreme Court held the Legislature needed to address inequities in the funding of capital outlay equalization and LOB equalization. *Gannon v. State*, ___ Kan. ___, 319 P.3d 1196, 1252 (2014). The Kansas Supreme Court identified those inequities, remanded the case to the panel and provided guidance that the panel “need not take any additional action on” inequities if the State “fully funds” the equalization by July 1, 2014. *Id.* at 1252. The State has done so.

1. Capital Outlay Equalization Is Now Fully Funded At The Statutory Level

The Kansas Supreme Court concluded that the withholding of all capital outlay equalization funding since 2010 rendered operation of K.S.A. 72-8814(c) unconstitutional. *Id.* at 1243. The panel had held the “inequity” or “disparity” “could be cured if the legislature either amended [K.S.A. 72-8814(c)] to read as it existed on July 1, 2007” or “if the legislature otherwise ‘fully funded’ the obligation by other means.” *Id.* (summarizing panel’s holding). The Kansas Supreme Court rejected those “cures,” instead instructing that the “cure” was to “be measured by determining whether it sufficiently reduces the unreasonable, wealth-based disparity so the disparity becomes constitutionally acceptable, not whether the cure necessarily restores funding to the prior levels.” *Id.* at 1243.

Despite the Kansas Supreme Court’s direction that something less than “full funding” of capital outlay equalization could be constitutionally sufficient, the Legislature through enactment of HB 2506 has fully funded capital outlay equalization at the statutory level “as contemplated in K.S.A. 2013 Supp. 72-8814,” *Gannon*, 319 P.3d at 1252, providing in FY 2015 an estimated \$25,200,786 million in additional funding for such aid. HB 2506 §§ 4(g) & 47 and Exhibit B, pp. 2, 10. Importantly, the Legislature also removed restrictions in K.S.A. 2013 Supp. 72-8814 on the distribution of capital outlay equalization funds so that, going forward, whenever such funds are required they will flow automatically to the school districts entitled to those funds. Consequently, HB 2506 “fully funds” capital outlay equalization and the panel “need not take any additional action.” *Id.* at 1252.

2. LOB Equalization Is Now Fully Funded At The Statutory Level

The Kansas Supreme Court also found the LOB equalization mechanism created unconstitutional inequities because appropriations had not fully funded the mechanism resulting in a prorated reduction to districts of LOB equalization aid. The panel had held the inequity would be cured so long as the statutory formula in K.S.A. 72-6434 was fully funded. *Gannon* at 1246 (summarizing panel’s holding, noting “the panel would have enjoined any action that modified the formula for LOB equalization in K.S.A. 72-6434 through “less than full funding’ through proration or otherwise”). The Kansas Supreme Court again rejected a full funding requirement as “the cure,” just as it did with respect to capital outlay equalization. The Kansas Supreme Court held that the “cure” was legislative action which “sufficiently reduces the unreasonable, wealth-based disparity . . . , not whether the cure necessarily restores funding to the prior levels.” *Id.* at 1247.

Despite the Kansas Supreme Court’s direction that something less than “full funding” of LOB equalization could be constitutionally sufficient, the Legislature through enactment of HB

2506 fully funded Local Option Budget (“LOB”) equalization (“as contemplated in the existing SDFQPA, K.S.A. 72-6405 *et seq.*,” *Gannon*, at 1252), by providing \$109,265,000 in additional funding, which is *more* than the panel and the KSDE identified as necessary to “fully fund” such aid at the statutory level. HB 2506 § 7; Exhibit B, p. 2. For the reason described below, that amount of LOB equalization funding provided by HB 2506 *exceeds* the amount needed to “fully fund” LOB equalization at the statutory level. Consequently, HB 2506 “fully funds” LOB equalization and the panel “need not take any additional action.” *Id.* at 1252

3. The Legislature Has In Fact Provided More Funding Than Necessary To Cure The Kansas Supreme Court’s Constitutional Equity Concerns

The Legislature also amended the LOB statutes to allow school districts to generate *additional* LOB revenue, including LOB equalization funding when appropriate, with the end result that total LOB funding now available to Kansas public schools has been increased by millions of dollars. HB 2506 § 42.

In light of the Kansas Supreme Court’s clear and emphatic holdings that “full funding” might not be the necessary, and certainly was not the *only*, remedy for the inequities that violated Article 6, the Legislature could have adopted a cure that fell short of full funding of capital outlay equalization and LOB equalization. That discretion notwithstanding, the Legislature ultimately chose not only to fully fund capital outlay and LOB equalization aid at the statutory levels but also to provide make available additional funds for Kansas public schools. The Legislature’s actions, which more than fully restored the funding to those two equalization programs, mandates termination of the equity claims presently before this panel.

First, with respect to capital outlay, HB 2506 appropriated with “no limit” capital outlay state aid and provides for demand transfer of funds for distribution under K.S.A. 72-8814. HB 2506 § 7(g). The new law amends K.S.A. 72-8814(c), striking the previous prohibition of such

demand transfers from the state general fund. HB 2506 § 47. Together, these actions will provide approximately \$25,200,786 for capital outlay equalization at the statutory level in FY 2015, and they will result in the automatic transfer of such funds from the state general fund to maintain funding at the statutory level going forward. Exhibit B, pp. 2, 10.

Second, in HB 2506, § 7, the Legislature appropriated \$109,265,000 for LOB equalization funding. This appropriation is based upon the KSDE's estimate of the sum required to fully fund the LOB equalization statutory formula in K.S.A. 72-6434 as amended by the bill. Again, the amount appropriated *exceeds* the KSDE estimate that \$103,865,000 will be needed for full FY 2015 LOB equalization under K.S.A. 2013 Supp. 72-6434. Exhibit B, p. 2.

Importantly, the Legislature did not stop with just restoring full funding of LOB equalization. The Legislature was mindful that merely increasing the amount of LOB equalization aid would result in part of the added funds reaching the classroom and the balance going toward local property tax relief, a result contemplated by the Supreme Court in its “succinct” statement of the constitutional test for equity: “School districts must have reasonably equal access to substantially similar educational opportunity *through similar tax effort*.” *Gannon*, at 1239 (emphasis added). Therefore, although simply appropriating LOB equalization funds would have been enough to satisfy the Kansas Supreme Court's order and test for meeting the constitutional requirement for equity, HB 2506 goes further and permits districts to generate *additional* funds for classroom instruction by increasing the total amount of LOB a district may raise in FY 2015 and FY 2016. It does this in two distinct ways that have a cumulative effect on the amount of additional funding made available to districts. First, it allows districts to raise additional LOB revenue by increasing to \$4490 from \$4433 the Base State Aid Per Pupil figure that is to be used to calculate a district's LOB. Second, it raises to as high as 33 percent from 30 percent of each district's “state financial aid” the cap on the amount of LOB revenue a district

may raise and spend. HB 2506 § 42. Because both of these increases in total LOB authority are fully equalized by HB 2506, the Legislature anticipated the need for additional LOB equalization funding. That is why the Legislature appropriated an additional approximately \$5 million in LOB equalization funding, for a total appropriation of \$109,265,000 (\$103.8 million + \$5 million, rounding off). Of course, additional LOB equalization funds could be made available through supplemental appropriation at a later date if they become necessary.

4. The Legislature's Curing Of The Equity Concerns Is Relevant To The Adequacy Determination Yet To Be Made

The Kansas Supreme Court also held that *all* funding that supports Kansas public schools is relevant to the adequacy determination under Article 6. Further, the Court emphasized that adequacy and equity do not exist in isolation from each other, so “curing of the equity infirmities may influence the panel’s assessment of the adequacy of the overall education funding system.” *Gannon* at 1252. In other words, the substantial new funding provided by HB 2506 to address equity, and the ability of school districts to raise additional fully equalized LOB funds, must be considered as part of the overall state funding of Kansas schools when this panel turns to the adequacy determination the Kansas Supreme Court remanded. The State presents this information now to emphasize that the Legislature made a substantial and good faith response to the Kansas Supreme Court’s equity holdings, although the adequacy issue is not before the panel in this motion.

5. The Panel Must Now Dismiss The Equity Claims


Instead, the narrow issue before the panel is whether the Legislature’s actions to “fully fund” capital outlay equalization and LOB equalization to remedy the identified unconstitutional inequities cures the Article 6 violations. There is no answer to that question other than YES, and the Kansas Supreme Court’s decision makes clear that there is nothing more for the panel to do

regarding the remedies on the equity claims. Thus, the plaintiffs' claims regarding capital outlay equalization and LOB equalization must be dismissed, and the State respectfully insists that the panel do so. *See Montoy v. State*, 282 Kan. 9, 26-27, 138 P.3d 755 (2006) (lifted stays, dismissed the appeal and remanded to the district court with directions to dismiss the pending case upon finding of substantially compliance with orders to cure Article 6 violations).

Exhibit C is a proposed order to dismiss the individual plaintiffs for lack of standing, to dismiss the equity claims now that the constitutional infirmities have been fully remedied, and to set a scheduling conference to address how the panel will proceed on the adequacy determination the Kansas Supreme Court remanded to the panel.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 25th day of April, 2014, a true and correct copy of the above and foregoing **NOTICE OF FULL EQUALIZATION FUNDING AND MOTION TO DISMISS THE INDIVIDUAL PLAINTIFFS AND THE EQUITY CLAIMS** was mailed, postage prepaid, and delivered by electronic mail to:

Mr. Alan L. Rupe
Kutak Rock LLP
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Wichita, KS 67206

Mr. John S. Robb
Somers, Robb & Robb
110 East Broadway
Newton, KS 67114-0544

Attorneys for Plaintiffs

And was mailed, postage prepaid, to:

The Honorable Franklin R. Theis
Shawnee County District Court
200 S.E. 7th Street, Room 324
Topeka, KS 66603

The Honorable Robert J. Fleming
Labette County District Court
201 South Central Street
Parsons, KS 67357

The Honorable Jack L. Burr
Sherman District Court
813 Broadway, Room 201
Goodland, KS 67735



M.J. Willoughby

Senate Substitute for HOUSE BILL No. 2506

AN ACT concerning education; relating to the financing and instruction thereof; making and concerning appropriations for the fiscal years ending June 30, 2014, and June 30, 2015, for certain agencies; authorizing the state board of regents to sell and convey or exchange certain real estate with the Emporia state university foundation; authorizing the state board of regents to exchange and convey certain real estate with the Kansas university endowment association; amending K.S.A. 72-1412, 72-5333b, 72-5439, 72-5446, 72-6416 and 72-8809 and K.S.A. 2013 Supp. 72-1127, 72-1925, 72-5436, 72-5437, 72-5438, 72-5445, 72-6407, 72-6410, 72-6415b, 72-6417, 72-6431, 72-6433, 72-6433d, 72-6441, 72-8254, 72-8814 and 79-32,138 and repealing the existing sections; also repealing K.S.A. 2013 Supp. 72-6454.

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

Section 1.

DIVISION OF POST AUDIT

(a) During fiscal year 2015, in addition to the other purposes for which expenditures may be made by the above agency from the operations (including legislative post audit committee) account for fiscal year 2015 as authorized by section 84(a) of chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by the above agency from the operations (including legislative post audit committee) account for fiscal year 2015 to conduct a performance audit of the costs associated with operating virtual schools in Kansas: *Provided*, That such audit report shall be submitted to the legislative post audit committee on or before February 1, 2015.

Sec. 2.

DEPARTMENT OF ADMINISTRATION

(a) On the effective date of this act or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$24,000,000 from the FICA reimbursements medical residents fund of the department of administration to the state general fund.

Sec. 3.

KANSAS DEPARTMENT FOR AGING
AND DISABILITY SERVICES

(a) On the effective date of this act, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 79-4805, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$2,500,000 from the problem gambling and addictions grant fund of the Kansas department for aging and disability services to the state general fund.

Sec. 4.

KANSAS DEPARTMENT FOR
CHILDREN AND FAMILIES

(a) On the effective date of this act, or as soon thereafter as moneys are available, of the \$6,000,000 appropriated for the above agency for the fiscal year ending June 30, 2014, by section 139(c) of chapter 136 of the 2013 Session Laws of Kansas from the children's initiatives fund in the Kansas reads to succeed account, the sum of \$1,000,000 is hereby lapsed.

(b) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$1,000,000 from the children's initiatives fund to the state general fund.

(c) On the effective date of this act, of the \$92,907,035 appropriated for the above agency for the fiscal year ending June 30, 2014, by section 139(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the state operations (including official hospitality) account, the sum of \$1,750,000 is hereby lapsed.

Sec. 5.

KANSAS DEPARTMENT FOR
CHILDREN AND FAMILIES

(a) On July 1, 2014, of the \$93,319,557 appropriated for the above agency for the fiscal year ending June 30, 2015, by section 140(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the state operations (including official hospitality) account, the sum of \$1,500,000 is hereby lapsed.

(b) On July 1, 2014, or as soon thereafter as moneys are available, of the \$20,158,937 appropriated for the above agency for the fiscal year ending June 30, 2015, by section 140(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the cash assistance account, the sum of \$4,700,000 is hereby lapsed.

Sec. 6.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Special education services aid.....	\$1,029,612
General state aid	\$17,836,773

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2014, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

State assessment fund	\$1,100,000
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(c) On the effective date of this act, of the \$328,245,211 appropriated for the above agency for the fiscal year ending June 30, 2014, by section 143(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the KPERS — employer contributions account, the sum of \$7,447,869 is hereby lapsed.

(d) On the effective date of this act, the \$25,000 appropriated for the above agency for the fiscal year ending June 30, 2014, by section 143(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the technical education promotion account, is hereby lapsed.

(e) On March 30, 2014, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$550,000 from the state safety fund of the department of education to the state assessment fund of the department of education.

(f) On June 30, 2014, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$550,000 from the state safety fund of the department of education to the state assessment fund of the department of education.

(g) The director of accounts and reports shall not make the transfer of \$550,000 from the state safety fund of the department of education to the state general fund which was directed to be made on March 30, 2014, by section 143(e) of chapter 136 of the 2013 Session Laws of Kansas, and, on the effective date of this act, the provisions of section 143(e) of chapter 136 of the 2013 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

(h) The director of accounts and reports shall not make the transfer of \$550,000 from the state safety fund of the department of education to the state general fund which was directed to be made on June 30, 2014, by section 143(f) of chapter 136 of the 2013 Session Laws of Kansas, and, on the effective date of this act, the provisions of section 143(f) of chapter 136 of the 2013 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 7.

DEPARTMENT OF EDUCATION

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

Operating expenditures (including official hospitality).....	\$82,500
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Provided, That the above agency shall make expenditures from the operating expenditures (including official hospitality) account during the fiscal year 2015, in the amount not less than \$82,500 for the KIDS data system of the department of education.

Special education services aid.....	\$578,363
Governor's teaching excellence scholarships and awards...	\$327,500
General state aid	\$11,721,794
Supplemental general state aid	\$109,265,000

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2015, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

State assessment fund	\$1,100,000
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(c) On July 1, 2014, of the \$363,284,462 appropriated for the above agency for the fiscal year ending June 30, 2015, by section 144(a) of

chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the KPERS — employer contributions account, the sum of \$4,582,820 is hereby lapsed.

(d) On July 1, 2014, the \$50,000 appropriated for the above agency for the fiscal year ending June 30, 2015, by section 144(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the technical education promotion account, is hereby lapsed.

(e) On March 30, 2015, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$550,000 from the state safety fund of the department of education to the state assessment fund of the department of education.

(f) On June 30, 2015, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$550,000 from the state safety fund of the department of education to the state assessment fund of the department of education.

(g) The director of accounts and reports shall not make the transfer of \$550,000 from the state safety fund of the department of education to the state general fund which was directed to be made on March 30, 2015, by section 144(e) of chapter 136 of the 2013 Session Laws of Kansas, and, on the effective date of this act, the provisions of section 144(e) of chapter 136 of the 2013 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

(h) The director of accounts and reports shall not make the transfer of \$550,000 from the state safety fund of the department of education to the state general fund which was directed to be made on June 30, 2015, by section 144(f) of chapter 136 of the 2013 Session Laws of Kansas, and, on the effective date of this act, the provisions of section 144(f) of chapter 136 of the 2013 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

(i) On July 1, 2014, any unencumbered balance in the school district juvenile detention facilities and Flint Hills job corps center grants account in excess of \$100 as of June 30, 2014, is hereby reappropriated to the operating expenditures (including official hospitality) account of the above agency for fiscal year 2015: *Provided, however*, That expenditures from such reappropriated balance shall be expended to assist in funding the KIDS data system of the department of education: *Provided further*, That on July 1, 2014, the provisions of section 144(a) of chapter 136 of the 2013 Session Laws of Kansas, reappropriating any unencumbered balance in the school district juvenile detention facilities and Flint Hills job corps center grants account in excess of \$100 as of June 30, 2014, for fiscal year 2015 is hereby declared to be null and void and shall have no force and effect.

(j) On July 1, 2014, the expenditure limitation established for the fiscal year ending June 30, 2015, by section 144(b) of chapter 136 of the 2013 Session Laws of Kansas on the school district capital outlay state aid fund of the department of education is hereby increased from \$0 to no limit.

Sec. 8.

FORT HAYS STATE UNIVERSITY

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

Operating expenditures (including official hospitality)..... \$1,024,913

(b) In addition to the other purposes for which expenditures may be made by Fort Hays state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by Fort Hays state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project for the Weist hall replacement project: *Provided*, That such capital improvement project is hereby approved for Fort Hays state university for the purpose of subsection (b) of K.S.A. 74-8905, and amendments

thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That Fort Hays state university may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$25,000,000, plus all amounts required for costs of bonds issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations for any appropriate special revenue fund or funds: *And provided further*, That Fort Hays state university may make provisions for the maintenance of the Weist hall.

Sec. 9.

KANSAS STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality)..... \$949,829

Sec. 10.

KANSAS STATE UNIVERSITY

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

Operating expenditures (including official hospitality)..... \$6,065,180

Provided, That, during fiscal year 2015, in addition to the other purposes for which expenditures may be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 as authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 for global food systems research: *Provided further*, That all amounts expended for global food systems research from the operating expenditures (including official hospitality) account for fiscal year 2015 shall be matched by Kansas state university on a \$1 for \$1 basis from other moneys of Kansas state university for global food systems research for which the money is expended: *And provided further*, That Kansas state university shall submit a plan to the house committee on appropriations and the senate committee on ways and means as to how global food systems research activities create additional jobs for the state for fiscal year 2015: *And provided further*, That, such expenditures for global food systems research shall be in an amount not less than \$5,000,000.

(b) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, for the capital improvement project or projects specified, the following:

School of architecture..... \$1,500,000

(c) In addition to the other purposes for which expenditures may be made by Kansas state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by Kansas state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to expand the chilled water plant: *Provided*, That such capital improvement project is hereby approved for Kansas state university for the purpose of subsection (b) of K.S.A. 74-8905, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That Kansas state university may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project:

Provided, however, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$56,000,000, plus all amounts required for costs of bonds issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal interest on the bonds: *And provided further,* That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further,* That debt service for any such bonds for such capital improvement projects shall be financed by appropriations for any appropriate special revenue fund or funds: *And provided further,* That Kansas state university may make provisions for the maintenance of the chilled water plant.

Sec. 11.

KANSAS STATE UNIVERSITY — EXTENSION SYSTEMS
AND AGRICULTURE RESEARCH PROGRAMS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Cooperative extension service (including official hospitality)	\$540,202
Agricultural experiment stations (including official hospitality)	\$960,360

Sec. 12.

KANSAS STATE UNIVERSITY — EXTENSION SYSTEMS
AND AGRICULTURE RESEARCH PROGRAMS

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

Cooperative extension service (including official hospitality)	\$491,177
Agricultural experiment stations (including official hospitality)	\$873,205

Sec. 13.

KANSAS STATE UNIVERSITY
VETERINARY MEDICAL CENTER

(a) On July 1, 2014, of the \$9,623,280 appropriated for the above agency for the fiscal year ending June 30, 2015, by section 160(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the operating expenditures account, the sum of \$14,742 is hereby lapsed.

Sec. 14.

EMPORIA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality)	\$672,320
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(b) In addition to the other purposes for which expenditures may be made by Emporia state university from the restricted fees fund for fiscal year 2014 as authorized by section 161(b) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the restricted fees fund for fiscal year 2014 for official hospitality.

(c) In addition to the other purposes for which expenditures may be made by Emporia state university from the reading recovery program account for fiscal year 2014 as authorized by section 161(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the reading recovery program account for fiscal year 2014 for official hospitality.

(d) In addition to the other purposes for which expenditures may be made by Emporia state university from the nat'l board cert/future teacher academy account for fiscal year 2014 as authorized by section 161(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the nat'l board cert/future teacher academy account for fiscal year 2014 for official hospitality.

Sec. 15.

EMPORIA STATE UNIVERSITY

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

Operating expenditures (including official hospitality)	\$1,811,386
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(b) In addition to the other purposes for which expenditures may be made by Emporia state university from the restricted fees fund for fiscal year 2015 as authorized by section 162(b) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the restricted fees fund for fiscal year 2015 for official hospitality.

(c) In addition to the other purposes for which expenditures may be made by Emporia state university from the reading recovery program account for fiscal year 2015 as authorized by section 162(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the reading recovery program account for fiscal year 2015 for official hospitality.

(d) In addition to the other purposes for which expenditures may be made by Emporia state university from the nat'l board cert/future teacher academy account for fiscal year 2015 as authorized by section 162(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the nat'l board cert/future teacher academy account for fiscal year 2015 for official hospitality.

Sec. 16.

PITTSBURG STATE UNIVERSITY

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

Operating expenditures (including official hospitality)..... \$1,011,858

Sec. 17.

UNIVERSITY OF KANSAS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality)..... \$77,935

Sec. 18.

UNIVERSITY OF KANSAS

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

Operating expenditures (including official hospitality)..... \$85,768

(b) In addition to the other purposes for which expenditures may be made by the university of Kansas from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by the university of Kansas from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project for the earth energy environment center: *Provided*, That such capital improvement project is hereby approved for the university of Kansas for the purpose of subsection (b) of K.S.A. 74-8905, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That the university of Kansas may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$25,000,000, plus all amounts required for costs of bonds issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations for any appropriate special revenue fund or funds: *And provided further*, That the university of Kansas may make provisions for the maintenance of the earth energy environment center.

Sec. 19.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality)..... \$1,730,679

Sec. 20.

UNIVERSITY OF KANSAS MEDICAL CENTER

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

Operating expenditures (including official hospitality)..... \$7,328,224

Provided, That, during fiscal year 2015, in addition to the other purposes for which expenditures may be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 as authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 for cancer center research: *Provided further*, That all amounts expended for cancer center research from the operating expenditures (including official hospitality) account for fiscal year 2015 shall be matched by the university of Kansas medical center on a \$1 for \$1 basis from other moneys of the university of Kansas medical center for the cancer center research for which the money is expended: *And provided further*, That the university of Kansas medical center shall submit a plan to the house committee on appropriations and the senate committee on ways and means as to how the cancer center research activities create additional jobs for the state for fiscal year 2015: *And provided further*, That, such expenditures for cancer center research shall be in an amount not less than \$5,000,000.

Rural health bridging..... \$70,000

Provided, That expenditures from the rural health bridging account shall not be used to supplant or replace funds already budgeted for the rural health bridging program of the university of Kansas medical center.

Midwest stem cell therapy center..... \$9,000

(b) In addition to the other purposes for which expenditures may be made by the university of Kansas medical center from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, and in addition to the bonding authority issued pursuant to section 240(d) of the 2013 Session Laws of Kansas, expenditures shall be made by the university of Kansas medical center from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project construction of the health education building part two at the university of Kansas medical center: *Provided*, That such capital improvement project is hereby approved for the university of Kansas medical center for the purposes of subsection (b) of K.S.A. 74-8905, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That the university of Kansas medical center may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$25,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds:

And provided further, That the university of Kansas medical center may make provisions for the maintenance of the buildings.

Sec. 21.

WICHITA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality)..... \$281,267

Sec. 22.

WICHITA STATE UNIVERSITY

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

Operating expenditures (including official hospitality)..... \$10,514,755

Provided, That, during fiscal year 2015, in addition to the other purposes for which expenditures may be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 as authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 for aviation research: *Provided further*, That all amounts expended for aviation research from the operating expenditures (including official hospitality) account for fiscal year 2015 shall be matched by Wichita state university on a \$1 for \$1 basis from other moneys of Wichita state university for the aviation research for which the money is expended: *And provided further*, That Wichita state university shall submit a plan to the house committee on appropriations and the senate committee on ways and means as to how the aviation research activities create additional jobs for the state for fiscal year 2015: *And provided further*, That, such expenditures for aviation research shall be in an amount not less than \$5,000,000: *And provided further*, That, during fiscal year 2015, in addition to the other purposes for which expenditures may be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 as authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by the above agency from the operating expenditures (including official hospitality) account for fiscal year 2015 for training and equipment expenditures of the national center for aviation training: *And provided further*, That, such expenditures for such training and equipment expenditures shall be in an amount not less than \$3,500,000.

(b) On July 1, 2014, of the \$2,981,537 appropriated for the above agency for the fiscal year ending June 30, 2015, by section 170(c) of chapter 136 of the 2013 Session Laws of Kansas from the state economic development initiatives fund in the aviation infrastructure account, the sum of \$2,981,537 is hereby lapsed.

(c) On July 1, 2014, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$2,981,537 from the state economic development initiatives fund to the state general fund.

Sec. 23.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Tuition for technical education..... \$9,250,000

Municipal university operating grant \$169,698

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2014, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Temporary assistance for needy families federal fund No limit

Workforce data quality initiative No limit

Sec. 24.

STATE BOARD OF REGENTS

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

Tuition for technical education..... \$12,000,000

Provided, That, notwithstanding the provisions of any other statute, in addition to the other purposes for which expenditures may be made by the above agency from the tuition for technical education account of the state general fund for fiscal year 2015, expenditures shall be made by the above agency from the tuition for technical education account of the state general fund for fiscal year 2015 for the payment of technical education tuition for adult students who are enrolled in technical education classes while obtaining a GED using the Accelerating Opportunity program: *Provided further*, That, such expenditures shall be in an amount not less than \$500,000.

Postsecondary tiered technical education state aid.....	\$900,752
Non-tiered course credit hour grant.....	\$1,194,020
Municipal university operating grant	\$169,698

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2015, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Temporary assistance for needy families federal fund	No limit
Workforce data quality initiative	No limit
Postsecondary education performance-based incentives fund	\$1,905,228

(c) On July 1, 2014, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$1,905,228 from the state general fund to the postsecondary education performance-based incentives fund of the state board of regents.

Sec. 25.

STATE FIRE MARSHAL

(a) On July 1, 2014, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$2,500,000 from the fire marshal fee fund of the state fire marshal to the state general fund.

Sec. 26.

KANSAS HIGHWAY PATROL

(a) On July 1, 2014, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$1,000,000 from the vehicle identification number fee fund of the Kansas highway patrol to the state general fund.

Sec. 27.

DEPARTMENT OF TRANSPORTATION

(a) On the effective date of this act, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 68-416, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$3,500,000 from the municipal university forensic laboratory fund of the department of transportation to the state general fund.

New Sec. 28. Article 6 of the constitution of the state of Kansas states that the legislature shall provide for intellectual, educational, vocational and scientific improvement by establishing and maintaining public schools; provide for a state board of education having general supervision of public schools, educational institutions and the educational interests of the state, except those delegated by law to the state board of regents; and make suitable provision for finance of the educational interests of the state. It is the purpose and intention of the legislature to provide a financing system for the education of kindergarten and grades one through 12 which provides students with the capacities set forth in K.S.A. 2013 Supp. 72-1127, and amendments thereto. Such financing system shall be sufficiently flexible for the legislature to consider and utilize financing methods from all available resources in order to satisfy the constitutional requirements under article 6. Such financing methods shall include, but are not limited to, the following:

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

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

(1) Financing to unified school districts through the school district

finance and quality performance act pursuant to K.S.A. 72-6405 et seq., and amendments thereto;

(2) financing to unified school districts through any provisions which provide state aid, such as capital improvements state aid, capital outlay state aid and any other state aid paid, distributed or allocated to school districts on the basis of the assessed valuation of school districts;

(3) employer contributions to the Kansas public employees retirement system for public schools;

(4) appropriations to the Kansas children's cabinet for programs serving students enrolled in unified school districts in meeting the goal specified in K.S.A. 2013 Supp. 72-1127, and amendments thereto;

(5) appropriations to any programs which provide early learning to four-year-old children with the purpose of preparing them for success in public schools;

(6) appropriations to any programs, such as communities in schools, which provide individualized support to students enrolled in unified school districts in meeting the goal specified in K.S.A. 2013 Supp. 72-1127, and amendments thereto;

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

(8) financing to other facilities providing public education to students, such as the Kansas state school for the blind, the Kansas state school for the deaf, school district juvenile detention facilities and the Flint Hills job corps center;

(9) appropriations relating to the Kansas academy of mathematics and science;

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

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

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

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

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

New Sec. 29. (a) There is hereby established the K-12 student performance and efficiency commission. The commission shall study and make recommendations to the legislature regarding opportunities to make more efficient use of taxpayer money. The commission shall particularly study and review the following areas:

(1) Opportunities for school districts to be operated in a cost-effective manner;

(2) variances in per-pupil and administrative expenditures among school districts with comparable enrollment, demographics and outcomes on statewide assessments;

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

(4) administrative functions that may be shared between school districts; and

(5) expenditures that are not directly or sufficiently related to the goal of providing each and every child with the capacities set forth in K.S.A. 2013 Supp. 72-1127, and amendments thereto.

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

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

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

(2) The commissioner of education, the director of the budget, the revisor of statutes, the legislative post auditor and the director of legislative research shall be nonvoting, ex-officio members of the commission.

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

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

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

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

(g) The commission shall submit a report to the legislature before January 9, 2015, with any findings and recommendations which the commission deems necessary, including the recommendation of any legislation. To carry out the recommendations of the commission, if necessary, one bill shall be introduced in the senate and one bill shall be introduced in the house of representatives, which such bills shall contain the exact same provisions, during the 2015 legislative session.

(h) The provisions of this section shall expire on January 12, 2015.

New Sec. 30. (a) As used in this section:

(1) "Applicant" means a person who:

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

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

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

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

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

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

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

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

(3) the applicant has obtained at least a bachelor's degree in the subject matter area of science, technology, engineering, mathematics, finance or accounting; has at least five years of work experience in such subject matter area; and has secured a commitment from the board of education of a school district to be hired as a teacher to teach in such subject matter area.

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

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

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

New Sec. 31. Each school district shall provide written notice to each teacher employed by such district of protections afforded teachers under

the Kansas tort claims act pursuant to K.S.A. 75-6101 et seq., and amendments thereto. Such notice shall include information about the Kansas tort claims act, a teacher's coverage as an employee of the district under the Kansas tort claims act, the amount of liability coverage provided for claims which could give rise to an action under the Kansas tort claims act against a teacher and the procedure in which to request a defense under the Kansas tort claims act pursuant to K.S.A. 75-6108, and amendments thereto.

Sec. 32. K.S.A. 2013 Supp. 72-1127 is hereby amended to read as follows: 72-1127. (a) In addition to subjects or areas of instruction required by K.S.A. 72-1101, 72-1103, 72-1117, 72-1126 and 72-7535, and amendments thereto, every accredited school in the state of Kansas shall teach the subjects and areas of instruction adopted by the state board of education ~~as of January 1, 2005.~~

(b) Every accredited high school in the state of Kansas also shall teach the subjects and areas of instruction necessary to meet the graduation requirements adopted by the state board of education ~~as of January 1, 2005.~~

(c) Subjects and areas of instruction shall be designed by the state board of education to achieve the following ~~goals~~ goal established by the legislature ~~to allow for the of providing each and every child with at least the following capacities:~~

(1) ~~Development of sufficient oral and written communication skills which enable students to function in a complex and rapidly changing society;~~

(2) ~~acquisition of sufficient knowledge of economic, social and political systems which enable students to understand the issues that affect the community, state and nation;~~

(3) ~~development of students' mental and physical wellness;~~

(4) ~~development of knowledge of the fine arts to enable students to appreciate the cultural and historical heritage of others;~~

(5) ~~training or preparation for advanced training in either academic or vocational fields so as to enable students to choose and pursue life work intelligently;~~

(6) ~~development of sufficient levels of academic or vocational skills to enable students to compete favorably in academics and the job market; and~~

(7) ~~needs of students requiring special education services.~~

(1) *Sufficient oral and written communication skills to enable students to function in a complex and rapidly changing civilization;*

(2) *sufficient knowledge of economic, social, and political systems to enable the student to make informed choices;*

(3) *sufficient understanding of governmental processes to enable the student to understand the issues that affect his or her community, state, and nation;*

(4) *sufficient self-knowledge and knowledge of his or her mental and physical wellness;*

(5) *sufficient grounding in the arts to enable each student to appreciate his or her cultural and historical heritage;*

(6) *sufficient training or preparation for advanced training in either academic or vocational fields so as to enable each child to choose and pursue life work intelligently; and*

(7) *sufficient levels of academic or vocational skills to enable public school students to compete favorably with their counterparts in surrounding states, in academics or in the job market.*

(d) Nothing in this section shall be construed as relieving the state or school districts from other duties and requirements imposed by state or federal law including, but not limited to, at-risk programs for pupils needing intervention, programs concerning special education and related services and bilingual education.

New Sec. 33. (a) The state board of regents is hereby authorized for and on behalf of Emporia state university, to sell and convey, or exchange with the Emporia state university foundation for property of equal or greater value, all of the rights, title and interest in the following tract of real estate and any improvements thereon, located in the city of Emporia in Lyon county, Kansas, commonly known as Emporia State University Apartments at 1201 Triplett Drive, Emporia, Kansas 66801, and de-

scribed as follows: Even lots 2 through 34 and all of now vacated alleys lying adjacent to said lots, lying south of the south right of way line of Interstate 35, all in Kellogg's addition to the City of Emporia, Lyon County, Kansas, according to the recorded plat thereof.

Also: Lots 1 through 24 in Norton's addition to the City of Emporia, Lyon County, Kansas, according to the recorded plat thereof, all of now vacated alleys lying adjacent to said lots, all of that part of now vacated Eskridge street and all of that part of now vacated Union Pacific railroad, lying west and south of East Street and south of the south right of way line of Interstate 35.

(b) Conveyance of such rights, title and interest in such tract of real estate, and any improvements thereon, shall be executed in the name of the state board of regents by its chairperson and chief executive officer. If a sale is made, not an exchange, the proceeds from sale of such tract of real estate, and any improvements thereon, shall be deposited in the state treasury to the credit of an appropriate account of the restricted fees fund of Emporia state university. The deed for such conveyance may be by warranty deed or by quitclaim deed as determined to be in the best interests of the state by the state board of regents in consultation with the attorney general.

(c) In the event that the state board of regents determines that the legal description of such tract of real estate described by this section is incorrect, the state board of regents may convey the property utilizing the correct legal description but the deed conveying the property shall be subject to the approval of the attorney general.

(d) No exchange and conveyance of real estate and improvements thereon as authorized by this section shall be made by the state board of regents until the deeds and conveyances have been reviewed and approved by the attorney general and, if warranty deeds are to be the instruments of conveyance, title reviews have been performed or title insurance has been obtained and the title opinion or the certificates of title insurance, as the case may be, have been approved by the attorney general.

(e) The conveyance authorized by this section shall not be subject to the provisions of K.S.A. 75-3043a or K.S.A. 2013 Supp. 75-6609, and amendments thereto.

Sec. 34. K.S.A. 2013 Supp. 72-1925 is hereby amended to read as follows: 72-1925. (a) Until such time as two or more public innovative districts have been granted authority to operate as public innovative districts pursuant to K.S.A. 2013 Supp. 72-1923, and amendments thereto, any board of education of a school district desiring to operate as a public innovative district shall submit a request for approval to operate as a public innovative district to the governor, the chairperson of the senate committee on education and the chairperson of the house of representatives committee on education and have such request approved by a majority of the three persons prior to submitting an application to the state board under K.S.A. 2013 Supp. 72-1923, and amendments thereto. The request for approval shall include such information as is required to be included on an application for authority to operate as a public innovative district under K.S.A. 2013 Supp. 72-1923, and amendments thereto.

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

(c) The request for approval required by subsection (b) shall include such information as is required to be included on an application for authority to operate as a public innovative district under K.S.A. 2013 Supp. 72-1923, and amendments thereto. Copies of the request for approval shall be submitted to each public innovative district that is a member of the coalition. Within 30 days after receipt of the request for approval by

the last member to receive such request, the coalition board shall meet to approve or deny the request. Notification of the approval or denial of a request shall be sent to the board of education of the requesting school district within 10 days after such decision. If the request is denied, the notification shall specify the reasons therefor. Within 30 days from the date a notification of denial is sent, the board of education of the requesting school district may submit a request to the coalition board for reconsideration of the request for approval and may submit an amended request for approval with the request for reconsideration. The coalition board shall act on the request for reconsideration within 30 days of receipt of such request.

(d) (1) *Except as provided by paragraph (2) of this subsection, no more than 10% of the school districts in the state shall operate as public innovative districts at any one time. Any request for approval submitted at such time shall be denied by the coalition board.*

(2) *An amount in excess of 10% but not to exceed 20% of school districts in the state may operate as public innovative districts if such school district operates a school within its district which is deemed to be either a title I focus school or a title I priority school as described by the state board under the elementary and secondary education act flexibility waiver, as amended in January of 2013. Any request for approval under this paragraph shall be reviewed by the coalition board for approval.*

Sec. 35. On and after July 1, 2014, K.S.A. 72-5333b is hereby amended to read as follows: 72-5333b. (a) The unified school district maintaining and operating a school on the Fort Leavenworth military reservation, being unified school district No. 207 of Leavenworth county, state of Kansas, shall have a governing body, which shall be known as the "Fort Leavenworth school district board of education" and which shall consist of three members who shall be appointed by, and serve at the pleasure of the commanding general of Fort Leavenworth. One member of the board shall be the president and one member shall be the vice-president. The commanding general, when making any appointment to the board, shall designate which of the offices the member so appointed shall hold. Except as otherwise expressly provided in this section, the district board and the officers thereof shall have and may exercise all the powers, duties, authority and jurisdiction imposed or conferred by law on unified school districts and boards of education thereof, except such school district shall not offer or operate any of grades 10 through 12.

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

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

Sec. 36. On and after July 1, 2014, K.S.A. 2013 Supp. 72-6407 is hereby amended to read as follows: 72-6407. (a) (1) "Pupil" means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district.

(2) Except as otherwise provided in paragraph (3) of this subsection, a pupil in attendance full time shall be counted as one pupil. A pupil in attendance part time shall be counted as that proportion of one pupil (to the nearest $\frac{1}{2}$) that the pupil's attendance bears to full-time attendance. A pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil. A pupil enrolled in and attending an institution of postsecondary education which is authorized under the laws of this state to award academic degrees shall be counted as one pupil if the pupil's postsecondary education enrollment and attendance together with the pupil's attendance in either of the

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

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

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

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

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

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

(e) "Enrollment" means: (1) (A) Subject to the provisions of paragraph (1)(B), for districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the number of pupils regularly enrolled in the district on September 20 plus the number of pupils regularly enrolled in the district on February 20 less the number of pupils regularly enrolled on February 20 who were counted in the enrollment of the district on September 20; and for districts not specified

in this paragraph (1), the number of pupils regularly enrolled in the district on September 20; (B) a pupil who is a foreign exchange student shall not be counted unless such student is regularly enrolled in the district on September 20 and attending kindergarten or any of the grades one through 12 maintained by the district for at least one semester or two quarters or the equivalent thereof;

(2) if enrollment in a district in any school year has decreased from enrollment in the preceding school year, enrollment of the district in the current school year means whichever is the greater of: (A) *The sum of:* (i) Enrollment in the preceding school year, *excluding pupils under subparagraph (A)(ii),* minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled; and (ii) *adjusted enrollment in the preceding school year of any pupils participating in the tax credit for low income students scholarship program pursuant to sections 55 through 61, and amendments thereto, in the current school year, if any, plus adjusted enrollment in the preceding school year of preschool-aged at-risk pupils participating in the tax credit for low income students scholarship program pursuant to sections 55 through 61, and amendments thereto, in the current school years, if any such pupils were enrolled;* or (B) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled and the average (mean) of the sum of: (i) Enrollment of the district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled; and (ii) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled; and (iii) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled; or

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

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

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

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

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

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

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

(l) "Cost of living weighting" means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 2013 Supp. 72-6449, and amendments thereto, apply on the basis of costs attributable to the cost of living in the district.

(m) "Ancillary school facilities weighting" means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 72-6441, and amendments thereto, apply on the basis of costs attributable to commencing operation of new school facilities. Ancillary school facil-

ities weighting may be assigned to enrollment of a district only if the district has levied a tax under authority of K.S.A. 72-6441, and amendments thereto, and remitted the proceeds from such tax to the state treasurer. Ancillary school facilities weighting is in addition to assignment of school facilities weighting to enrollment of any district eligible for such weighting.

(n) “Juvenile detention facility” has the meaning ascribed thereto by 72-8187, and amendments thereto.

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

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

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

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

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

(t) “Nonproficient pupil” means a pupil who is not eligible for free meals under the national school lunch act and who has scored less than proficient on the mathematics or reading state assessment during the preceding school year and who is enrolled in a district which maintains an approved proficiency assistance plan.

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

~~(v) “Psychiatric residential treatment facility” has the meaning ascribed thereto by K.S.A. 72-8187, and amendments thereto.~~

~~(w) “Medium density at-risk pupil weighting” means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 2013 Supp. 72-6450, and amendments thereto, apply.~~

Sec. 37. On and after July 1, 2014, K.S.A. 2013 Supp. 72-6410 is hereby amended to read as follows: 72-6410. (a) “State financial aid” means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

(b) (1) *Subject to the other provisions of this subsection, “base state aid per pupil” means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is \$4,433 in school year 2008-2009 and \$4,492 in school year 2009-2010 and each school year thereafter appropriated by the legislature in a fiscal year for the designated year. The amount of base state aid per pupil for school year 2014-2015, and each school year thereafter, shall be at least \$3,838.*

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

such school year is subject to reduction commensurate with the amount of the insufficiency.

(c) ~~“Local effort”~~“*School financing sources*” means the sum of the following amounts:

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 38. On and after July 1, 2014, K.S.A. 2013 Supp. 72-6415b is hereby amended to read as follows: 72-6415b. School facilities weighting may be assigned to enrollment of a district only if: (a) The district has adopted a local option budget in an amount equal to at least 25% of the amount of the state financial aid determined for the district in the current school year; and (b) *the contractual bond obligations incurred by the district was approved by the electors of the district at an election held on or before July 1, 2014.* School facilities weighting may be assigned to enrollment of the district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year.

Sec. 39. On and after July 1, 2014, K.S.A. 72-6416 is hereby amended to read as follows: 72-6416. (a) In each school year, the state board shall determine entitlement of each district to general state aid for the school year as provided in this section.

(b) The state board shall determine the amount of the district’s ~~local effort~~ *school financing sources* for the school year. If the amount of the

district's ~~local-effort school financing sources~~ is greater than the amount of state financial aid determined for the district for the school year, the district shall not be entitled to general state aid. If the amount of the district's ~~local-effort school financing sources~~ is less than the amount of state financial aid determined for the district for the school year, the state board shall subtract the amount of the district's ~~local-effort school financing sources~~ from the amount of state financial aid. The remainder is the amount of general state aid the district is entitled to receive for the current school year.

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

Sec. 40. On and after July 1, 2014, K.S.A. 2013 Supp. 72-6417 is hereby amended to read as follows: 72-6417. (a) The distribution of general state aid under this act shall be made in accordance with appropriation acts each year as provided in this section.

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

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

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

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

Sec. 41. On and after July 1, 2014, K.S.A. 2013 Supp. 72-6431 is hereby amended to read as follows: 72-6431. (a) The board of each district shall levy an ad valorem tax upon the taxable tangible property of the district in the school years specified in subsection (b) for the purpose of:

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

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

(3) with respect to any redevelopment district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district.

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

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

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

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

Sec. 42. K.S.A. 2013 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a) As used in this section:

(1) "State prescribed percentage" means ~~31%~~ 33% of state financial aid of the district in the current school year.

(2) "Authorized to adopt a local option budget" means that a district has adopted a resolution under this section, ~~has published the same, and either the resolution was not protested or it was protested and an election was held by which the adoption of a local option budget was approved pursuant to subsection (c), (d) or (e).~~

(3) "State financial aid" shall have the meaning provided in K.S.A. 72-6410, and amendments thereto, except that the term shall not include virtual school state aid, as described in K.S.A. 72-3715, and amendments thereto.

(b) In each school year, the board of any district may adopt a local option budget which does not exceed the state prescribed percentage.

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

(1) (A) The amount which the board was authorized to adopt in accordance with the provisions of this section in effect prior to its amendment by this act; plus

(B) the amount which the board was authorized to adopt pursuant to any resolution currently in effect; plus

(C) the amount which the board was authorized to adopt pursuant to K.S.A. 72-6444, and amendments thereto, if applicable to the district; or

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

Except as provided by subsection (e), the adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.

(d) *Except as provided by subsection (e)*, if the board of a district desires to increase its local option budget authority above the amount authorized under subsection (c) or if the board was not authorized to adopt a local option budget in 2006-2007, the board may adopt, by resolution, such budget in an amount not to exceed the state prescribed percentage. The adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. The resolution shall be published at least once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. _____, _____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year in an amount not to exceed ____% of the amount of state financial aid. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home

county of the school district within 30 days after publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

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

Clerk of the board of education.

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

(e) (1) *Except as provided by paragraphs (2) and (3), any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. The election shall be called and held in the manner provided by K.S.A. 10-120, and amendments thereto, except that such election shall be a mail ballot election conducted in accordance with K.S.A. 25-431 et seq., and amendments thereto. Any such election shall be held on or before August 1 of the initial school year for which such resolution was adopted.*

(2) *For school year 2014-2015, any board of education of a school district which has adopted a local option budget in excess of 30% of state financial aid in the current school year on or before June 30, 2014, may adopt a second resolution in an amount not to exceed 2% of state financial aid, provided that the aggregate local option budget authority for the district does not exceed 33% of state financial aid in the current school year. The adoption of a second resolution pursuant to this paragraph shall require a majority vote of the members of the board and shall specifically state in such resolution that it shall expire on June 30, 2015. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.*

(3) *The board of unified school district no. 207, as described in K.S.A. 72-5333b, and amendments thereto, may adopt a local option budget in excess of 30% of state financial aid of the district in the current school year in accordance with subsection (d).*

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

(g) The board of any district may initiate procedures to renew or increase the authority to adopt a local option budget at any time during a school year after the tax levied pursuant to K.S.A. 72-6435, and amendments thereto, is certified to the county clerk under any existing authorization.

(h) The board of any district that is authorized to adopt a local option budget prior to the effective date of this act under a resolution which authorized the adoption of such budget in accordance with the provisions

of this section in effect prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

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

(j) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitation imposed under paragraph (3) and subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to any program weighted fund or categorical fund of the district. Amounts in the supplemental general fund attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%.

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

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

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

(k) Each year the state board of education shall determine the state-wide average percentage of local option budgets legally adopted by school districts for the preceding school year.

(l) The provisions of this section shall be subject to the provisions of K.S.A. 2013 Supp. 72-6433d, and amendments thereto.

Sec. 43. K.S.A. 2013 Supp. 72-6433d is hereby amended to read as follows: 72-6433d. (a) (1) The provisions of this subsection shall apply in any school year in which the amount of base state aid per pupil is \$4,433 or less.

(2) *Except as provided in paragraph (3), the board of any school district may adopt a local option budget which does not exceed the local option budget calculated as if the base state aid per pupil was \$4,433, or which does not exceed the local option budget as calculated pursuant to K.S.A. 72-6433, and amendments thereto, whichever is greater.*

(3) *For school years 2014-2015 and 2015-2016, the board of any school district may adopt a local option budget which does not exceed the local option budget calculated as if the base state aid per pupil was \$4,490, or which does not exceed the local option budget as calculated pursuant to K.S.A. 72-6433, and amendments thereto, whichever is greater.*

(b) The board of education of any school district may adopt a local option budget which does not exceed the local option budget calculated as if the district received state aid for special education and related services equal to the amount of state aid for special education and related services received in school year 2008-2009, or which does not exceed the

local option budget as calculated pursuant to K.S.A. 72-6433, and amendments thereto, whichever is greater.

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

(d) To the extent that the provisions of K.S.A. 72-6433, and amendments thereto, conflict with this section, this section shall control.

(e) The provisions of this section shall expire on June 30, ~~2014~~ 2017.

Sec. 44. On and after July 1, 2014, K.S.A. 2013 Supp. 72-6441 is hereby amended to read as follows: 72-6441. (a) (1) The board of any district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state court of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of ancillary school facilities weighting to enrollment of the district. The state court of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount that is financed from any other source provided by law for such purpose, including any amount attributable to assignment of school facilities weighting to enrollment of the district for each school year in which the district is eligible for such weighting. If the district is not eligible, or will be ineligible, for school facilities weighting in any one or more years during the two-year period for which the district is authorized to levy a tax under this subsection, the state court of tax appeals may authorize the district to make a levy; in such year or years of ineligibility, which will produce an amount that is not greater than the actual amount of costs attributable to commencing operation of the facility or facilities.

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

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

(4) The provisions of this subsection apply to any district that: (A) Commenced operation of one or more new school facilities in the school year preceding the current school year or has commenced or will commence operation of one or more new school facilities in the current school year or any or all of the foregoing; (B) is authorized to adopt and has adopted a local option budget which is at least equal to ~~that amount required to qualify for school facilities weighting under K.S.A. 2013 Supp. 72-6415b, and amendments thereto~~ 25% of the amount of state financial aid determined for the district in the current school year; and (C) is experiencing extraordinary enrollment growth as determined by the state board of education.

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

(1) Determine the amount produced by the tax levied by the district under authority of subsection (a) in the second year for which such tax was levied and add to such amount the amount of general state aid directly

attributable to school facilities weighting that was received by the district in the same year;

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

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

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

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

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

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

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

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

Sec. 45. K.S.A. 2013 Supp. 72-8254 is hereby amended to read as follows: 72-8254. (a) This section shall be known and may be cited as the Kansas uniform financial accounting and reporting act.

(b) As used in this section:

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

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

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

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

(c) The state board shall develop and maintain a uniform reporting system for the receipts and expenditures of school districts. The accounting records maintained by each school district shall be coordinated with the uniform reporting system. Each school district shall record the receipts and expenditures of the district in accordance with a uniform classification of accounts or chart of accounts and reports as shall be prescribed by the state board. Each school district shall submit such reports and statements as may be required by the state board. The state board shall design, revise and direct the use of accounting records and fiscal procedures and prescribe uniform classifications for receipts and expenditures for all school districts. The reporting system shall include all funds

held by a school district regardless of the source of the moneys held in such funds, including, but not limited to, all funds funded by fees or other sources of revenue not derived from tax levies. The state board shall prescribe the necessary forms to be used by school districts in connection with such uniform reporting system.

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

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

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

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

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

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

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

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

- ~~(1)~~(i) Function 1000, instruction;
- ~~(2)~~(ii) function 2100, student support;
- ~~(3)~~(iii) function 2200, instructional staff support;
- ~~(4)~~(iv) functions 2300 through 2500, administration;
- ~~(5)~~(v) function 2600, operation and maintenance;
- ~~(6)~~(vi) function 2700, transportation;
- ~~(7)~~(vii) function 3100, food service;
- ~~(8)~~(viii) functions 2900, 3200 and 3300, other current spending;
- ~~(9)~~(ix) function 4000, capital outlay;
- ~~(10)~~(x) function 5100, debt service;
- ~~(11)~~(xi) the total expenditures which is the sum of the amounts in paragraphs ~~(1)~~ clauses (i) through ~~(10)~~(x);
- ~~(12)~~(xii) the spending allocated to function 1000, instruction, excluding capital outlay and debt service expenditures, as a percentage of total expenditures;
- ~~(13)~~(xiii) the spending allocated to function 1000, instruction, excluding capital outlay and debt service expenditures, as a percentage of current spending, which is the sum of expenditures for functions 1000 through 3300 less capital outlay and debt service expenditures included in any of those functions; and
- ~~(14)~~(xiv) the revenue in total dollars net of transfers both in total and disaggregated to show the amount of revenue received from local, state and federal revenue sources.

(2) For purposes of subsection (i)(1)(B), all per pupil amounts shall be calculated using the full-time equivalent enrollment of the school district. All function categories and other accounting categories shall refer to those same categories as established and required for financial ac-

counting purposes by the state board as published in the Kansas state department of education's Kansas accounting handbook for unified school districts, as published in August 2012, or later versions as established in rules and regulations adopted by the state board.

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

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

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

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

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

(i) Total expenditures;

(ii) capital outlay expenditures;

(iii) bond and interest expenditures; and

(iv) all other expenditures not included in (ii) or (iii).

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

Sec. 46. K.S.A. 72-8809 is hereby amended to read as follows: 72-8809. The board of education of any school district which has made a tax levy under K.S.A. 72-8801, *and amendments thereto*, may at any time ~~after the final levy is certified to the county clerk under any current authorization~~, initiate procedures to renew its authority to make ~~a like an~~ annual tax levy in the amount and upon the conditions and in the manner specified in ~~said K.S.A. 72-8801, and at five-year intervals thereafter may in like manner and on like conditions renew such levy for successive five-year periods and amendments thereto.~~ *Except as otherwise provided by its terms, any initial resolution adopted pursuant to K.S.A. 72-8801, and amendments thereto, shall remain in full force and effect until such time as a second resolution becomes effective, at which time the initial resolution shall become null and void.*

Sec. 47. K.S.A. 2013 Supp. 72-8814 is hereby amended to read as follows: 72-8814. (a) There is hereby established in the state treasury the school district capital outlay state aid fund. Such fund shall consist of all amounts transferred thereto under the provisions of subsection (c).

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

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

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

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

(4) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval below the amount of the median AVPP. Except as provided by K.S.A. 2013 Supp. 72-8814b, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the sched-

ule amount that is equal to the amount of the AVPP of the school district, except that the state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

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

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

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

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

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

Sec. 48. On and after July 1, 2014, K.S.A. 72-1412 is hereby amended to read as follows: 72-1412. As used in K.S.A. 72-1412 through 72-1415, and amendments thereto:

(a) "Mentor teacher program" means a program established and maintained by the board of education of a school district for the purpose of providing probationary teachers with professional support and the continuous assistance of an on-site mentor teacher.

(b) "Mentor teacher" means a certificated teacher who has completed at least three consecutive school years of employment in the school district, has been selected by the board of education of the school district on the basis of having demonstrated exemplary teaching ability as indicated by criteria established by the state board of education, and has participated in and successfully completed a training program for mentor teachers provided for by the board of education of the school district in accordance with guidelines prescribed by the state board of education. The primary function of a mentor teacher shall be to provide probationary teachers with professional support and assistance. A mentor teacher may provide assistance and guidance to not more than two probationary teachers.

(c) "Probationary teacher" means a certificated teacher ~~to whom the provisions of K.S.A. 72-5438 through 72-5443, and amendments thereto, do not apply~~ *who has completed less than three consecutive school years of employment in the school district.*

Sec. 49. On and after July 1, 2014, K.S.A. 2013 Supp. 72-5436 is hereby amended to read as follows: 72-5436. As used in this act: (a) "Teacher" means ~~any professional employee who is required to hold a certificate to teach in any school district, and any teacher or instructor in any area vocational-technical school technical college, the institute of technology at Washburn university or community college.~~ The term "teacher" does not include within its meaning ~~any supervisors, principals or superintendents or any persons employed under the authority of K.S.A. 72-8202b, and amendments thereto, or any persons employed in an administrative capacity by any area vocational-technical school technical college, the institute of technology at Washburn university or community college, or commencing in the 2006-2007 school year, any person who is a retiree~~

from school employment of the Kansas public employees retirement system.

(b) “Board” means the board of education of any school district, the board of control of any area vocational-technical school governing body of any technical college or the institute of technology at Washburn university, and the board of trustees of any community college.

Sec. 50. On and after July 1, 2014, K.S.A. 2013 Supp. 72-5437 is hereby amended to read as follows: 72-5437. (a) All contracts of employment of teachers, as defined in K.S.A. 72-5436, and amendments thereto, except contracts entered into under the provisions of K.S.A. 72-5412a, and amendments thereto, shall be deemed to continue for the next succeeding school year unless written notice of termination or nonrenewal is served as provided in this subsection. Written notice to terminate a contract may be served by a board upon any teacher prior to the time the contract has been completed, and written notice of intention to nonrenew a contract shall be served by a board upon any teacher on or before the third Friday in May. A teacher shall give written notice to a board that the teacher does not desire continuation of a contract on or before the 14th calendar day following the third Friday in May or, if applicable, not later than 15 days after the issuance of a unilateral contract as authorized by K.S.A. 72-5428a, and amendments thereto, whichever is the later date.

(b) Terms of a contract may be changed at any time by mutual consent of both a teacher and a board.

(c) As used in this section:

(1) “Board of education” or “board” means the board of education of any school district, the governing body of any technical college or the institute of technology at Washburn university, and the board of trustees of any community college.

(2) “Professional employee” means any person employed by a board of education in a position which requires a certificate issued by the state board of education or employed by a board of education in a professional, educational or instructional capacity.

(3) (A) “Teacher” means (1) a teacher as defined by K.S.A. 72-5436, and amendments thereto, and (2) any professional employee who is required to hold a certificate to teach in any school district, and any teacher or instructor in any technical college, the institute of technology at Washburn university or any community college, including any professional employee who is a retirant from school employment of the Kansas public employees retirement system.

(B) The term “teacher” does not include any supervisors, principals or superintendents or any persons employed under the authority of K.S.A. 72-8202b, and amendments thereto, or any persons employed in any administrative capacity by any technical college, the institute of technology at Washburn university or any community college.

Sec. 51. On and after July 1, 2014, K.S.A. 2013 Supp. 72-5438 is hereby amended to read as follows: 72-5438. (a) Whenever a teacher is given written notice of intention by a board to not renew or to terminate the contract of the teacher as provided in K.S.A. 72-5437, and amendments thereto, the written notice of the proposed nonrenewal or termination shall include: (1) A statement of the reasons for the proposed nonrenewal or termination; and (2) a statement that the teacher may have the matter heard by a hearing officer upon written request filed with the clerk of the board of education or the board of control or the secretary of the board of trustees within 15 calendar days from the date of such notice of nonrenewal or termination.

(b) Within 10 calendar days after the filing of any written request of a teacher to be heard as provided in subsection (a), the board shall notify the commissioner of education that a list of qualified hearing officers is required. Such notice shall contain the mailing address of the teacher. Within 10 days after receipt of notification from the board, the commissioner shall provide to the board and to the teacher, a list of five randomly selected, qualified hearing officers.

(c) Within five days after receiving the list from the commissioner, each party shall eliminate two names from the list, and the remaining individual on the list shall serve as hearing officer. In the process of elimination, each party shall eliminate no more than one name at a time, the parties alternating after each name has been eliminated. The first name

to be eliminated shall be chosen by the teacher within five days after the teacher receives the list. The process of elimination shall be completed within five days thereafter.

(d) Either party may request that one new list be provided within five days after receiving the list. If such a request is made, the party making the request shall notify the commissioner and the other party, and the commissioner shall generate a new list and distribute it to the parties in the same manner as the original list.

(e) In lieu of using the process provided in subsections (b) and (c), if the parties agree, they may make a request to the American arbitration association for an arbitrator to serve as the hearing officer. Any party desiring to use this alternative procedure shall so notify the other party in the notice required under subsection (a). If the parties agree to use this procedure, the parties shall make a joint request to the American arbitration association for a hearing officer within 10 days after the teacher files a request for a hearing. If the parties choose to use this procedure, the parties shall each pay one-half of the cost of the arbitrator and of the arbitrator's expenses.

(f) The commissioner of education shall compile and maintain a list of hearing officers comprised of residents of this state who are attorneys at law. Such list shall include a statement of the qualifications of each hearing officer.

(g) Attorneys interested in serving as hearing officers under the provisions of this act shall submit an application to the commissioner of education. The commissioner shall determine if the applicant is eligible to serve as a hearing officer pursuant to the provisions of subsection (h).

(h) An attorney shall be eligible for appointment to the list if the attorney has: (1) Completed a minimum of 10 hours of continuing legal education credit in the area of education law, due process, administrative law or employment law within the past five years; or (2) previously served as the chairperson of a due process hearing committee prior to the effective date of this act. An attorney shall not be eligible for appointment to the list if the attorney has been employed to represent a board or a teacher in a due process hearing within the past five years.

Sec. 52. On and after July 1, 2014, K.S.A. 72-5439 is hereby amended to read as follows: 72-5439. The hearing provided for under K.S.A. 72-5438, and amendments thereto, shall commence within 45 calendar days after the hearing officer is selected unless the hearing officer grants an extension of time. The hearing shall afford procedural due process, including the following:

(a) The right of each party to have counsel of such party's own choice present and to receive the advice of such counsel or other person whom such party may select;

(b) the right of each party or such party's counsel to cross-examine any person who provides information for the consideration of the hearing officer, except those persons whose testimony is presented by affidavit;

(c) the right of each party to present such party's own witnesses in person, or their testimony by affidavit or deposition, except that testimony of a witness by affidavit may be presented only if such witness lives more than 100 miles from the location of the ~~unified school district office, area vocational-technical school~~ *technical college, institute of technology at Washburn university* or community college, or is absent from the state, or is unable to appear because of age, illness, infirmity or imprisonment. When testimony is presented by affidavit the same shall be served upon the ~~clerk of the board of education or the board of control, or the secretary of the board of trustees; or the agent of the board and upon the teacher~~ in person or by first-class mail to the address of the teacher which is on file with the board not less than 10 calendar days prior to presentation to the hearing officer;

(d) the right of the teacher to testify in the teacher's own behalf and give reasons for the teacher's conduct, and the right of the board to present its testimony through such persons as the board may call to testify in its behalf and to give reasons for its actions, rulings or policies;

(e) the right of the parties to have an orderly hearing; and

(f) the right of the teacher to a fair and impartial decision based on substantial evidence.

Sec. 53. On and after July 1, 2014, K.S.A. 2013 Supp. 72-5445 is

hereby amended to read as follows: 72-5445. (a) ~~(1) Subject to the provisions of subsections (b) and (c), The provisions of K.S.A. 72-5438 through 72-5443, and amendments thereto, apply only to: (A) (1) Teachers who have completed not less than three consecutive years of employment, and been offered a fourth contract, in the school district, area vocational-technical school technical college, institute of technology at Washburn university or community college by which any such teacher is currently employed; and (B) (2) teachers who have completed not less than two consecutive years of employment, and been offered a third contract, in the school district, area vocational-technical school technical college, institute of technology at Washburn university or community college by which any such teacher is currently employed if at any time prior to the current employment the teacher has completed the years of employment requirement of subpart (A) paragraph (1) of this subsection in any school district, area vocational-technical school technical college, the institute of technology at Washburn university or community college in this state.~~

~~(2)(b)~~ Any board may waive, at any time, the years of employment requirements of ~~provision subsection (a)(1)~~ for any teacher employed by it.

~~(3)(c)~~ The provisions of this subsection are subject to the provisions of K.S.A. 72-5446, and amendments thereto.

~~(b) The provisions of K.S.A. 72-5438 through 72-5443, and amendments thereto, do not apply to any teacher whose license has been non-renewed or revoked by the state board of education for the reason that the teacher: (1) Has been convicted of a felony under K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their transfer, or article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or any felony violation of any provision of the uniform controlled substances act prior to July 1, 2000; (2) has been convicted of a felony described in any section of article 34 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 54 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. 2013 Supp. 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto, or an act described in K.S.A. 21-3412, prior to its repeal, or subsection (a) of K.S.A. 2013 Supp. 21-5413, or K.S.A. 21-3412a, prior to its repeal, or K.S.A. 2013 Supp. 21-5414, and amendments thereto, if the victim is a minor or student; (3) has been convicted of a felony described in any section of article 35 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 55 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. 2013 Supp. 21-6419 through 21-6421, and amendments thereto, or has been convicted of an act described in K.S.A. 21-3517, prior to its repeal, or subsection (a) of K.S.A. 2013 Supp. 21-5505, and amendments thereto, if the victim is a minor or student; (4) has been convicted of any act described in any section of article 36 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 56 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto; (5) has been convicted of a felony described in article 37 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 58 of chapter 21 of the Kansas Statutes Annotated or subsection (a)(6) of K.S.A. 2013 Supp. 21-6412, and amendments thereto; (6) has been convicted of an attempt under K.S.A. 21-3301, prior to its repeal, or K.S.A. 2013 Supp. 21-5301, and amendments thereto, to commit any act specified in this subsection; (7) has been convicted of any act which is described in K.S.A. 21-4301, 21-4301a or 21-4301c, prior to their repeal, or K.S.A. 2013 Supp. 21-6401 or 21-6402, and amendments thereto; (8) has been convicted in another state or by the federal government of an act similar to any act described in this subsection; or (9) has entered into a criminal diversion agreement after having been charged with any offense described in this subsection.~~

~~(c) (1) The provisions of this subsection shall apply to a teacher described in subsection (a)(1)(A) of this section. After a teacher has completed not less than three consecutive years of employment and if the requirements of paragraph (2) have been satisfied, the board of education of the school district and the teacher may enter into an agreement under which the school district may offer the teacher a contract of employment for a fourth year or a fourth and fifth year and the teacher agrees that the provisions of K.S.A. 72-5438 through 72-5443, and amendments~~

thereto, shall not apply to such teacher unless a sixth contract is offered to the teacher.

(2) ~~A school district offering a contract pursuant to this subsection shall prepare a written plan of assistance for the teacher being offered such contract and shall submit such plan of assistance to the teacher at the time such contract is offered. Prior to signing or rejecting a contract, the teacher shall have not less than 48 hours from the time the contract is offered to review and consider the contract and the plan of assistance. The plan of assistance shall be written to address those areas of teacher performance where the school district believes the teacher's performance is less than satisfactory.~~

(3) ~~If an agreement under this subsection is reached by the teacher and the school district, then the school district shall file annually a report with the state board of education which shall contain the following information in subparagraphs (A) through (D):~~

(A) ~~The number of teachers that were offered by the school district a contract under subsection (a)(1)(A) of this section;~~

(B) ~~the number of teachers that were offered by the school district an agreement under this subsection;~~

(C) ~~the number of teachers that accepted the agreement under this subsection;~~

(D) ~~the number of teachers that were not offered by the school district either a contract under subsection (a)(1)(A) of this section or an agreement under this subsection.~~

(4) ~~In addition to the reports required under paragraph (3), each school district shall report annually to the state board of education, the committee on education of the senate and the committee on education of the house of representatives the number of contracts issued under subsection (a) which result in the application of K.S.A. 72-5438 through 72-5443, and amendments thereto, to the teachers who receive such contracts and the year of employment for which the contract is issued.~~

(5) ~~The provisions of this subsection shall expire on July 1, 2016.~~

Sec. 54. On and after July 1, 2014, K.S.A. 72-5446 is hereby amended to read as follows: 72-5446. In the event any teacher, as defined in K.S.A. 72-5436, and amendments thereto, alleges that the teacher's contract has been nonrenewed by reason of the teacher having exercised a constitutional right, the following procedure shall be implemented:

(a) The teacher alleging an abridgment by the board of a constitutionally protected right shall notify the board of the allegation within 15 days after receiving the notice of intent to not renew or terminate the teacher's contract. Such notice shall specify the nature of the activity protected, and the times, dates, and places of such activity;

(b) the hearing officer provided for by K.S.A. 72-5438, and amendments thereto, shall thereupon be selected and shall decide if there is substantial evidence to support the teacher's claim that the teacher's exercise of a constitutionally protected right was the reason for the nonrenewal;

(c) if the hearing officer determines that there is no substantial evidence to substantiate the teacher's claim of a violation of a constitutionally protected right, the board's decision to not renew the contract shall stand;

(d) if the hearing officer determines that there is substantial evidence to support the teacher's claim, the board shall be required to submit to the hearing officer any reasons which may have been involved in the nonrenewal;

(e) if the board presents any substantial evidence to support its reasons, the board's decision not to renew the contract shall be upheld.

New Sec. 55. The provisions of sections 55 through 61, and amendments thereto, shall be known and may be cited as the tax credit for low income students scholarship program act.

New Sec. 56. As used in the tax credit for low income students scholarship program act:

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

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

(c) "Educational scholarship" means an amount not to exceed \$8,000 provided to eligible students to cover all or a portion of the costs of tuition,

fees and expenses of a qualified school and, if applicable, the costs of transportation to a qualified school if provided by such qualified school.

(d) “Eligible student” means a child who:

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

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

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

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

(f) “Program” means the tax credit for low income students scholarship program established in sections 55 through 61, and amendments thereto.

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

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

(i) “Scholarship granting organization” means an organization that complies with the requirements of this program and provides educational scholarships to students attending qualified schools of their parents’ choice.

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

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

(l) “Secretary” means the secretary of revenue.

(m) “State board” means the state board of education.

New Sec. 57. (a) There is hereby established the tax credit for low income students scholarship program. The program shall provide eligible students with an opportunity to attend schools of their parents’ choice.

(b) Each scholarship granting organization shall issue a receipt, in a form prescribed by the secretary, to each contributing taxpayer indicating the value of the contribution received. Each taxpayer shall provide a copy of such receipt when claiming the tax credit established in section 61, and amendments thereto.

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

(d) Upon receipt of information in accordance with subsection (a)(2) of section 58, and amendments thereto, the state board shall inform the scholarship granting organization if such student has already been designated to receive an educational scholarship by another scholarship granting organization.

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

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

New Sec. 58. (a) To be eligible to participate in the program, a scholarship granting organization shall comply with the following:

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

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

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

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

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

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

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

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

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

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

(7) at the end of the calendar year, the scholarship granting organization shall have its accounts examined and audited by a certified public accountant. Such audit shall include, but not be limited to, information verifying that the educational scholarships awarded by the scholarship granting organization were distributed to the eligible students determined by the state board under subsection (c) of section 57, and amendments thereto, and information specified in this section. Prior to filing a copy of the audit with the state board, such audit shall be duly verified and certified by a certified public accountant; and

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

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

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

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

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

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

- (1) The name and address of the scholarship granting organization;
- (2) the name and address of each eligible student receiving an educational scholarship by the scholarship granting organization;
- (3) the total number and total dollar amount of contributions received during the 12-month reporting period; and
- (4) the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period and the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period to eligible students who qualified under subsection (d) of section 56, and amendments thereto.

(g) No scholarship granting organization shall:

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

New Sec. 59. On or before the first day of the legislative session in 2015, and each year thereafter, the state board shall prepare and submit a report to the legislature on the program. Annual reports shall include information reported to the state board under subsection (f) of section 58, and amendments thereto, and a summary of such information.

New Sec. 60. (a) (1) To qualify for the tax credit allowed by this act, the scholarship granting organization shall apply each tax year to the state board for a certification that the scholarship granting organization is in substantial compliance with the program based on information received in the annual audit and yearly report filed by the scholarship granting organization with the state board.

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

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

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

New Sec. 61. (a) There shall be allowed a credit against the corporate income tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for tax years commencing after December 31, 2014, an amount equal to 70% of the

amount contributed to a scholarship granting organization authorized pursuant to section 55 et seq., and amendments thereto.

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

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

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

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

Sec. 62. K.S.A. 2013 Supp. 79-32,138 is hereby amended to read as follows: 79-32,138. (a) Kansas taxable income of a corporation taxable under this act shall be the corporation's federal taxable income for the taxable year with the modifications specified in this section.

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

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

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

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

(v) *The amount of any charitable contribution deduction claimed for any contribution or gift made to a scholarship granting organization to the extent the same is claimed as the basis for the credit allowed pursuant to section 61, and amendments thereto.*

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

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

(iii) An amount for the amortization deduction allowed pursuant to

K.S.A. 2013 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

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

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

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

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

New Sec. 63. (a) (1) Any eligible postsecondary educational institution may certify to the board of regents:

(A) The number of individuals who received a general educational development (GED) credential from such institution while enrolled in an eligible career technical education program;

(B) the number of individuals who received a career technical education credential from such institution; and

(C) the number of individuals who were enrolled in an eligible career technical education program at such institution and who are pursuing a general educational development (GED) credential.

(2) Certifications submitted pursuant to this subsection shall be submitted in such form and manner as prescribed by the board of regents, and shall include such other information as required by the board of regents.

(b) Each fiscal year, upon receipt of a certification submitted under subsection (a), the board of regents shall authorize payment to such eligible postsecondary educational institution from the postsecondary education performance-based incentives fund. The amount of any such payment shall be calculated based on the following:

(1) For each individual who has received a general educational development (GED) credential, \$500;

(2) for each individual who has received a career technical education credential, \$1,000; and

(3) for each individual enrolled in an eligible career technical education program who is pursuing a general educational development (GED) credential, \$170.

(c) That portion of any payment from the postsecondary education performance-based incentives fund that is made based on subsection (b)(2) shall be expended for scholarships for individuals enrolled in an eligible career technical education program and operating costs of eligible career technical education programs. Each eligible postsecondary educational institution shall prepare and submit a report to the board of regents which shall include the number of individuals who received scholarships, the aggregate amount of moneys expended for such scholarships and the number of those individuals who received a scholarship that also received a career technical education credential.

(d) (1) Of that portion of any payment from the postsecondary education performance-based incentives fund that is made based on subsection (b)(3), an amount equal to \$150 for each individual shall be expended

by the eligible postsecondary educational institution for the general educational development (GED) test.

(2) If any individual enrolled in an eligible career technical education program for which an eligible postsecondary educational institution has received a payment under this section fails to take the general educational development (GED) test, then such institution shall notify the board of regents in writing that no such test was administered to the individual. For each such notification received, the board of regents shall deduct an amount equal to \$150 from such institution's subsequent incentive payment.

(e) All payments authorized by the board of regents pursuant to this section shall be subject to the limits of appropriations made for such purposes. If there are insufficient appropriations for the board of regents to authorize payments in accordance with the amounts set forth in subsection (b), the board of regents shall prorate such amounts in accordance with appropriations made therefor.

(f) There is hereby created the postsecondary education performance-based incentives fund. Expenditures from the postsecondary education performance-based incentives fund shall be for the sole purpose of paying payments to eligible postsecondary educational institutions as authorized by the board of regents. All expenditures from the postsecondary education performance-based incentives fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the president of the board of regents, or the president's designee.

(g) As used in this section:

(1) "Board of regents" means the state board of regents provided for in the constitution of this state and established by K.S.A. 74-3202a, and amendments thereto.

(2) "Career technical education credential" means any industry-recognized technical certification or credential, other than a general educational development (GED) credential, or any technical certification or credential authorized by a state agency.

(3) "Eligible career technical education program" means a program operated by one or more eligible postsecondary educational institutions that is identified by the board of regents as a program that allows an enrollee to obtain a general educational development (GED) credential while pursuing a career technical education credential.

(4) "Eligible postsecondary educational institution" means any community college, technical college or the institute of technology at Washburn university, except such term shall not include Johnson county community college.

(5) "State agency" means any state office, department, board, commission, institution, bureau or any other state authority.

New Sec. 64. (a) The state board of regents, for and on behalf of the university of Kansas, is hereby authorized to exchange and convey the real property described in subsection (b) to the Kansas university endowment association in consideration for the Kansas university endowment association exchanging and conveying the real property described in subsection (c) to the university of Kansas. The exchange and conveyance of real property by the state board of regents under this section shall be executed in the name of the state board of regents by its chairperson and its chief executive officer. The deed for such conveyance may be by warranty deed or by quitclaim deed as determined to be in the best interests of the state by the state board of regents in consultation with the attorney general. No exchange and conveyance of real estate and improvements thereon as authorized by this section shall be made by the state board of regents until the deeds and conveyances have been reviewed and approved by the attorney general and, if warranty deeds are to be the instruments of conveyance, title reviews have been performed or title insurance has been obtained and the title opinion or the certificates of title insurance, as the case may be, have been approved by the attorney general. The conveyance authorized by this section shall not be subject to the provisions of K.S.A. 75-3043a or K.S.A. 2013 Supp. 75-6609, and amendments thereto.

(b) In accordance with the provisions of this section, the state board

of regents is hereby authorized to exchange and convey the following described real property to the Kansas university endowment association:

Part of Lots 2, 3 and 10, Block 8 Oread Addition, a subdivision in the City of Lawrence, Douglas County, Kansas, being more particularly described as follows:

Commencing at the Northwest corner of said Block 8 Oread Addition; thence South 01 degrees 50 minutes 57 seconds East along the West line of said Block 8 a distance of 250.07 feet to the Northwest corner of the South One-Half of Lot 10 Block 8 Oread Addition said point being the Point of Beginning; thence North 88 degrees 11 minutes 58 seconds East along the North line of the South One-Half of said Lot 10 a distance of 125.00 feet to a point said point being the Northeast corner of the South One-Half of said Lot 10; thence North 01 degrees 50 minutes 57 seconds West a distance of 100.00 feet to a point said point being the Northwest corner of the South One-Half of Lot 2 Oread Addition; thence North 88 degrees 11 minutes 58 seconds East along the North line of said South One-Half of Lot 2 a distance of 213.77 feet to a point on the Westerly right of way of Oread Avenue, said point also being the Northeast corner of the South One-Half of said Lot 2; thence South 08 degrees 59 minutes 36 seconds West along said Westerly right of way a distance of 120.26 feet to a point; thence South 88 degrees 11 minutes 58 seconds West a distance of 316.15 feet to a point on the West line of said Block 8 Oread Addition; thence North 01 degrees 50 minutes 57 seconds West along said West line a distance of 18.13 feet to the Point of Beginning, and containing 26,183.02 square feet, more or less. Excepting easements, rights of way or restrictions of record.

(c) In accordance with the provisions of this section, the university of Kansas is hereby authorized to accept title to the following described real property conveyed to the university by the Kansas university endowment association:

A Tract of land in the Southwest One-Quarter of Section 31, Township 12 South, Range 20 East of the 6th Principal Meridian, in the City of Lawrence, Douglas County, Kansas, more particularly described as follows:

Beginning at point on the West line of the Southwest One-Quarter of Section 31, Township 12, Range 20 and 186.53 feet North of the Southwest corner thereof; thence North 01 degrees 49 minutes 01 seconds West along the West line of said Southwest One-Quarter a distance of 190.00 feet to a point on the South right of way of West 14th street as described in the deed recorded in Book 261 at Page 558; thence North 88 degrees 25 minutes 51 seconds East along the said South right of way a distance of 62.94 feet to a point; thence South 01 degrees 49 minutes 01 seconds East a distance of 76.15 feet to a point; thence North 88 degrees 25 minutes 51 seconds East a distance of 128.06 feet to a point; thence North 01 degrees 49 minutes 01 seconds West a distance of 28.65 feet to a point, said point being the Southwest corner of a tract of land described in the deed recorded in Book 304 at Page 626; thence North 88 degrees 25 minutes 51 seconds East along the South line of said tract, a distance of 120.00 feet to a point on the West right of way of Ohio Street; thence South 01 degrees 49 minutes 01 seconds East along the said West right of way a distance of 142.50 feet to a point, said point being the Northeast corner of a tract of land described in the deed recorded in Book 400 at Page 674; thence South 88 degrees 25 minutes 51 seconds West along the North line of said tract recorded in Book 400 at Page 674 and continuing along the North line of a tract of land described in the deed recorded in Book 347 at Page 1276 a distance of 311.00 feet to a point, said point being the Northwest corner of the said tract of land described in the deed recorded in Book 347 at Page 1276, said point also being the Point of Beginning, and containing 43,628.53 square feet, more or less. Excepting easements, rights of way or restrictions of record.

New Sec. 65. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application. To this end the provisions of this act are severable.

Sec. 66. K.S.A. 72-8809 and K.S.A. 2013 Supp. 72-1127, 72-1925, 72-6433, 72-6433d, 72-8254, 72-8814 and 79-32,138 are hereby repealed.

Sec. 67. On and after July 1, 2014, K.S.A. 72-1412, 72-5333b, 72-5439, 72-5446 and 72-6416 and K.S.A. 2013 Supp. 72-5436, 72-5437, 72-5438, 72-5445, 72-6407, 72-6410, 72-6415b, 72-6417, 72-6431, 72-6441 and 72-6454 are hereby repealed.

Sec. 68. This act shall take effect and be in force from and after its publication in the Kansas register.

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

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

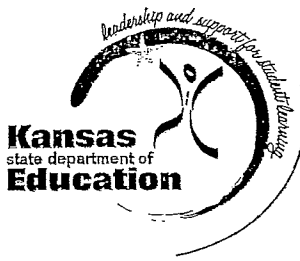
SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.



Division of Fiscal and Administrative Services

Kansas State Department of Education
Landon State Office Building
900 SW Jackson Street, Suite 354
Topeka, Kansas 66612-1212

(785) 296-3871
(785) 296-6659 - fax
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April 6, 2014

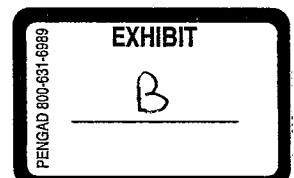
FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Senate Substitute for House Bill 2506

As per your request, attached is a computer printout (SF14-145) which provides the effects of a proposed school finance plan based on the latest information available.

- Increases base state aid per pupil by \$14 (\$3,838 to \$3,852).
- Eliminates nonproficient at-risk weighting.
- Excludes virtual weighting from the calculation for the Local Option Budget.
- Authorizes school districts to increase LOB percentage over 30 percent up to 33 percent if approved by patrons utilizing mail ballot election. Those districts that have already had an election to increase LOB percentage to 31 percent may increase the LOB to 33 percent by action of the board of education for 2014-15. An election will be required to continue the 33 percent for 2015-16 for those districts currently at 31 percent.
- Increases BSAPP used for local option budget from \$4,433 to \$4,490.
- New facilities weighting will continue for all bonds issued prior to July 1, 2014.
- USD #207-Fort Leavenworth may increase the local option budget up to 33 percent by a vote of the board of education.

The printout compares the reductions/adjustments above with the increased funding in supplemental general fund state aid (local option budget) and capital outlay state aid at 100 percent entitlement.



BUDGET ADJUSTMENTS

Increase BSAPP from \$3,838 to \$3,852	In Governor's Budget
Supplemental General State Aid—100 percent funding calculated with BSAPP of \$4,433	\$ 103,865,000
Reduce At-risk weighting for part-time students (grades 1-12) and students over 19 years of age (excludes students with IEP's)	(3,351,451)
Eliminate Nonproficient At-Risk	(4,885,485)
Eliminate Virtual Weighting for Local Option Budget	(3,600,000)
Additional Classroom State Aid—Fund BSAPP at \$4,490 for local option budget	*4,000,000
Supplemental General State Aid for school districts who have a mail ballot election to increase LOB over 30 percent and for those districts that are 31 percent may go to 33 percent by board action	5,000,000
Capital Outlay State Aid	25,200,786
Grand Total	\$ 126,228,850

*Assumes a 74 percent usage

COMPUTER PRINTOUT SF14-145

April 6, 2014

COLUMN EXPLANATION

Column	1 --	2013-14 Estimated increased general fund budget using BSAPP of \$3,852 and excluding special education
	2 --	Proposed estimated fiscal effects if all part-time students (grades 1-12) and students over 19 years of age are excluded in computing at-risk weight. Students with IEP's are still counted.
	3 --	Proposed nonproficient at-risk state aid reduction
	4 --	Proposed general fund adjustments (Column 1 + 2 + 3)
	5 --	Estimated additional supplemental general state aid (LOB) at 100 percent entitlement and BSAPP at \$4,433
	6 --	Estimated proposed capital outlay state aid at 100 percent entitlement
	7 --	Increase/decrease (Column 4 + 5 + 6)
	8 --	Potential maximum increase in local option budget by using a BSAPP of \$4,490 for computing the maximum LOB. Some districts will not exercise this option. This would be additional funds available for the classroom.
	9 --	Estimated maximum additional supplemental general (LOB) state aid The maximum increase in supplemental general (LOB) state aid if all school districts use full authority at \$4,490 rather than \$4,433. Some districts will not exercise this option.
	10 --	Estimated property tax reduction (Assumes no election to go above 30 percent)

	4/1/2014		Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10
			Proposed	Proposed		Proposed	Proposed			Proposed	Proposed	Proposed
			General Fund	At-Risk	Proposed	General Fund	Additional	Proposed		Additional LOB	Additional	Property
			Increase	Reduction	Non-Proficient	Adjustments	LOB Aid 100%	Capital Outlay	Inc/Dec	Classroom Fund.	Max LOB Aid	Tax
USD #	County	District Name	BSAPP \$3,852	\$3,852	\$3,852	(Cols 1 thru 3)	(SF14-062)	Aid	(Cols 4+5+6)	\$4,490	100% Funded	Relief
256	Allen	Marmaton Valley	7,846	0	-2,696	5,150	71,611	0	76,761	231,924	188,871	0
257	Allen	Iola	27,602	0	-13,482	14,120	438,754	109,496	562,370	33,714	460,038	426,324
258	Allen	Humboldt	16,248	-1,757	-5,393	9,098	227,657	39,181	275,936	134,578	312,333	177,755
365	Anderson	Garnett	25,003	0	-10,015	14,988	227,282	71,193	313,463	304,463	357,257	52,794
479	Anderson	Crest	6,165	0	-3,082	3,083	30,976	0	34,059	281,178	139,145	0
377	Atchison	Atchison Co Comm Schools	15,157	0	-12,326	2,831	136,796	0	139,627	18,514	143,526	125,012
409	Atchison	Atchison Public Schools	31,673	-8,783	-21,186	1,704	446,516	102,485	550,705	38,685	468,396	429,711
254	Barber	Barber County North	10,807	0	-2,311	8,496	0	0	8,496	13,199	0	0
255	Barber	South Barber	6,403	0	-4,622	1,781	0	0	1,781	34,376	0	0
355	Barton	Ellinwood Public Schools	10,253	-1,757	-5,008	3,488	22,798	0	26,286	12,522	23,940	11,418
428	Barton	Great Bend	62,272	-94,852	-28,120	-60,700	743,952	0	683,252	649,335	1,097,175	447,840
431	Barton	Holsington	15,665	0	-11,556	4,109	130,374	0	134,483	55,838	150,018	94,180
234	Bourbon	Fort Scott	37,084	-1,757	-23,112	12,215	406,541	0	418,756	840,237	924,967	84,730
235	Bourbon	Uniontown	11,951	0	-2,696	9,255	139,594	0	148,849	344,603	382,573	37,970
415	Brown	Hiawatha	19,140	0	-7,319	11,821	49,469	0	61,290	23,345	51,668	28,323
430	Brown	South Brown County	14,870	-1,757	-3,852	9,261	224,577	0	233,838	18,163	235,735	217,572
205	Butler	Bluestem	13,047	0	-6,163	6,884	129,461	53,017	189,362	20,479	137,684	117,205
206	Butler	Remington-Whitewater	12,487	0	-5,778	6,709	75,988	0	82,697	18,414	80,614	62,200
375	Butler	Circle	32,115	0	-28,505	3,610	119,786	0	123,396	39,225	125,850	86,625
385	Butler	Andover	93,560	-24,591	-30,816	38,153	1,130,588	631,078	1,799,819	580,146	1,431,202	851,056
394	Butler	Rose Hill Public Schools	28,260	0	-26,964	1,296	455,489	66,336	523,121	39,887	482,054	442,167
396	Butler	Douglass Public Schools	15,671	0	-17,719	-2,048	260,464	53,812	312,228	19,140	273,286	254,146
402	Butler	Augusta	39,811	-24,591	-30,816	-15,596	613,389	129,073	726,866	70,058	658,947	588,889
490	Butler	El Dorado	37,228	-7,026	-18,104	12,098	206,548	13,096	231,742	45,303	213,917	168,614
492	Butler	Flinthills	7,554	0	-2,311	5,243	80,235	19,203	104,681	9,227	84,346	75,119
284	Chase	Chase County	9,255	0	-2,311	6,944	0	0	6,944	42,956	0	0
285	Chautauqua	Cedar Vale	5,189	-5,270	-1,156	-1,237	51,141	0	49,904	156,374	143,167	0
286	Chautauqua	Chautauqua Co Community	9,149	0	-3,467	5,682	68,736	0	74,418	237,354	165,176	0
404	Cherokee	Riverton	17,457	0	-8,860	8,597	236,710	51,342	296,649	21,322	248,934	227,612
493	Cherokee	Columbus	22,841	0	-15,023	7,818	267,153	71,614	346,585	27,899	280,787	252,888
499	Cherokee	Galena	19,417	0	-7,704	11,713	251,162	0	262,875	655,743	793,921	138,178
508	Cherokee	Baxter Springs	22,225	0	-9,245	12,980	305,589	0	318,569	574,655	751,522	176,867
103	Cheyenne	Cheylin	4,359	0	-385	3,974	0	0	3,974	5,323	0	0
297	Cheyenne	St Francis Comm Sch	7,210	0	-2,696	4,514	17,314	0	21,828	8,806	18,224	9,418
219	Clark	Minneola	6,777	0	-5,778	999	36,983	4,286	42,268	16,433	40,880	24,447
220	Clark	Ashland	5,809	0	-2,311	3,498	0	0	3,498	7,094	0	0
379	Clay	Clay Center	26,507	-3,513	-12,712	10,282	332,870	0	343,152	32,375	349,530	317,155
333	Cloud	Concordia	22,181	-7,026	-12,712	2,443	294,828	39,997	337,268	27,091	309,590	282,499
334	Cloud	Southern Cloud	6,669	-29,861	-2,696	-25,888	25,988	4,282	4,382	51,851	34,865	0
243	Coffey	Lebo-Waverly	11,627	0	-6,548	5,079	131,123	0	136,202	123,546	194,329	70,783
244	Coffey	Burlington	17,443	-1,757	-7,704	7,982	0	0	7,982	21,305	0	0
245	Coffey	LeRoy-Gridley	6,084	0	-3,082	3,002	6,335	0	9,337	7,431	6,655	0
300	Comanche	Comanche County	8,448	0	-4,622	3,826	0	0	3,826	14,307	0	0
462	Cowley	Central	8,615	-24,591	-1,926	-17,902	130,077	36,264	148,439	10,522	136,833	126,311
463	Cowley	Udall	8,808	0	-6,548	2,260	113,666	0	115,926	36,420	133,981	97,561
465	Cowley	Winfield	45,373	-73,774	-21,571	-49,972	664,434	206,069	820,531	55,419	697,713	642,294

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			General Fund	At-Risk	Proposed	General Fund	Additional	Proposed		Additional LOB	Additional	Property
			Increase	Reduction	Non-Proficient	Adjustments	LOB Aid 100%	Capital Outlay	Inc/Dec	Classroom Fund.	Max LOB Aid	Tax
USD #	County	District Name	BSAPP \$3,852	\$3,852	\$3,852	(Cols 1 thru 3)	(SF14-062)	Aid	(Cols 4+5+6)	\$4,490	100% Funded	Relief
470	Cowley	Arkansas City	55,585	-5,270	-23,112	27,203	801,504	0	828,707	844,067	1,395,727	551,660
471	Cowley	Dexter	4,941	-8,783	-1,926	-5,768	42,950	0	37,182	188,131	155,961	0
246	Crawford	Northeast	12,705	0	-8,089	4,616	199,255	0	203,871	43,679	228,778	185,099
247	Crawford	Cherokee	16,049	0	-14,638	1,411	232,610	49,971	283,992	19,602	244,650	225,048
248	Crawford	Girard	21,819	0	-6,934	14,885	321,495	36,440	372,820	262,242	502,390	240,148
249	Crawford	Frontenac Public Schools	18,611	0	-10,400	8,211	251,480	0	259,691	449,369	585,900	136,531
250	Crawford	Pittsburg	56,769	-17,565	-33,512	5,692	714,147	48,528	768,367	222,129	833,208	611,079
294	Decatur	Oberlin	8,427	0	-7,704	723	21,553	0	22,276	10,292	22,657	12,365
393	Dickinson	Solomon	8,521	-1,757	-5,008	1,756	72,823	0	74,579	114,026	119,574	5,548
435	Dickinson	Abilene	28,162	-19,322	-22,342	-13,502	361,795	97,359	445,652	94,145	412,417	318,272
473	Dickinson	Chapman	22,562	0	-12,712	9,850	216,343	35,478	261,671	27,541	226,770	199,229
481	Dickinson	Rural Vista	8,498	0	-4,622	3,876	41,912	17,976	63,764	11,994	44,380	32,386
487	Dickinson	Herington	11,739	-24,591	-2,696	-15,548	141,326	0	125,778	192,015	256,516	64,501
111	Doniphan	Doniphan West Schools	8,780	0	-4,237	4,543	0	0	4,543	11,281	0	0
114	Doniphan	Riverside	15,842	-1,757	-13,097	988	143,142	0	144,130	457,280	384,495	0
429	Doniphan	Troy Public Schools	7,940	0	-5,393	2,547	88,695	0	91,242	64,513	120,448	55,935
348	Douglas	Baldwin City	25,394	0	-20,801	4,593	303,972	162,471	471,036	32,607	319,156	286,549
491	Douglas	Eudora	27,235	0	-19,645	7,590	447,191	160,647	615,428	33,265	468,923	435,658
497	Douglas	Lawrence	200,836	-31,617	-90,907	78,312	1,016,534	0	1,094,846	253,447	1,066,022	812,575
347	Edwards	Kinsley-Offerle	9,757	0	-5,778	3,979	66,712	344	71,035	75,866	89,184	13,318
502	Edwards	Lewis	3,382	0	-770	2,612	0	0	2,612	23,838	0	0
282	Elk	West Elk	8,766	0	-2,311	6,455	85,965	0	92,420	89,822	123,762	33,940
283	Elk	Elk Valley	5,028	0	-1,926	3,102	28,846	0	31,948	201,999	107,908	0
388	Ellis	Ellis	9,542	-19,322	-7,319	-17,099	24,803	0	7,704	11,655	26,090	14,435
432	Ellis	Victoria	6,672	0	-2,311	4,361	0	0	4,361	11,730	0	0
489	Ellis	Hays	52,996	-3,513	-27,734	21,749	160,783	0	182,532	64,731	168,700	103,969
112	Ellsworth	Central Plains	12,662	0	-5,008	7,654	0	0	7,654	15,465	0	0
327	Ellsworth	Ellsworth	13,545	0	-10,400	3,145	133,002	38,422	174,569	27,267	144,331	117,064
363	Finney	Holcomb	21,226	-22,835	-10,015	-11,624	0	0	-11,624	50,795	0	0
457	Finney	Garden City	162,358	-33,374	-77,040	51,944	1,619,680	271,627	1,943,251	4,254,518	4,105,595	0
381	Ford	Spearville	8,420	0	-4,622	3,798	97,024	0	100,822	10,284	102,113	91,829
443	Ford	Dodge City	148,126	-33,374	-76,655	38,097	2,380,934	378,558	2,797,589	603,051	2,809,884	2,206,833
459	Ford	Bucklin	6,937	0	-4,622	2,315	0	0	2,315	42,520	0	0
287	Franklin	West Franklin	15,535	0	-4,237	11,298	157,498	38,725	207,521	18,976	165,242	146,266
288	Franklin	Central Heights	15,010	0	-8,860	6,150	180,012	0	186,162	217,963	312,119	94,156
289	Franklin	Wellsville	16,787	-1,757	-13,097	1,933	183,831	107,557	293,321	20,505	193,120	172,615
290	Franklin	Ottawa	46,569	-15,809	-30,816	-56	605,709	226,787	832,440	56,880	636,965	580,085
475	Geary	Geary County Schools	153,480	-66,747	-139,828	-53,095	2,131,695	0	2,078,600	3,865,987	5,101,297	1,235,310
291	Gove	Grinnell Public Schools	3,033	0	-1,541	1,492	0	0	1,492	100,057	0	0
292	Gove	Wheatland	3,317	0	-385	2,932	0	0	2,932	4,051	0	0
293	Gove	Quinter Public Schools	7,037	0	-5,008	2,029	48,017	0	50,046	8,596	50,225	41,629
281	Graham	Graham County	9,268	-3,513	-6,163	-408	0	0	-408	11,320	0	0
214	Grant	Ulysses	33,796	-12,296	-27,349	-5,849	0	0	-5,849	120,419	0	0
102	Gray	Cimarron-Ensign	15,729	0	-4,622	11,107	138,817	0	149,924	272,719	263,967	0
371	Gray	Montezuma	6,509	-5,270	-2,696	-1,457	52,632	241	51,416	7,949	55,466	47,517
476	Gray	Copeland	4,507	-1,757	-1,156	1,594	11,560	0	13,154	5,504	12,182	6,678

	4/1/2014		Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10
			Proposed	Proposed		Proposed	Proposed			Proposed	Proposed	Proposed
			General Fund	At-Risk	Proposed	General Fund	Additional	Proposed		Additional LOB	Additional	Property
			Increase	Reduction	Non-Proficient	Adjustments	LOB Aid 100%	Capital Outlay	Inc/Dec	Classroom Fund.	Max LOB Aid	Tax
USD #	County	District Name	BSAPP \$3,852	\$3,852	\$3,852	(Cols 1 thru 3)	(SF14-062)	Aid	(Cols 4+5+6)	\$4,490	100% Funded	Relief
477	Gray	Ingalls	6,469	0	-5,393	1,076	43,590	5,204	49,870	7,902	45,903	38,001
200	Greeley	Greeley County Schools	6,505	-7,026	-3,852	-4,373	0	0	-4,373	12,479	0	0
386	Greenwood	Madison-Virgil	6,650	0	-4,622	2,028	56,926	0	58,954	80,347	89,780	9,433
389	Greenwood	Eureka	16,196	0	-6,163	10,033	217,040	48,301	275,374	58,755	251,401	192,646
390	Greenwood	Hamilton	2,801	0	-1,541	1,260	4,388	0	5,648	16,550	5,471	0
494	Hamilton	Syracuse	13,221	0	-6,163	7,058	29,612	0	36,670	62,613	36,118	0
361	Harper	Anthony-Harper	20,558	-15,809	-5,778	-1,029	125,914	57,501	182,386	25,110	132,199	107,089
511	Harper	Attica	4,541	-3,513	-1,156	-128	3,635	0	3,507	78,145	6,784	0
369	Harvey	Burrton	6,698	-1,757	-3,467	1,474	40,716	26,580	68,770	8,181	42,823	34,642
373	Harvey	Newton	64,756	-114,173	-43,142	-92,559	945,351	155,724	1,008,516	79,095	993,488	914,393
439	Harvey	Sedgwick Public Schools	11,401	-1,757	-6,163	3,481	137,561	26,750	167,792	334,474	376,576	42,102
440	Harvey	Halstead	17,789	0	-5,778	12,011	206,163	0	218,174	218,321	327,942	109,621
460	Harvey	Hesston	16,633	0	-9,630	7,003	224,546	6,772	238,321	20,317	236,076	215,759
374	Haskell	Sublette	12,651	-17,565	-3,467	-8,381	0	0	-8,381	15,453	0	0
507	Haskell	Satanta	8,714	0	-1,541	7,173	0	0	7,173	10,643	0	0
227	Hodgeman	Hodgeman County Schools	7,734	0	-4,237	3,497	22,555	0	26,052	9,446	23,721	14,275
335	Jackson	North Jackson	9,763	0	-3,852	5,911	115,788	0	121,699	146,697	203,953	57,256
336	Jackson	Holton	23,863	-79,043	-8,089	-63,269	369,777	107,852	414,360	70,664	415,371	344,707
337	Jackson	Royal Valley	20,678	0	-12,712	7,966	353,748	56,808	418,522	67,115	401,397	334,282
338	Jefferson	Valley Falls	9,645	0	-1,541	8,104	140,819	0	148,923	41,708	167,079	125,371
339	Jefferson	Jefferson County North	10,676	0	-5,778	4,898	177,781	34,245	216,924	13,040	186,466	173,426
340	Jefferson	Jefferson West	18,431	0	-11,941	6,490	266,416	78,319	351,225	37,103	288,421	251,318
341	Jefferson	Oskaloosa Public Schools	13,606	0	-7,704	5,902	163,363	0	169,265	152,751	244,382	91,631
342	Jefferson	McLouth	12,049	-3,513	-13,482	-4,946	128,639	0	123,693	60,504	156,132	95,628
343	Jefferson	Perry Public Schools	18,754	0	-16,564	2,190	169,683	41,463	213,336	22,907	178,037	155,130
107	Jewell	Rock Hills	8,140	0	-2,696	5,444	20,282	0	25,726	180,562	44,062	0
229	Johnson	Blue Valley	407,566	-43,913	-202,615	161,038	64,182	0	225,220	514,405	67,423	0
230	Johnson	Spring Hill	51,798	-1,757	-33,898	16,143	709,522	0	725,665	63,267	746,261	682,994
231	Johnson	Gardner Edgerton	88,657	-21,078	-23,882	43,697	1,297,485	737,497	2,078,679	108,289	1,361,949	1,253,660
232	Johnson	De Soto	116,769	-1,757	-52,387	62,625	1,385,439	864,270	2,312,334	147,380	1,457,095	1,309,715
233	Johnson	Olathe	515,760	-5,270	-194,911	315,579	5,644,419	2,562,551	8,522,549	650,945	5,926,138	5,275,193
512	Johnson	Shawnee Mission Pub Sch	489,587	-38,643	-265,018	185,926	0	0	185,926	617,911	0	0
215	Kearny	Lakin	15,703	0	-5,778	9,925	0	0	9,925	49,016	0	0
216	Kearny	Deerfield	7,610	0	-3,467	4,143	0	0	4,143	9,295	0	0
331	Kingman	Kingman - Norwich	21,040	-21,078	-20,416	-20,454	183,691	41,846	205,083	36,357	196,372	160,015
332	Kingman	Cunningham	5,081	0	-1,926	3,155	0	0	3,155	6,205	0	0
422	Kiowa	Kiowa County	9,196	-70,260	-1,541	-62,605	0	0	-62,605	11,232	0	0
474	Kiowa	Haviland	3,738	0	-770	2,968	0	0	2,968	4,566	0	0
503	Labette	Parsons	26,727	-5,270	-5,393	16,064	384,639	0	400,703	71,576	428,136	356,560
504	Labette	Oswego	11,131	0	-2,696	8,435	200,746	0	209,181	13,597	211,123	197,526
505	Labette	Chetopa-St. Paul	11,537	-8,783	-6,548	-3,794	197,880	0	194,086	14,092	207,961	193,869
506	Labette	Labette County	30,596	0	-12,326	18,270	531,460	82,938	632,668	37,371	557,825	520,454
468	Lane	Healy Public Schools	2,736	-1,757	-770	209	0	0	209	3,452	0	0
482	Lane	Dighton	6,501	0	-2,696	3,805	0	0	3,805	27,287	0	0
207	Leavenworth	Ft Leavenworth	31,908	0	-25,423	6,485	760,631	8,686	775,802	38,974	799,141	760,167
449	Leavenworth	Easton	15,730	-1,757	-13,482	491	206,801	22,822	230,114	19,213	217,320	198,107

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			Proposed	Proposed	Proposed	Proposed	Proposed			Proposed	Proposed	Proposed
			General Fund	At-Risk	Non-Proficient	General Fund	Additional	Proposed		Additional LOB	Additional	Property
			Increase	Reduction		Adjustments	LOB Aid 100%	Capital Outlay	Inc/Dec	Classroom Fund.	Max LOB Aid	Tax
USD #	County	District Name	BSAPP \$3,852	\$3,852	\$3,852	(Cols 1 thru 3)	(SF14-062)	Aid	(Cols 4+5+6)	\$4,490	100% Funded	Relief
453	Leavenworth	Leavenworth	71,923	-5,270	-52,772	13,881	952,519	183,159	1,149,559	124,286	1,019,223	894,937
458	Leavenworth	Basehor-Linwood	38,046	-1,757	-22,342	13,947	407,464	198,436	619,847	221,154	510,345	289,191
464	Leavenworth	Tonganoxie	33,189	-3,513	-26,579	3,097	433,942	189,820	626,859	40,539	455,821	415,282
469	Leavenworth	Lansing	42,541	-14,052	-32,357	-3,868	616,942	192,860	805,934	51,962	647,719	595,757
298	Lincoln	Lincoln	8,878	0	-4,237	4,641	80,885	17,150	102,676	15,905	86,738	70,833
299	Lincoln	Sylvan Grove	6,896	0	-2,311	4,585	20,546	0	25,131	173,074	49,934	0
344	Linn	Pleasanton	9,567	-5,270	-5,008	-711	107,101	0	106,390	221,599	249,988	28,389
346	Linn	Jayhawk	13,918	-3,513	-5,778	4,627	145,135	15,788	165,550	17,000	152,773	135,773
362	Linn	Prairie View	21,490	0	-7,704	13,786	0	0	13,786	26,248	0	0
274	Logan	Oakley	9,456	0	-5,393	4,063	0	0	4,063	11,550	0	0
275	Logan	Triplains	3,180	0	-770	2,410	0	0	2,410	3,885	0	0
251	Lyon	North Lyon County	11,453	0	-5,008	6,445	85,397	35,901	127,743	13,990	89,790	75,800
252	Lyon	Southern Lyon County	12,619	0	-5,008	7,611	108,844	62,898	179,353	15,412	114,391	98,979
253	Lyon	Emporia	93,949	-312,659	-40,061	-258,771	1,250,299	0	991,528	1,117,112	1,966,408	849,296
397	Marion	Centre	9,288	-1,757	-5,008	2,523	56,804	19,361	78,688	331,603	187,522	0
398	Marion	Peabody-Burns	7,435	0	-3,082	4,353	39,922	12,887	57,162	9,082	41,871	32,789
408	Marion	Marion-Florence	12,614	0	-5,008	7,606	122,675	0	130,281	263,842	251,166	0
410	Marion	Durham-Hillsboro-Lehigh	13,421	-12,296	-7,704	-6,579	157,512	28,710	179,643	16,394	165,168	148,774
411	Marion	Goessel	6,915	0	-4,237	2,678	84,000	0	86,678	81,135	129,224	48,089
364	Marshall	Marysville	16,017	-3,513	-11,556	948	39,683	0	40,631	19,564	41,665	22,101
380	Marshall	Vermillion	12,465	0	-2,696	9,769	133,952	79,513	223,234	166,383	222,817	56,434
498	Marshall	Valley Heights	10,317	0	-7,704	2,613	141,469	34,260	178,342	46,940	165,694	118,754
400	McPherson	Smoky Valley	20,082	-3,513	-9,245	7,324	221,712	48,346	277,382	45,057	241,244	196,187
418	McPherson	McPherson	38,785	-42,156	-58,550	-61,921	306,656	180,203	424,938	47,372	320,853	273,481
419	McPherson	Canton-Galva	9,431	0	-7,319	2,112	58,638	12,133	72,883	11,520	61,563	50,043
423	McPherson	Moundridge	9,385	0	-5,008	4,377	31,316	0	35,693	11,462	32,858	21,396
448	McPherson	Inman	9,598	-1,757	-6,934	907	72,199	1,878	74,984	23,360	79,177	55,817
225	Meade	Fowler	4,964	0	-1,926	3,038	26,512	0	29,550	6,063	27,924	21,861
226	Meade	Meade	10,044	-14,052	-4,237	-8,245	0	0	-8,245	12,268	0	0
367	Miami	Osawatomie	25,489	-1,757	-9,245	14,487	337,339	0	351,826	483,119	646,004	162,885
368	Miami	Paola	34,931	0	-20,416	14,515	343,675	216,552	574,742	42,667	360,601	317,934
416	Miami	Louisburg	28,903	0	-16,564	12,339	283,268	51,391	346,998	35,303	297,230	261,927
272	Mitchell	Waconda	8,265	-1,757	-1,541	4,967	64,936	9,500	79,403	10,094	68,130	58,036
273	Mitchell	Beloit	16,086	-3,513	-10,400	2,173	159,987	101,449	263,609	19,648	167,795	148,147
436	Montgomery	Caney Valley	18,153	0	-8,474	9,679	146,086	0	155,765	772,898	627,988	0
445	Montgomery	Coffeyville	37,318	-49,182	-25,808	-37,672	0	0	-37,672	578,510	0	0
446	Montgomery	Independence	38,543	-8,783	-17,334	12,426	474,000	33,016	519,442	47,078	498,561	451,483
447	Montgomery	Cherryvale	20,644	-1,757	-9,630	9,257	263,681	0	272,938	567,125	699,403	132,278
417	Morris	Morris County	16,868	0	-12,326	4,542	111,089	21,796	137,427	20,602	116,855	96,253
217	Morton	Rolla	5,482	-1,757	-2,696	1,029	0	0	1,029	6,696	0	0
218	Morton	Elkhart	22,335	-54,452	-4,237	-36,354	198,888	38,931	201,465	27,280	209,904	182,624
113	Nemaha	Prairie Hills	22,741	-3,513	-9,630	9,598	179,926	182,121	371,645	27,775	189,047	161,272
115	Nemaha	Nemaha Central	13,245	-5,270	-5,393	2,582	73,482	0	76,064	304,408	164,496	0
101	Neosho	Erie-Galesburg	13,634	0	-6,163	7,471	141,378	0	148,849	16,652	148,393	131,741
413	Neosho	Chanute Public Schools	36,626	-5,270	-10,400	20,956	461,690	0	482,646	157,233	542,965	385,732
106	Ness	Western Plains	4,899	0	-2,696	2,203	0	0	2,203	5,983	0	0

	4/1/2014		Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10
			Proposed	Proposed		Proposed	Proposed			Proposed	Proposed	Proposed
			General Fund	At-Risk	Proposed	General Fund	Additional	Proposed		Additional LOB	Additional	Property
			Increase	Reduction	Non-Proficient	Adjustments	LOB Aid 100%	Capital Outlay	Inc/Dec	Classroom Fund.	Max LOB Aid	Tax
USD #	County	District Name	BSAPP \$3,852	\$3,852	\$3,852	(Cols 1 thru 3)	(SF14-062)	Aid	(Cols 4+5+6)	\$4,490	100% Funded	Relief
303	Ness	Ness City	7,385	-3,513	-9,245	-5,373	0	0	-5,373	54,620	0	0
211	Norton	Norton Community Schools	15,786	-21,078	-8,474	-13,766	154,647	57,544	198,425	295,207	296,730	1,523
212	Norton	Northern Valley	5,333	-3,513	-1,541	279	44,943	21,554	66,776	6,513	47,234	40,721
420	Osage	Osage City	14,180	0	-8,089	6,091	183,241	0	189,332	186,583	294,762	108,179
421	Osage	Lyndon	10,164	0	-7,704	2,460	126,632	0	129,092	109,458	188,255	78,797
434	Osage	Santa Fe Trail	22,674	-3,513	-23,112	-3,951	346,366	40,320	382,735	27,695	362,775	335,080
454	Osage	Burlingame Public School	7,684	0	-2,696	4,988	80,465	0	85,453	277,240	266,520	0
456	Osage	Marais Des Cygnes Valley	8,058	0	-770	7,288	53,770	0	61,058	350,486	230,029	0
392	Osborne	Osborne County	7,950	0	-2,311	5,639	68,808	0	74,447	9,710	72,283	62,573
239	Ottawa	North Ottawa County	14,127	-3,513	-7,704	2,910	168,729	16,329	187,968	31,571	184,236	152,665
240	Ottawa	Twin Valley	13,978	-29,861	-11,941	-27,824	182,695	44,930	199,801	34,334	201,798	167,464
495	Pawnee	Ft Larned	21,210	-3,513	-18,875	-1,178	264,974	83,502	347,298	125,303	328,477	203,174
496	Pawnee	Pawnee Heights	4,698	0	-385	4,313	37,358	10,232	51,903	5,930	39,247	33,317
110	Phillips	Thunder Ridge Schools	6,928	0	-5,008	1,920	73,545	0	75,465	8,461	77,275	68,814
325	Phillips	Phillipsburg	13,403	0	-5,008	8,395	188,039	44,831	241,265	24,857	202,091	177,234
326	Phillips	Logan	5,581	0	-2,696	2,885	16,112	0	18,997	12,120	17,591	5,471
320	Pottawatomie	Wamego	26,488	-1,757	-15,408	9,323	365,843	0	375,166	32,336	382,456	350,120
321	Pottawatomie	Kaw Valley	23,168	0	-10,400	12,768	0	0	12,768	31,965	0	0
322	Pottawatomie	Onaga-Havensville-Wheaton	8,049	0	-5,008	3,041	86,091	22,291	111,423	9,830	90,600	80,770
323	Pottawatomie	Rock Creek	18,706	0	-6,163	12,543	198,302	0	210,845	389,506	412,413	22,907
382	Pratt	Pratt	23,437	-1,757	-16,949	4,731	220,513	59,641	284,885	56,828	242,761	185,933
438	Pratt	Skyline Schools	9,528	0	-8,860	668	83,406	14,395	98,469	11,638	87,590	75,952
105	Rawlins	Rawlins County	7,974	0	-3,082	4,892	52,616	23,409	80,917	11,255	55,760	44,505
308	Reno	Hutchinson Public Schools	95,807	-128,225	-69,721	-102,139	1,318,319	181,555	1,397,735	878,463	1,868,412	989,949
309	Reno	Nickerson	24,696	-1,757	-11,941	10,998	275,062	37,679	323,739	30,147	288,275	258,128
310	Reno	Fairfield	8,492	0	-3,082	5,410	0	0	5,410	10,373	0	0
311	Reno	Pretty Prairie	7,170	-1,757	-2,696	2,717	77,913	19,552	100,182	27,377	90,841	63,464
312	Reno	Haven Public Schools	20,644	0	-11,171	9,473	197,613	92,851	299,937	78,164	228,738	150,574
313	Reno	Buhler	38,575	0	-23,882	14,693	408,419	207,877	630,989	47,116	428,132	381,016
109	Republic	Republic County	11,510	-5,270	-6,163	77	71,656	14,040	85,773	29,367	79,247	49,880
426	Republic	Pike Valley	6,351	0	-3,082	3,269	60,230	0	63,499	19,664	66,235	46,571
376	Rice	Sterling	11,681	0	-8,089	3,592	165,909	0	169,501	22,033	178,690	156,657
401	Rice	Chase-Raymond	5,322	0	-1,926	3,396	0	0	3,396	25,378	0	0
405	Rice	Lyons	19,278	0	-4,237	15,041	185,759	3,832	204,632	517,238	461,624	0
444	Rice	Little River	8,892	0	-3,852	5,040	15,189	0	20,229	170,801	29,929	0
378	Riley	Riley County	15,415	0	-9,630	5,785	187,034	77,748	270,567	18,829	196,450	177,621
383	Riley	Manhattan-Ogden	108,633	-10,539	-57,010	41,084	386,208	0	427,292	916,841	527,837	0
384	Riley	Blue Valley	5,587	0	-3,082	2,505	22,375	0	24,880	6,808	23,251	16,443
269	Rooks	Palco	4,251	0	-2,311	1,940	0	0	1,940	39,120	0	0
270	Rooks	Plainville	8,839	-1,757	-8,089	-1,007	0	0	-1,007	12,754	0	0
271	Rooks	Stockton	7,520	-1,757	-4,622	1,141	9,755	0	10,896	30,142	11,422	0
395	Rush	LaCrosse	7,352	0	-2,696	4,656	43,788	11,545	59,989	13,021	45,050	32,029
403	Rush	Otis-Bison	6,155	0	-3,082	3,073	0	0	3,073	183,141	0	0
399	Russell	Paradise	4,396	0	-1,926	2,470	0	0	2,470	5,369	0	0
407	Russell	Russell County	17,283	-1,757	-9,630	5,896	1,719	0	7,615	21,796	1,801	0
305	Saline	Salina	133,519	-17,565	-88,981	26,973	1,393,980	621,208	2,042,161	281,433	1,514,116	1,232,683

	4/1/2014		Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10
			Proposed	Proposed		Proposed	Proposed			Proposed	Proposed	Proposed
			General Fund	At-Risk	Proposed	General Fund	Additional	Proposed		Additional LOB	Additional	Property
			Increase	Reduction	Non-Proficient	Adjustments	LOB Aid 100%	Capital Outlay	Inc/Dec	Classroom Fund.	Max LOB Aid	Tax
USD #	County	District Name	BSAPP \$3,852	\$3,852	\$3,852	(Cols 1 thru 3)	(SF14-062)	Aid	(Cols 4+5+6)	\$4,490	100% Funded	Relief
306	Saline	Southeast Of Saline	16,029	-12,296	-15,023	-11,290	38,743	0	27,453	290,093	74,628	0
307	Saline	El-Saline	11,740	-26,348	-9,630	-24,238	166,706	0	142,468	27,351	183,355	156,004
466	Scott	Scott County	19,992	-1,757	-8,860	9,375	0	0	9,375	24,419	0	0
259	Sedgwick	Wichita	1,046,813	-748,274	-390,593	-92,054	11,964,064	3,520,725	15,392,735	2,438,736	13,160,264	10,721,528
260	Sedgwick	Derby	117,493	-22,835	-68,951	25,707	1,185,483	572,844	1,784,034	203,009	1,271,600	1,068,591
261	Sedgwick	Haysville	98,545	-3,513	-42,757	52,275	1,794,397	402,424	2,249,096	120,365	1,885,826	1,765,461
262	Sedgwick	Valley Center Pub Sch	47,710	-21,078	-27,349	-717	678,710	38,531	716,524	154,957	771,142	616,185
263	Sedgwick	Mulvane	30,555	0	-23,112	7,443	412,145	133,201	552,789	37,321	432,974	395,653
264	Sedgwick	Clearwater	22,463	0	-18,875	3,588	295,457	130,878	429,923	27,420	309,533	282,113
265	Sedgwick	Goddard	90,806	-3,513	-37,364	49,929	1,306,949	744,095	2,100,973	110,897	1,371,342	1,260,445
266	Sedgwick	Maize	116,968	-3,513	-67,410	46,045	1,494,133	714,213	2,254,391	142,850	1,568,473	1,425,623
267	Sedgwick	Renwick	30,920	0	-19,260	11,660	401,032	240,658	653,350	39,026	420,592	381,566
268	Sedgwick	Cheney	16,155	0	-6,548	9,607	246,355	86,108	342,070	19,731	258,926	239,195
480	Seward	Liberal	104,313	-1,757	-57,010	45,546	968,211	0	1,013,757	3,743,173	3,389,071	0
483	Seward	Kismet-Plains	20,840	0	-5,778	15,062	0	0	15,062	740,783	0	0
345	Shawnee	Seaman	65,728	-1,757	-41,602	22,369	743,852	475,068	1,241,289	80,230	779,083	698,853
372	Shawnee	Silver Lake	14,653	0	-6,934	7,719	210,718	33,182	251,619	17,899	221,583	203,684
437	Shawnee	Auburn Washburn	101,047	-1,757	-28,890	70,400	779,821	214,747	1,064,968	123,354	816,990	693,636
450	Shawnee	Shawnee Heights	63,061	-1,757	-48,150	13,154	764,751	511,402	1,289,307	182,770	857,220	674,450
501	Shawnee	Topeka Public Schools	275,553	-21,078	-114,404	140,071	3,991,361	1,361,744	5,493,176	467,397	4,263,418	3,796,021
412	Sheridan	Hoxie Community Schools	8,101	0	-5,393	2,708	19,057	0	21,765	9,896	20,027	10,131
352	Sherman	Goodland	22,507	-68,504	-10,015	-56,012	208,562	24,122	176,672	110,808	253,317	142,509
237	Smith	Smith Center	9,603	-10,539	-5,008	-5,944	106,875	55,912	156,843	15,768	113,716	97,948
349	Stafford	Stafford	7,240	-29,861	-385	-23,006	55,528	13,618	46,140	8,844	58,385	49,541
350	Stafford	St John-Hudson	8,314	-22,835	-4,237	-18,758	0	0	-18,758	21,210	0	0
351	Stafford	Macksville	7,754	-35,130	-4,237	-31,613	0	0	-31,613	115,526	0	0
452	Stanton	Stanton County	11,697	0	-6,934	4,763	0	0	4,763	14,288	0	0
209	Stevens	Moscow Public Schools	6,074	-1,757	-2,696	1,621	0	0	1,621	34,588	0	0
210	Stevens	Hugoton Public Schools	24,982	-17,565	-25,808	-18,391	0	0	-18,391	30,513	0	0
353	Sumner	Wellington	29,871	0	-19,645	10,226	508,637	157,658	676,521	36,486	532,594	496,108
356	Sumner	Conway Springs	11,874	-26,348	-5,778	-20,252	174,372	0	154,120	91,209	234,616	143,407
357	Sumner	Belle Plaine	13,923	0	-6,934	6,989	244,421	18,962	270,372	17,006	256,174	239,168
358	Sumner	Oxford	8,773	-1,757	-5,393	1,623	122,042	0	123,665	10,717	127,996	117,279
359	Sumner	Argonia Public Schools	4,909	0	-770	4,139	33,278	4,216	41,633	18,279	38,495	20,216
360	Sumner	Caldwell	6,610	-7,026	-4,237	-4,653	76,500	20,374	92,221	8,074	80,330	72,256
509	Sumner	South Haven	5,453	0	-4,237	1,216	76,228	21,361	98,805	6,661	79,996	73,335
314	Thomas	Brewster	3,144	0	-1,541	1,603	0	0	1,603	58,004	0	0
315	Thomas	Colby Public Schools	20,063	-19,322	-18,104	-17,363	166,977	14,190	163,804	35,306	179,119	143,813
316	Thomas	Golden Plains	5,959	-1,757	-2,311	1,891	69,410	0	71,301	44,267	91,756	47,489
208	Trego	Wakeeney	8,714	0	-6,548	2,166	0	0	2,166	11,747	0	0
329	Wabaunsee	Mill Creek Valley	11,668	0	-4,237	7,431	74,313	6,044	87,788	52,242	88,354	36,112
330	Wabaunsee	Mission Valley	12,133	0	-6,934	5,199	103,147	25,888	134,234	59,389	124,289	64,900
241	Wallace	Wallace County Schools	5,539	0	-770	4,769	0	0	4,769	6,767	0	0
242	Wallace	Weskan	3,197	0	-1,926	1,271	10,001	1,887	13,159	3,904	10,528	6,624
108	Washington	Washington Co. Schools	9,056	0	-6,163	2,893	58,003	0	60,896	11,061	60,849	49,788
223	Washington	Barnes	9,456	-24,591	-3,852	-18,987	58,342	9,812	49,167	11,550	61,257	49,707

	4/1/2014		Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10
			Proposed	Proposed		Proposed	Proposed			Proposed	Proposed	Proposed
			General Fund	At-Risk	Proposed	General Fund	Additional	Proposed		Additional LOB	Additional	Property
			Increase	Reduction	Non-Proficient	Adjustments	LOB Aid 100%	Capital Outlay	Inc/Dec	Classroom Fund.	Max LOB Aid	Tax
USD #	County	District Name	BSAPP \$3,852	\$3,852	\$3,852	(Cols 1 thru 3)	(SF14-062)	Aid	(Cols 4+5+6)	\$4,490	100% Funded	Relief
224	Washington	Clifton-Clyde	7,713	0	-6,548	1,165	46,018	0	47,183	63,636	63,193	0
467	Wichita	Leoti	10,802	0	-4,237	6,565	65,170	17,756	89,491	33,033	74,161	41,128
387	Wilson	Altoona-Midway	6,081	0	-3,852	2,229	17,024	0	19,253	68,072	25,696	0
461	Wilson	Neodesha	16,556	0	-5,393	11,163	260,404	26,882	298,449	20,222	274,001	253,779
484	Wilson	Fredonia	16,214	-5,270	-9,630	1,314	171,610	0	172,924	42,396	190,921	148,525
366	Woodson	Woodson	11,409	0	-4,237	7,172	121,151	0	128,323	75,346	155,584	80,238
202	Wyandotte	Turner-Kansas City	83,391	-5,270	-53,928	24,193	1,410,486	520,082	1,954,761	101,857	1,483,446	1,381,589
203	Wyandotte	Piper-Kansas City	30,766	0	-17,334	13,432	136,169	0	149,601	37,579	142,997	105,418
204	Wyandotte	Bonner Springs	46,016	0	-39,676	6,340	448,555	361,592	816,487	62,033	473,077	411,044
500	Wyandotte	Kansas City	468,047	-289,824	-161,784	16,439	7,063,356	2,706,602	9,786,397	2,572,434	8,815,698	6,243,264
TOTAL			9,578,895	-3,351,451	-4,885,485	1,341,959	94,468,485	25,200,786	121,011,230	48,482,335	119,932,870	78,083,673

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS,
IN THE MATTER OF PROCEEDINGS BEFORE THE
THREE-JUDGE PANEL APPOINTED PURSUANT TO
K.S.A. 72-64b03 *IN RE* SCHOOL FINANCE
LITIGATION

LUKE GANNON, *et al.*

Plaintiffs,

v.

STATE OF KANSAS,

Defendant.

Case No. 10C1569

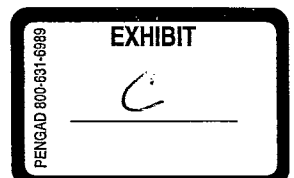
ORDER

This matter comes before the panel after receipt of the Kansas Supreme Court's mandate (dated March 31, 2014) pertaining to the Court's opinion of March 7, 2014.

1. The Kansas Supreme Court held none of the individual plaintiffs in this action established standing to pursue any claims against the State. Thus, the individual plaintiffs are hereby dismissed from the case. The case caption shall reflect that they are no longer parties in future filings.

2. The panel takes judicial notice that on April 21, 2014, the Governor signed into law 2014 Senate Substitute for House Bill 2506 ("HB 2506").

3. Reviewing the panel's Memorandum Opinion and Entry of Judgment of January 11, 2013, the Kansas Supreme Court held the Legislature needed to address inequities in the funding of capital outlay state aid ("capital outlay equalization") and supplemental general state aid ("LOB equalization") in order to satisfy the requirements of Article 6, § 6 of the Kansas Constitution. The Court held that the Panel "need not take any additional action on" these issues



if the State "fully funds" the items by July 1, 2014. *Gannon v. State*, __ Kan. __, 319 P.3d 1196, 1252 (2014)

A. In response, the Legislature now has fully funded capital outlay equalization at the statutory level ("as contemplated in K.S.A. 2013 Supp. 72-8814," *Gannon*, at 1252), providing an estimated \$25,200,786 in additional funding for such aid by repealing the statutory barrier that had impeded capital outlay equalization from being fully funded. Because the panel finds HB 2506 §§ 4(g) & 47 fully funds capital outlay equalization aid in accordance with the Supreme Court's order, the constitutional infirmity is cured, and there is nothing more for the Panel to do in this regard. The plaintiffs' claims regarding capital outlay equalization are dismissed.

B. In further response, the Legislature also has fully funded LOB equalization. In fact, the Legislature has provided \$109,265,000 in additional funding, which is more than the statutory level the Kansas Supreme Court identified as necessary to "fully fund" such aid ("as contemplated in the existing SDFQPA, K.S.A. 72-6405 *et seq.*," *Gannon*, at 1252). Because the panel finds HB 2506, §7(a), more than fully funds LOB equalization aid within the meaning of the Supreme Court's order, the constitutional infirmity is cured, and there is nothing more for the panel to do in this regard. The plaintiffs' claims regarding LOB equalization are dismissed.

4. While the panel is mindful of the Kansas Supreme Court's holding that all funding is relevant to the constitutional adequacy determination under Article 6, and that Court's emphasis that adequacy and equity do not exist in isolation from each other, so "curing of the equity infirmities may influence the panel's assessment of the adequacy of the overall education funding system," *Gannon* at 110, the adequacy claims are not addressed in this Order. Instead, the panel will conduct a scheduling conference on _____, 2014, at _____ to

discuss with the parties the procedure the panel will follow to address the adequacy claims remanded to the panel.

IT IS SO ORDERED, this _____ day of _____, 2014.

Hon. Franklin R. Theis
Judge of the District Court,
Panel Member and Presiding Judge

(see attached) _____
Hon. Robert J. Fleming
Judge of the District Court and Panel Member

(see attached) _____
Hon. Jack L. Burr
District Court Judge Retired and Panel Member