AN ACT concerning education; relating to school district capital improvement state aid; amending K.S.A. 2015 Supp. 75-2319 and repealing the existing section.

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

New Section 1. (a) Subject to appropriations therefor, for general obligation bonds approved for issuance at an election held on or after July 1, 2016, each school district which is obligated to make payments from its bond and interest fund for such general obligation bonds shall receive capital improvement state aid in an amount determined by the state board of education as provided in this section.

(b) Subject to the provisions of subsection (c), in determining the amount of capital improvement state aid each school district is to receive, the state board shall:

1. Determine the amount of the 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 subsection (b);

2. 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;

3. 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. 2015 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid computation percentage is 75%.

4. 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, 2016; and
(5) multiply the amount determined under subsection (b)(4) by the applicable state aid percentage factor. The resulting product is amount of capital improvement state aid the school district is to receive for the school year.

(c) In determining the amount under subsection (b)(4), 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 described in subsection (d)(1).

(d) If the amount of appropriations for capital improvement state aid is less than the aggregate amount school districts are to receive for the school year, the state board shall allocate the amount appropriated among the school districts in accordance with the following priorities set forth as follows in order of highest priority to lowest priority:

1. 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;
2. enrollment growth and imminent overcrowding as demonstrated by successive increases in enrollment of the school district in the immediately preceding three school years;
3. impact on the delivery of educational services as demonstrated by restrictive inflexible design or limitations on installation of technology; and
4. energy usage and other operational inefficiencies as demonstrated by a district-wide energy usage analysis, district-wide architectural analysis or other similar evaluation.

(e) Payments of capital improvement state aid shall be distributed to school districts at times determined by the state board to be necessary to assist school districts in making scheduled payments pursuant to contractual bond obligations. The state board shall certify to the director of accounts and reports the amount due each school district as capital improvement state aid, 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.

(f) 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.

Sec. 2. K.S.A. 2015 Supp. 75-2319 is hereby amended to read as
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follows: 75-2319. (a) There is hereby established in the state treasury the
school district capital improvements fund. The fund shall consist of all
amounts transferred thereto under the provisions of subsection (c).
(b) Subject to the provisions of subsection (f), in each school year,
each school district which is obligated to make payments from its capital
improvements bond and interest 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 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. 2015 Supp.
75-2319c, and amendments thereto, the state aid percentage factor of a
school district is the percentage assigned to the schedule amount that is
equal to the amount of the AVPP of the school district. The state aid
percentage factor of a school district shall not exceed 100%. The state aid
computation percentage is 25%;
(E) determine the amount of payments that a school district is
obligated to make from its bond and interest fund attributable to general
obligation bonds approved for issuance at an election held prior to July 1,
2015; and
(F) multiply the amount determined under subsection (b)(1)(E) by the
applicable state aid percentage factor.
(2) For general obligation bonds approved for issuance at an election held on or after July 1, 2015, but prior to July 1, 2016, the state board of education shall:

(A) Determine the amount of the 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 subsection (b)(2);

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

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

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

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

(3) 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.

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

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

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.