AN ACT concerning education; relating to the financing and instruction thereof; making and concerning appropriations for the fiscal year ending June 30, 2017, for the department of education; relating to the classroom learning assuring student success act; amending K.S.A. 2015 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and 74-4939a and repealing the existing sections.

WHEREAS, The provisions of this act shall be known and may be cited as the court ordered redistribution of district funds act.

Now, therefore:

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

Section 1.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

Supplemental general state aid.......................... $464,092,249

School district capital outlay state aid fund.............................. No limit

(b) On July 1, 2016, of the $2,759,751,285 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016 House Substitute for Senate Bill No. 161 from the state general fund in the block grants to USDs account (652-00-1000-0500), the sum of $517,594,858 is hereby lapsed.

New Sec. 2. (a) Each school district that has adopted a local option budget is eligible to receive an amount of supplemental general state aid. A school district's eligibility to receive supplemental general state aid shall be determined by the state board as provided in this subsection. The state board of education shall:

(1) Determine the amount of the assessed valuation per pupil in the preceding school year of each district in the state;

(2) rank the districts from low to high on the basis of the amounts of assessed valuation per pupil determined under subsection (a)(1);

(3) identify the amount of the assessed valuation per pupil located at the 81.2 percentile of the amounts ranked under subsection (a)(2);

(4) divide the assessed valuation per pupil of the district in the preceding school year by the amount identified under subsection (a)(3); and
(5) if the quotient obtained under subsection (a)(4) is less than one, subtract the quotient obtained under (a)(4) from one, and multiply such difference by the amount of the local option budget of the school district. The resulting product is the supplemental general state aid the school district is entitled to receive for the school year. If the quotient obtained under subsection (a)(4) equals or exceeds one, the school district shall not be entitled to receive supplemental general state aid.

(b) The state board shall prescribe the dates upon which the distribution of payments of supplemental general state aid to school districts shall be due. Payments of supplemental general state aid shall be distributed to school districts on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due each school district, 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 supplemental general fund of the school district to be used for the purposes of such fund.

(c) If any amount of supplemental 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 supplemental 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.

(d) If the amount of appropriations for supplemental general state aid is less than the amount each school district is to receive for the school year, the state board shall prorate the amount appropriated among the school districts in proportion to the amount each school district is to receive as determined under subsection (a).

(e) The provisions of this section shall be part of and supplemental to the classroom learning assuring student success act.

(f) The provisions of this section shall expire on June 30, 2017.

New Sec. 3. (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) 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. 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, 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 subsection (b)(5), but not to exceed 8 mills, by the applicable state aid percentage factor. The resulting product is the amount of payment the school district is 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 amount of school district capital outlay state aid 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. 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, 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) The provisions of this section shall expire on June 30, 2017.

Sec. 4. K.S.A. 2015 Supp. 72-6463 is hereby amended to read as
follows: 72-6463. (a) The provisions of K.S.A. 2015 Supp. 72-6463
through 72-6481, and section 2, and amendments thereto, shall be known
and may be cited as the classroom learning assuring student success act.

(b) The legislature hereby declares that the intent of this act is to
lessen state interference and involvement in the local management of
school districts and to provide more flexibility and increased local control
for school district boards of education and administrators in order to:

(1) Enhance predictability and certainty in school district funding
sources and amounts;
(2) allow school district boards of education and administrators to
best meet their individual school district's financial needs; and
(3) maximize opportunities for more funds to go to the classroom.

To meet this legislative intent, state financial support for elementary
and secondary public education will be met by providing a block grant for
school years 2015-2016 and 2016-2017 to each school district. Each
school district's block grant will be based in part on, and be at least equal
to, the total state financial support as determined for school year 2014-
2015 under the school district finance and quality performance act, prior to
its repeal. All school districts will be held harmless from any decreases to
the final school year 2014-2015 amount of total state financial support.

(c) The legislature further declares that the guiding principles for the
development of subsequent legislation for the finance of elementary and
secondary public education should consist of the following:

(1) Ensuring that students' educational needs are funded;
(2) providing more funding to classroom instruction;
(3) maximizing flexibility in the use of funding by school district
boards of education and administrators; and
(4) achieving the goal of providing students with those education
capacities established in K.S.A. 72-1127, and amendments thereto.

(d) The provisions of this section shall be effective from and after
July 1, 2015, through June 30, 2017.

Sec. 5. K.S.A. 2015 Supp. 72-6465 is hereby amended to read as
follows: 72-6465. (a) For school year 2015-2016 and school year 2016-
2017, the state board shall disburse general state aid to each school district
in an amount equal to:

(1) Subject to the provisions of subsections (b) (c) through (f) (g), the
amount of general state aid such school district received for school year
2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as
prorated in accordance with K.S.A. 72-6410, prior to its repeal, less:
(A) The amount directly attributable to the ancillary school facilities
weighting as determined for school year 2014-2015 under K.S.A. 72-6443,
prior to its repeal;
(B) the amount directly attributable to the cost-of-living weighting as
determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6450,
prior to its repeal;
(C) the amount directly attributable to declining enrollment state aid
as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-
6452, prior to its repeal; and
(D) the amount directly attributable to virtual school state aid as
determined for school year 2014-2015 under K.S.A. 2015 Supp. 72-3715,
and amendments thereto, plus;
(2) the amount of supplemental general state aid such school district
received for school year 2014-2015, if any, pursuant to K.S.A. 72-6434,
prior to its repeal, as prorated in accordance with K.S.A. 72-6434, prior to
its repeal, plus;
(3) the amount of capital outlay state aid such school district received
for school year 2014-2015, if any, pursuant to K.S.A. 2014 Supp. 72-8814,
prior to its repeal, plus;
(4) (A) an amount that is directly attributable to the proceeds of the
tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6473,
and amendments thereto, provided; the school district has levied such tax;
(B) an amount that is directly attributable to the proceeds of the tax
levied by the school district pursuant to K.S.A. 2015 Supp. 72-6474, and
amendments thereto, provided; the school district has levied such tax; and
(C) an amount that is directly attributable to the proceeds of the tax
levied by the school district pursuant to K.S.A. 2015 Supp. 72-6475, and
amendments thereto, provided; the school district has levied such tax, plus;
(5) the amount of virtual school state aid such school district is to
receive under K.S.A. 2015 Supp. 72-3715, and amendments thereto, plus;
(6) an amount certified by the board of trustees of the Kansas public
employees retirement system which is equal to the participating employer's
obligation of such school district to the system, less;
(7) an amount equal to 0.4% of the amount determined under
subsection (a)(1).
(b) For school year 2016-2017, the state board shall disburse
general state aid to each school district in an amount equal to:
(1) Subject to the provisions of subsections (c) through (g), the
amount of general state aid such school district received for school year
2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as
prorated in accordance with K.S.A. 72-6410, prior to its repeal, less:
(A) The amount directly attributable to the ancillary school facilities weighting as determined for school year 2014-2015 under K.S.A. 72-6443, prior to its repeal;
(B) the amount directly attributable to the cost-of-living weighting as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6450, prior to its repeal;
(C) the amount directly attributable to declining enrollment state aid as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6452, prior to its repeal; and
(D) the amount directly attributable to virtual school state aid as determined for school year 2014-2015 under K.S.A. 2015 Supp. 72-3715, and amendments thereto, plus;

(2) (A) an amount that is directly attributable to the proceeds of the tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6473, and amendments thereto, provided the school district has levied such tax;
(B) an amount that is directly attributable to the proceeds of the tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6474, and amendments thereto, provided the school district has levied such tax; and
(C) an amount that is directly attributable to the proceeds of the tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6475, and amendments thereto, provided the school district has levied such tax, plus;

(3) the amount of virtual school state aid such school district is to receive under K.S.A. 2015 Supp. 72-3715, and amendments thereto, plus;

(4) an amount certified by the board of trustees of the Kansas public employees retirement system which is equal to the participating employer's obligation of such school district to the system, less;

(5) an amount equal to 0.4% of the amount determined under subsection (b)(1), less;

(6) an amount equal to \( \frac{1.45}{1.55} \times \text{the amount determined under subsection (b)(1)} \).

(b) (c) For any school district whose school financing sources exceeded its state financial aid for school year 2014-2015 as calculated under the school district finance and quality performance act, prior to its repeal, the amount such school district is entitled to receive under subsection (a)(1) or (b)(1) shall be the proceeds of the tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6470, and amendments thereto, less the difference between such school district's school financing sources and its state financial aid for school year 2014-2015 as calculated under the school district finance and quality performance act, prior to its repeal.

d) For any school district formed by consolidation in accordance with article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, prior to the effective date of this act, and whose state
financial aid for school year 2014-2015 was determined under K.S.A. 2014 Supp. 72-6445a, prior to its repeal, the amount of general state aid for such school district determined under subsection (a)(1) or (b)(1) shall be determined as if such school district was not subject to K.S.A. 2014 Supp. 72-6445a, prior to its repeal, for school year 2014-2015.

(d) (e) For any school district that consolidated in accordance with article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, and such consolidation becomes effective on or after July 1, 2015, the amount of general state aid for such school district determined under subsection (a)(1) or (b)(1) shall be the sum of the general state aid each of the former school districts would have received under subsection (a)(1) or (b)(1).

(e) (f) (1) For any school district that was entitled to receive school facilities weighting for school year 2014-2015 under K.S.A. 2014 Supp. 72-6415b, prior to its repeal, and which would not have been eligible to receive such weighting for school year 2015-2016 under K.S.A. 2014 Supp. 72-6415b, prior to its repeal, an amount directly attributable to the school facilities weighting as determined for school year 2014-2015 under K.S.A. 72-6415, prior to its repeal, for such school district shall be subtracted from the amount of general state aid for such school district determined under subsection (a)(1) or (b)(1).

(2) For any school district which would have been eligible to receive school facilities weighting for school year 2015-2016 under K.S.A. 2014 Supp. 72-6415b, prior to its repeal, but which did not receive such weighting for school year 2014-2015, an amount directly attributable to the school facilities weighting as would have been determined under K.S.A. 72-6415, prior to its repeal, for school year 2015-2016 shall be added to the amount of general state aid for such school district determined under subsection (a)(1) or (b)(1).

(3) For any school district which would have been eligible to receive school facilities weighting for school year 2016-2017 under K.S.A. 2014 Supp. 72-6415b, prior to its repeal, but which did not receive such weighting for school year 2014-2015, and which would not have been eligible to receive such weighting for school year 2015-2016 under K.S.A. 2014 Supp. 72-6415b, prior to its repeal, an amount directly attributable to the school facilities weighting as would have been determined under K.S.A. 72-6415, prior to its repeal, for school year 2016-2017 shall be added to the amount of general state aid for such school district determined under subsection (a)(1) or (b)(1).

(f) (g) (1) For any school district that received federal impact aid for school year 2014-2015, if such school district receives federal impact aid in school year 2015-2016 in an amount that is less than the amount such school district received in school year 2014-2015, then an amount equal to
the difference between the amount of federal impact aid received by such
school district in such school years shall be added to the amount of general
state aid for such school district for school year 2015-2016 as determined
under subsection (a)(1) or (b)(1).

(2) For any school district that received federal impact aid for school
year 2014-2015, if such school district receives federal impact aid in
school year 2016-2017 in an amount that is less than the amount such
school district received in school year 2014-2015, then an amount equal to
the difference between the amount of federal impact aid received by such
school district in such school years shall be added to the amount of general
state aid for such school district for school year 2016-2017 as determined
under subsection (a)(1) or (b)(1).

(4) The general state aid for each school district shall be disbursed
in accordance with appropriation acts. In the event the appropriation for
general state aid exceeds the amount determined under subsection (a) or
(b) for any school year, then the state board shall disburse such excess
amount to each school district in proportion to such school district's
enrollment.

(6) The provisions of this section shall be effective from and after
July 1, 2015, through June 30, 2017.

Sec. 6. K.S.A. 2015 Supp. 72-6476 is hereby amended to read as
follows: 72-6476. (a) Each school district may submit an application to the
state finance council for approval of extraordinary need state aid. Such
application shall be submitted in such form and manner as prescribed by
the state finance council, and shall include a description of the
extraordinary need of the school district that is the basis for the
application.

(b) The state finance council shall review all submitted applications
and approve or deny such application based on whether the applicant
school district has demonstrated extraordinary need. As part of its review
of an application, the state finance council may conduct a hearing and
provide the applicant school district an opportunity to present testimony as
to such school district's extraordinary need. In determining whether a
school district has demonstrated extraordinary need, the state finance
council shall consider: (1) Any extraordinary increase in enrollment of the
applicant school district for the current school year; (2) any extraordinary
decrease in the assessed valuation of the applicant school district for the
current school year; and (3) any other unforeseen acts or circumstances
which substantially impact the applicant school district's general fund
budget for the current school year.

(c) If the state finance council approves an application it shall certify
to the state board of education that such application was approved and the
amount of extraordinary need state aid to be disbursed to the applicant
school district from the school district extraordinary need fund. In
approving any application for extraordinary need state aid, the state
finance council may approve an amount of extraordinary need state aid
that is less than the amount the school district requested in the application.
If the state finance council denies an application, then within 15 days of
such denial it shall send written notice of such denial to the superintendent
of such school district. The decision of the state finance council shall be
final.

(d) There is hereby established in the state treasury the school district
extraordinary need fund which shall be administered by the state
department of education. All expenditures from the school district
extraordinary need fund shall be used for the disbursement of
extraordinary need state aid as approved by the state finance council under
this section. All expenditures from the school district extraordinary need
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 state board of education, or the designee of the state board of
education. At the end of each fiscal year, the director of accounts and
reports shall transfer to the state general fund any moneys in the school
district extraordinary need fund on each such date in excess of the amount
required to pay all amounts of extraordinary need state aid approved by the
state finance council for the current school year.

(e) For school year 2015-2016 and school year 2016-2017, the state
board of education shall certify to the director of accounts and reports an
amount equal to the aggregate of the amount determined under K.S.A.
2015 Supp. 72-6465(a)(7), and amendments thereto, for all school
districts. For school year 2016-2017, the state board of education shall
certify to the director of accounts and reports an amount equal to the
aggregate of the amount determined under K.S.A. 2015 Supp. 72-6465(b)
(5), and amendments thereto, for all school districts. Upon receipt of such
certification, the director shall transfer the certified amount from the state
general fund to the school district extraordinary need fund. All transfers
made in accordance with the provisions of this subsection shall be
considered to be demand transfers from the state general fund.

(f) The approvals by the state finance council required by this section
are hereby characterized as matters of legislative delegation and subject to
the guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto.
Such approvals may be given by the state finance council when the
legislature is in session.

(g) The provisions of this section shall expire on July 1, 2017.

Sec. 7. K.S.A. 2015 Supp. 72-6481 is hereby amended to read as
follows: 72-6481. (a) The provisions of K.S.A. 2015 Supp. 72-6463
through 72-6481, and section 2, and amendments thereto, shall not be
severable. If any provision of K.S.A. 2015 Supp. 72-6463 through 72-6481, and section 2, and amendments thereto, is held to be invalid or unconstitutional by court order, all provisions of K.S.A. 2015 Supp. 72-6463 through 72-6481, and section 2, and amendments thereto, shall be null and void.

(b) The provisions of this section shall be effective from and after July 1, 2015, through June 30, 2017.

Sec. 8. K.S.A. 2015 Supp. 74-4939a is hereby amended to read as follows: 74-4939a. On and after the effective date of this act for each fiscal year commencing with fiscal year 2005, notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, or any other statute, all moneys appropriated for the department of education from the state general fund commencing with fiscal year 2005, and each ensuing fiscal year thereafter, by appropriation act of the legislature, in the KPERS — employer contributions account and all moneys appropriated for the department of education from the state general fund commencing with fiscal year 2005, and each ensuing fiscal year thereafter, by any such appropriation act in that account or any other account for payment of employer contributions for school districts, shall be distributed by the department of education to school districts in accordance with this section. Notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, for school year 2015-2016, the department of education shall disburse to each school district that is an eligible employer as specified in K.S.A. 74-4931(1), and amendments thereto, an amount in accordance with K.S.A. 2015 Supp. 72-6465(a)(6), and amendments thereto, which shall be disbursed pursuant to K.S.A. 2015 Supp. 72-6465, and amendments thereto. Notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, for school year 2016-2017, the department of education shall disburse to each school district that is an eligible employer as specified in K.S.A. 74-4931(1), and amendments thereto, an amount in accordance with K.S.A. 2015 Supp. 72-6465(b)(4), and amendments thereto, which shall be disbursed pursuant to K.S.A. 2015 Supp. 72-6465, and amendments thereto. Upon receipt of each such disbursement of moneys, the school district shall deposit the entire amount thereof into a special retirement contributions fund of the school district, which shall be established by the school district in accordance with such policies and procedures and which shall be used for the sole purpose of receiving such disbursements from the department of education and making the remittances to the system in accordance with this section and such policies and procedures. Upon receipt of each such disbursement of moneys from the department of education, the school district shall remit, in accordance with the provisions of such policies and procedures and in the manner and on the date or dates prescribed by the board of trustees of
the Kansas public employees retirement system, an equal amount to the
Kansas public employees retirement system from the special retirement
contributions fund of the school district to satisfy such school district's
obligation as a participating employer. Notwithstanding the provisions of
K.S.A. 74-4939, and amendments thereto, each school district that is an
eligible employer as specified in K.S.A. 74-4931(1), and amendments
thereto, shall show within the budget of such school district all amounts
received from disbursements into the special retirement contributions fund
of such school district. Notwithstanding the provisions of any other statute,
no official action of the school board of such school district shall be
required to approve a remittance to the system in accordance with this
section and such policies and procedures. All remittances of moneys to the
system by a school district in accordance with this subsection and such
policies and procedures shall be deemed to be expenditures of the school
district.

Sec. 9. K.S.A. 2015 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and
74-4939a are hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its
publication in the Kansas register.