

**HOUSE BILL No. 2486**

By Committee on Education

1-20

1 AN ACT concerning school districts; relating to capital improvements;  
2 creating the school district bond project review board; amending  
3 K.S.A. 2015 Supp. 75-2319 and repealing the existing section.  
4

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

6 New Section 1. (a) There is hereby established the school district  
7 bond project review board. The board shall consist of the following six  
8 members:

9 (1) The chairperson of the committee on appropriations of the house  
10 of representatives;

11 (2) the chairperson of the committee on ways and means of the  
12 senate;

13 (3) the ranking minority member of the committee on appropriations  
14 of the house of representatives;

15 (4) the ranking minority member of the committee on ways and  
16 means of the senate; and

17 (5) two members of the state board of education appointed by the  
18 state board of education.

19 (b) A majority of all members of the board shall constitute a quorum.  
20 All actions of the board shall be taken by a majority of all members of the  
21 board.

22 (c) Members of the board shall receive expenses, mileage and  
23 subsistence as provided in K.S.A. 75-3223(e), and amendments thereto.

24 (d) For general obligation bonds that have not been approved for  
25 issuance by an election prior to January 1, 2016, no capital improvement  
26 state aid shall be paid pursuant to K.S.A. 75-2319, and amendments  
27 thereto, unless such payment is approved by the board in accordance with  
28 this section. A school district shall submit an application to the school  
29 district bond project review board for approval of capital improvement  
30 state aid. The application shall be submitted in such form and manner as  
31 prescribed by the board, and shall include a description of the project that  
32 is the basis for the application.

33 (e) The board shall review all submitted applications and approve or  
34 deny the disbursement of capital improvement state aid under K.S.A. 75-  
35 2319, and amendments thereto, based on whether the project for which  
36 such bonds are to be issued is for instruction. As part of its review of an

1 application, the board may conduct a hearing and provide the applicant  
2 school district an opportunity to present testimony regarding the project. In  
3 determining whether a project is for instruction, the board shall consider  
4 the extent to which the facility being constructed or improved is to be  
5 utilized by the school district for direct instruction of students of the  
6 school district.

7 (f) If the board approves an application, the board shall determine the  
8 extent to which the facility being constructed or improved is to be utilized  
9 by the school district for direct instruction of students of the school  
10 district, and shall express such utilization as a percentage of the total  
11 utilization of such facility. In making such determination, the board shall  
12 only consider basic building planning and design to be a part of the facility  
13 that is utilized for direct instruction of students. Any architectural  
14 enhancements to a facility beyond basic building planning and design shall  
15 not be deemed part of the facility that is utilized for direct instruction of  
16 students. The board shall certify to the state board of education that such  
17 application was approved and the percentage of utilization for direct  
18 instruction.

19 (g) If the board denies an application, then within 15 days of such  
20 denial, it shall send written notice of such denial to the superintendent of  
21 such school district. The decision of the board shall be final.

22 (h) The provisions of this section shall not apply to any school district  
23 which is not entitled to capital improvement state aid under K.S.A. 75-  
24 2319, and amendments thereto.

25 Sec. 2. K.S.A. 2015 Supp. 75-2319 is hereby amended to read as  
26 follows: 75-2319. (a) There is hereby established in the state treasury the  
27 school district capital improvements fund. The fund shall consist of all  
28 amounts transferred thereto under the provisions of subsection (c).

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

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

36 (A) Determine the amount of the assessed valuation per pupil (AVPP)  
37 of each school district in the state and round such amount to the nearest  
38 \$1,000. The rounded amount is the AVPP of a school district for the  
39 purposes of this subsection (b)(1);

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

41 (C) prepare a schedule of dollar amounts using the amount of the  
42 median AVPP of all school districts as the point of beginning. The  
43 schedule of dollar amounts shall range upward in equal \$1,000 intervals

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

7 (D) determine a state aid percentage factor for each school district by  
8 assigning a state aid computation percentage to the amount of the median  
9 AVPP shown on the schedule, decreasing the state aid computation  
10 percentage assigned to the amount of the median AVPP by one percentage  
11 point for each \$1,000 interval above the amount of the median AVPP, and  
12 increasing the state aid computation percentage assigned to the amount of  
13 the median AVPP by one percentage point for each \$1,000 interval below  
14 the amount of the median AVPP. Except as provided by K.S.A. 2015 Supp.  
15 75-2319c, and amendments thereto, the state aid percentage factor of a  
16 school district is the percentage assigned to the schedule amount that is  
17 equal to the amount of the AVPP of the school district. The state aid  
18 percentage factor of a school district shall not exceed 100%. The state aid  
19 computation percentage is 25%;

20 (E) determine the amount of payments that a school district is  
21 obligated to make from its bond and interest fund attributable to general  
22 obligation bonds approved for issuance at an election held prior to July 1,  
23 2015; and

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

26 (2) For general obligation bonds approved for issuance at an election  
27 held on or after July 1, 2015, but prior to ~~July 1, 2017~~ *January 1, 2016*, the  
28 state board of education shall:

29 (A) Determine the amount of the AVPP of each school district in the  
30 state and round such amount to the nearest \$1,000. The rounded amount is  
31 the AVPP of a school district for the purposes of this subsection (b)(2);

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

38 (C) determine a state aid percentage factor for each school district by  
39 assigning a state aid computation percentage to the amount of the lowest  
40 AVPP shown on the schedule and decreasing the state aid computation  
41 percentage assigned to the amount of the lowest AVPP by one percentage  
42 point for each \$1,000 interval above the amount of the lowest AVPP.  
43 Except as provided by K.S.A. 2015 Supp. 75-2319c, and amendments

1 thereto, the state aid percentage factor of a school district is the percentage  
2 assigned to the schedule amount that is equal to the amount of the AVPP of  
3 the school district. The state aid computation percentage is 75%;

4 (D) determine the amount of payments that a school district is  
5 obligated to make from its bond and interest fund attributable to general  
6 obligation bonds approved for issuance at an election held on or after July  
7 1, 2015, but prior to ~~July 1, 2017~~ January 1, 2016; and

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

10 (3) *Subject to the provisions of section 1, and amendments thereto,*  
11 *for general obligation bonds approved for issuance at an election held on*  
12 *or after January 1, 2016, the state board of education shall:*

13 (A) *Determine the amount of the AVPP of each school district in the*  
14 *state and round such amount to the nearest \$1,000. The rounded amount is*  
15 *the AVPP of a school district for the purposes of this subsection (b)(3);*

16 (B) *prepare a schedule of dollar amounts using the amount of the*  
17 *AVPP of the school district with the lowest AVPP of all school districts as*  
18 *the point of beginning. The schedule of dollar amounts shall range upward*  
19 *in equal \$1,000 intervals from the point of beginning to and including an*  
20 *amount that is equal to the amount of the AVPP of the school district with*  
21 *the highest AVPP of all school districts;*

22 (C) *determine a state aid percentage factor for each school district*  
23 *by assigning a state aid computation percentage to the amount of the*  
24 *lowest AVPP shown on the schedule and decreasing the state aid*  
25 *computation percentage assigned to the amount of the lowest AVPP by one*  
26 *percentage point for each \$1,000 interval above the amount of the lowest*  
27 *AVPP. Except as provided by K.S.A. 2015 Supp. 75-2319c, and*  
28 *amendments thereto, the state aid percentage factor of a school district is*  
29 *the percentage assigned to the schedule amount that is equal to the*  
30 *amount of the AVPP of the school district. The state aid computation*  
31 *percentage is 75%;*

32 (D) *determine the amount of payments that a school district is*  
33 *obligated to make from its bond and interest fund attributable to general*  
34 *obligation bonds approved for issuance at an election held on or after*  
35 *January 1, 2016;*

36 (E) *multiply the amount determined under subsection (b)(3)(D) by*  
37 *the applicable state aid percentage factor; and*

38 (F) *multiply the amount calculated under subsection (b)(3)(E) by the*  
39 *percentage certified by the school district bond project review board*  
40 *pursuant to section 1, and amendments thereto, if any.*

41 (4) The sum of the amount determined under subsection (b)(1)(F)  
42 and, the amount determined under subsection (b)(2)(E) and the amount  
43 determined under (b)(3)(F) is the amount of payment the school district is

1 entitled to receive from the school district capital improvements fund in  
2 the school year.

3 (c) The state board of education shall certify to the director of  
4 accounts and reports the entitlements of school districts determined under  
5 the provisions of subsection (b), and an amount equal thereto shall be  
6 transferred by the director from the state general fund to the school district  
7 capital improvements fund for distribution to school districts. All transfers  
8 made in accordance with the provisions of this subsection shall be  
9 considered to be demand transfers from the state general fund, except that  
10 all such transfers during the fiscal years ending June 30, 2013, June 30,  
11 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue  
12 transfers from the state general fund.

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

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

29 Sec. 3. K.S.A. 2015 Supp. 75-2319 is hereby repealed.

30 Sec. 4. This act shall take effect and be in force from and after its  
31 publication in the Kansas register.