AN ACT concerning education; relating to state aid; removing federal
impact aid from the determination of local foundation aid; excluding
Fort Leavenworth school district and virtual school students from the
capital improvement state aid determination; extending the general
obligation bond limitation; amending K.S.A. 72-5135 and 72-5461 and
K.S.A. 2021 Supp. 72-5132 and 72-5462 and repealing the existing
sections.

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

Section 1. K.S.A. 2021 Supp. 72-5132 is hereby amended to read as
follows: 72-5132. As used in the Kansas school equity and enhancement
act, K.S.A. 72-5131 et seq., and amendments thereto:
(a) "Adjusted enrollment" means the enrollment of a school district,
excluding the remote enrollment determined pursuant to K.S.A. 2021
Supp. 72-5180, and amendments thereto, adjusted by adding the following
weightings, if any, to the enrollment of a school district: At-risk student
weighting; bilingual weighting; career technical education weighting;
high-density at-risk student weighting; high enrollment weighting; low
enrollment weighting; school facilities weighting; ancillary school
facilities weighting; cost-of-living weighting; special education and related
services weighting; and transportation weighting.
(b) "Ancillary school facilities weighting" means an addend
component assigned to the enrollment of school districts pursuant to
K.S.A. 72-5158, and amendments thereto, on the basis of costs attributable
to commencing operation of one or more new school facilities by such
school districts.
(c) (1) "At-risk student" means a student who is eligible for free
meals under the national school lunch act, and who is enrolled in a school
district that maintains an approved at-risk student assistance program.
(2) The term--"At-risk student"--shall does not include any student
enrolled in any of the grades one through 12 who is in attendance less than
full time, or any student who is over 19 years of age. The provisions of this
paragraph shall not apply to any student who has an individualized
education program.
(d) "At-risk student weighting" means an addend component assigned
to the enrollment of school districts pursuant to K.S.A. 72-5151(a), and
amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.

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

(1) For school year 2018-2019, $4,165;
(2) for school year 2019-2020, $4,436;
(3) for school year 2020-2021, $4,569;
(4) for school year 2021-2022, $4,706;
(5) for school year 2022-2023, $4,846; and
(6) for school year 2023-2024, and each school year thereafter, the BASE aid shall be the BASE aid amount for the immediately preceding school year plus an amount equal to the average percentage increase in the consumer price index for all urban consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor during the three immediately preceding school years rounded to the nearest whole dollar amount.

(f) "Bilingual weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5150, and amendments thereto, on the basis of costs attributable to the maintenance of bilingual educational programs by such school districts.

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

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

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

(j) "Cost-of-living weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5159, and amendments thereto, on the basis of costs attributable to the cost of living in such school districts.

(k) "Current school year" means the school year during which state foundation aid is determined by the state board under K.S.A. 72-5134, and amendments thereto.

(l) "Enrollment" means, except as provided in K.S.A. 2021 Supp. 72-5180, and amendments thereto:

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

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

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

(B) the adjusted enrollment in the second preceding school year of any students participating in the tax credit for low income students scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the preceding school year, if any, plus the adjusted enrollment in the preceding school year of preschool-aged at-risk students who are participating in the tax credit for low income students scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the current school year, if any.

(3) For any school district that has a military student, as that term is defined in K.S.A. 72-5139, and amendments thereto, enrolled in such district, and that received federal impact aid for the preceding school year, if the enrollment in such school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means whichever is the greater of:

(A) The enrollment determined under paragraph (2); or

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

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

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

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

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

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

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

(o) "General fund" means the fund of a school district from which operating expenses are paid and in which is deposited all amounts of state foundation aid provided under this act, payments under K.S.A. 72-528, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program and such other moneys as are provided by law.

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

(q) "High-density at-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5151(b), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.

(r) "High enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5149(b), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(s) "Juvenile detention facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.

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

(1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and authorized to be expended for the purposes specified in K.S.A. 72-5168, and amendments thereto;

(2) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, prior to their repeal;
an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 72-3123(a), and amendments thereto;

(4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 72-3125, and amendments thereto;

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

(6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 72-3423, and amendments thereto; and

(7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 72-3425, and amendments thereto; and

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

(u) "Low enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5149(a), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(v) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a school district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 72-5168, and amendments thereto.

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

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

(y) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten. The terms "Exceptional children" and "gifted children" have mean the same meaning as those terms are defined in K.S.A. 72-3404, and amendments thereto.
(z) "Psychiatric residential treatment facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.

(aa) (1) "Remote enrollment" means the number of students regularly enrolled in kindergarten and grades one through 12 in the school district who attended school through remote learning in excess of the remote learning limitations provided in K.S.A. 2021 Supp. 72-5180, and amendments thereto.

(2) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(bb) (1) "Remote learning" means a method of providing education in which the student, although regularly enrolled in a school district, does not physically attend the attendance center such student would otherwise attend in person on a full-time basis and curriculum and instruction are prepared, provided and supervised by teachers and staff of such school district to approximate the student learning experience that would take place in the attendance center classroom.

(2) "Remote learning" does not include virtual school as such term is defined in K.S.A. 72-3712, and amendments thereto.

(3) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(cc) "School district" means a school district organized under the laws of this state that is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-3115, and amendments thereto.

(dd) "School facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5156, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

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

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

(gg) "Special education and related services weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5157, and amendments thereto, on the basis of costs attributable to the maintenance of special education and related services by such school districts.

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

(ii) "State foundation aid" means the amount of aid distributed to a school district as determined by the state board pursuant to K.S.A. 72-5134, and amendments thereto.

(jj) (1) "Student" means any person who is regularly enrolled in a school district and attending kindergarten or any of the grades one through
12 maintained by the school district or who is regularly enrolled in a
12 school district and attending kindergarten or any of the grades one through
12 in another school district in accordance with an agreement entered into
under authority of K.S.A. 72-13,101, and amendments thereto, or who is
regularly enrolled in a school district and attending special education
services provided for preschool-aged exceptional children by the school
district.

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

(i) A student in attendance full-time; and
(ii) a student enrolled in a school district and attending special
education and related services, provided for by the school district.

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

(i) A student enrolled in a school district and attending special
education and related services for preschool-aged exceptional children
provided for by the school district; and
(ii) a preschool-aged at-risk student enrolled in a school district and
receiving services under an approved at-risk student assistance plan
maintained by the school district.

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

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

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

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

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

(H) A student enrolled in a school district and attending school on a part-time basis through remote learning and also attending school in person on a part-time basis shall be counted as that proportion of one student, to the nearest \(\frac{1}{10}\), that the student's in-person attendance bears to full-time attendance.

(I) (i) Except as provided in clause (ii), a student enrolled in a school district who is not a resident of Kansas shall be counted as follows:

(a) For school year 2018-2019, one student;
(b) for school years 2019-2020 and 2020-2021, \(\frac{3}{4}\) of a student; and
(c) for school year 2021-2022 and each school year thereafter, \(\frac{1}{2}\) of a student.

(ii) This subparagraph shall not apply to:

(a) (i) A student whose parent or legal guardian is an employee of the school district where such student is enrolled; or
(b) (ii) a student who attended public school in Kansas during school year 2016-2017 and who attended public school in Kansas during the immediately preceding school year.

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

(A) An individual residing at the Flint Hills job corps center;
(B) except as provided in paragraph (2), an individual confined in and receiving educational services provided for by a school district at a juvenile detention facility; and
(C) an individual enrolled in a school district but housed, maintained and receiving educational services at a state institution or a psychiatric residential treatment facility.

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

(5) A student enrolled in a school district who attends school through remote learning shall be counted in accordance with the provisions of this section and K.S.A. 2021 Supp. 72-5180, and amendments thereto.

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

(II) "Transportation weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5148, and amendments thereto, on the basis of costs attributable to the provision or
furnishing of transportation.

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

Sec. 2. K.S.A. 72-5135 is hereby amended to read as follows: 72-5135. (a) The distribution of state foundation aid under this act shall be made in accordance with appropriation acts each year as provided in this section.

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

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

(c) Payments of state foundation aid shall be distributed to school districts once each month on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due as state foundation aid to each school district in each of the months of July through June. Such certification, and the amount of state foundation aid payable from the state general fund, shall be approved by the director of the budget. The director of accounts and reports shall draw warrants on the state treasurer payable to the school district treasurer of each school district, pursuant to vouchers approved by the state board. Upon receipt of such warrant, each school district treasurer shall deposit the amount of state foundation aid in the general fund of the school district, except that an amount equal to the amount of federal impact aid not included in the local foundation aid of a school district may be disposed of as provided in K.S.A. 72-5166(a), and amendments thereto.

(d) If any amount of state foundation aid that is due to be paid during the month of June of a school year pursuant to the other provisions of this section is not paid on or before June 30 of such school year, then such payment shall be paid on or after the ensuing July 1, as soon as moneys are available therefor. Any payment of state foundation aid that is due to be paid during the month of June of a school year and that is paid to school districts on or after the ensuing July 1 shall be recorded and accounted for by school districts as a receipt for the school year ending on the preceding June 30.
Sec. 3. K.S.A. 72-5461 is hereby amended to read as follows: 72-5461. (a) Upon receiving an application under K.S.A. 72-5460, and amendments thereto, the state board of education shall review the application and examine the evidence furnished in support of the application.

(b) (1) Commencing in school year 2017-2018, the state board of education shall not approve any application submitted during the current school year if such approval would result in the aggregate amount of all general obligation bonds approved by the state board for such school year exceeding the aggregate principal amount of all general obligation bonds retired in the immediately preceding school year adjusted for inflation pursuant to paragraph (4). For any application submitted during the current school year in excess of $175,000,000, the state board shall apply only an amount of $175,000,000 of such application when determining whether the aggregate principal amount of all general obligation bonds retired in the immediately preceding school year has been exceeded. In determining whether to approve an application, the state board shall prioritize applications in accordance with the priorities set forth as follows in order of highest priority to lowest priority:

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

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

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

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

(2) The state board shall not consider a school district's eligibility for capital improvement state aid, or the amount of capital improvement state aid a school district would be eligible to receive, in determining whether to approve such district's application.

(3) The provisions of subsection (b)(1) shall not apply to school districts that:

(A) Have not issued any general obligation bonds in the 25 years prior to the current school year; or

(B) do not receive capital improvement state aid because such school district is not eligible to receive such aid or has opted out of receiving such aid in the resolution adopted as provided in K.S.A. 72-5457, and
amendments thereto.

(4) The state board shall adjust the aggregate principal amount of all general obligation bonds retired in the immediately preceding school year by adding an amount equal to the five-year compounded percentage increase in the producer price index industry data for new school building construction as published by the bureau of labor statistics of the United States department of labor for the five immediately preceding school years.

(c) After reviewing the application and examining the supportive evidence, the state board of education shall issue an order either granting or denying the application. If the application is approved, the applicant board of education shall request the county election officer to hold an election to vote upon the question of issuing the increased amount of bonds in the manner provided by law.

(d) Any application that is denied pursuant to subsection (b) may be tentatively approved by the state board of education for the immediately succeeding school year. The amount of general obligation bonds approved in any such application shall be counted first towards the aggregate amount of all general obligation bonds approved by the state board for such school year.

(e) Commencing in school year 2017-2018, the state board of education shall determine the aggregate principal amount of general obligation bonds retired in the immediately preceding school year.

(f) The provisions of subsections (b), (d) and (e) shall expire on June 30, 2027.

Sec. 4. K.S.A. 2021 Supp. 72-5462 is hereby amended to read as follows: 72-5462. (a) There is hereby established in the state treasury the school district capital improvements fund. The fund shall consist of all amounts transferred thereto under the provisions of subsection (c).

(b) In each school year, each school district which is obligated to make payments from its capital improvements fund shall be entitled to receive payment from the school district capital improvements fund in an amount determined by the state board of education as provided in this subsection.

(1) For general obligation bonds approved for issuance at an election held prior to July 1, 2015, the state board of education shall:

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

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

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

(D) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each $1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each $1,000 interval below the amount of the median AVPP. Except as provided by K.S.A. 72-5463, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

(E) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to general obligation bonds approved for issuance at an election held prior to July 1, 2015; and

(F) multiply the amount determined under subsection (b)(1)(E) by the applicable state aid percentage factor.

(2) For general obligation bonds approved for issuance at an election held on or after July 1, 2015, the state board of education shall:

(A) Except as provided in subsection (b)(8), determine the amount of the AVPP of each school district in the state for the preceding school year and round such amount to the nearest $1,000. The rounded amount is the AVPP of a school district for the purposes of this subsection (b)(2);

(B) except as provided in subsection (b)(8), prepare a schedule of dollar amounts using the amount of the AVPP of the school district with the lowest AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal $1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts;

(C) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the lowest AVPP shown on the schedule and decreasing the state aid computation percentage assigned to the amount of the lowest AVPP by one percentage
point for each $1,000 interval above the amount of the lowest AVPP. Except as provided by K.S.A. 72-5463, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid computation percentage is 75%.

(D) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to general obligation bonds approved for issuance at an election held on or after July 1, 2015; and

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

(3) For general obligation bonds approved for issuance at an election held on or before June 30, 2016, the sum of the amount determined under subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E) is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year.

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

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

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

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

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

(c) impact on the delivery of educational services as demonstrated by restrictive inflexible design or limitations on installation of technology; and
(d) energy usage and other operational inefficiencies as demonstrated by a district-wide energy usage analysis, district-wide architectural analysis or other similar evaluation.

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

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

(5) Except as provided in subsections (b)(6) and (b)(7) through (b)(8), the sum of the amounts determined under subsection (b)(3) and the amount determined or allocated to the district by the state board of education pursuant to subsection (b)(4), is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year.

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

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

(8) For general obligation bonds approved for issuance at an election held on or after July 1, 2022, the state board of education shall:

(A) In preparing the schedule of dollar amounts pursuant to subsection (b)(2)(B), exclude unified school district No. 207, Fort
Leavenworth, from such schedule and determine the point of beginning based on the amount of the AVPP of the school district with the lowest AVPP of the remaining school districts; and

(B) in determining the amount of the AVPP of a school district, exclude the number of students enrolled in a virtual school, as defined in K.S.A. 72-3712, and amendments thereto, that is offered by such school district from the determination of the AVPP of such school district.

(c) The state board of education shall certify to the director of accounts and reports the entitlements of school districts determined under the provisions of subsection (b), and an amount equal thereto shall be transferred by the director from the state general fund to the school district capital improvements fund for distribution to school districts. All transfers made in accordance with the provisions of this subsection shall be considered to be demand transfers from the state general fund, except that all such transfers during the fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023, shall be considered to be revenue transfers from the state general fund.

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

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

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

Sec. 5. K.S.A. 72-5135 and 72-5461 and K.S.A. 2021 Supp. 72-5132 and 72-5462 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its
publication in the statute book.