

Substitute for SENATE BILL No. 356

By Committee on Education

3-18

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

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. (a) Subject to appropriations therefor, for general
7 obligation bonds approved for issuance at an election held on or after July
8 1, 2016, each school district which is obligated to make payments from its
9 bond and interest fund for such general obligation bonds shall receive
10 capital improvement state aid in an amount determined by the state board
11 of education as provided in this section.

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

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

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

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

33 (4) determine the amount of payments that a school district is
34 obligated to make from its bond and interest fund attributable to general
35 obligation bonds approved for issuance at an election held on or after July
36 1, 2016; and

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

5 (c) In determining the amount under subsection (b)(4), the state board
6 shall exclude payments for any capital improvement project, or portion
7 thereof, that proposes to construct, reconstruct or remodel a facility that
8 would be used primarily for extracurricular activities, unless the
9 construction, reconstruction or remodeling of such facility is necessary due
10 to concerns described in subsection (d)(1){(A)}.

11 (d) **{(1) Subject to paragraph (2),}** if the amount of appropriations for
12 capital improvement state aid is less than the aggregate amount school
13 districts are to receive for the school year, the state board shall allocate the
14 amount appropriated among the school districts in accordance with the
15 following priorities set forth as follows in order of highest priority to
16 lowest priority:

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

21 (2) **{(B)}** enrollment growth and imminent overcrowding as
22 demonstrated by successive increases in enrollment of the school district
23 in the immediately preceding three school years;

24 (3) **{(C)}** impact on the delivery of educational services as
25 demonstrated by restrictive inflexible design or limitations on installation
26 of technology; and

27 (4) **{(D)}** energy usage and other operational inefficiencies as
28 demonstrated by a district-wide energy usage analysis, district-wide
29 architectural analysis or other similar evaluation.

30 **{(2) In allocating capital improvement state aid, the state board
31 shall give higher priority to those school districts with a lower AVPP
32 compared to the other school districts that are to receive capital
33 improvement state aid under this section.}**

34 (e) Payments of capital improvement state aid shall be distributed to
35 school districts at times determined by the state board to be necessary to
36 assist school districts in making scheduled payments pursuant to
37 contractual bond obligations. The state board shall certify to the director of
38 accounts and reports the amount due each school district as capital
39 improvement state aid, and the director of accounts and reports shall draw
40 a warrant on the state treasurer payable to the treasurer of the school
41 district. Upon receipt of the warrant, the treasurer of the school district
42 shall credit the amount thereof to the bond and interest fund of the school
43 district to be used for the purposes of such fund.

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

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

9 (b) ~~Subject to the provisions of subsection (f),~~ In each school year,
10 each school district which is obligated to make payments from its ~~capital~~
11 ~~improvements bond and interest~~ fund shall be entitled to receive payment
12 from the school district capital improvements fund in an amount
13 determined by the state board of education as provided in this subsection.

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

16 (A) Determine the amount of the assessed valuation per pupil (AVPP)
17 of each school district in the state and round such amount to the nearest
18 \$1,000. The rounded amount is the AVPP of a school district for the
19 purposes of this subsection (b)(1);

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

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

30 (D) determine a state aid percentage factor for each school district by
31 assigning a state aid computation percentage to the amount of the median
32 AVPP shown on the schedule, decreasing the state aid computation
33 percentage assigned to the amount of the median AVPP by one percentage
34 point for each \$1,000 interval above the amount of the median AVPP, and
35 increasing the state aid computation percentage assigned to the amount of
36 the median AVPP by one percentage point for each \$1,000 interval below
37 the amount of the median AVPP. Except as provided by K.S.A. 2015 Supp.
38 75-2319c, and amendments thereto, the state aid percentage factor of a
39 school district is the percentage assigned to the schedule amount that is
40 equal to the amount of the AVPP of the school district. The state aid
41 percentage factor of a school district shall not exceed 100%. The state aid
42 computation percentage is 25%;

43 (E) determine the amount of payments that a school district is

1 obligated to make from its bond and interest fund attributable to general
2 obligation bonds approved for issuance at an election held prior to July 1,
3 2015; and

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

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

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

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

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

27 (D) determine the amount of payments that a school district is
28 obligated to make from its bond and interest fund attributable to general
29 obligation bonds approved for issuance at an election held on or after July
30 1, 2015, but prior to July 1, ~~2017~~ 2016; and

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

33 (3) The sum of the amount determined under subsection (b)(1)(F) and
34 the amount determined under subsection (b)(2)(E) is the amount of
35 payment the school district is entitled to receive from the school district
36 capital improvements fund in the school year.

37 (c) The state board of education shall certify to the director of
38 accounts and reports the entitlements of school districts determined under
39 the provisions of subsection (b), and an amount equal thereto shall be
40 transferred by the director from the state general fund to the school district
41 capital improvements fund for distribution to school districts. All transfers
42 made in accordance with the provisions of this subsection shall be
43 considered to be demand transfers from the state general fund, except that

1 all such transfers during the fiscal years ending June 30, 2013, June 30,
2 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue
3 transfers from the state general fund.

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

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

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

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