

House Substitute for SENATE BILL No. 59

By Committee on Appropriations

3-24

1 AN ACT concerning education; relating to the financing and instruction
2 thereof; making and concerning appropriations for the fiscal year
3 ending June 30, 2017, for the department of education; relating to the
4 classroom learning assuring student success act; amending K.S.A. 2015
5 Supp. 72-6463, 72-6465, 72-6474, 72-6476, 72-6481 and 74-4939a and
6 repealing the existing sections.

7
8 WHEREAS, The people of Kansas, through section 6(b) of article 6 of
9 the constitution of the state of Kansas, declared that "the legislature shall
10 make suitable provision for finance of the educational interests of the
11 state." According to the supreme court, this provision contains both an
12 adequacy and equity component. On February 11, 2016, the supreme court
13 ruled that funds provided to the school districts under the existing school
14 finance legislation for local option budget equalization and capital outlay
15 equalization were not equitably distributed among the school districts; and

16 WHEREAS, The supreme court issued an order directing the
17 legislature to fairly allocate resources among the school districts by
18 providing "reasonably equal access to substantially similar education
19 opportunity through similar tax effort." The supreme court warned that, if
20 no action is taken by June 30, 2016, and because an unconstitutional
21 system is invalid, it may entertain a motion to enjoin funding the school
22 system for the 2016-2017 school year; and

23 WHEREAS, The legislature is committed to avoiding any disruption to
24 public education and desires to meet its obligation; and

25 WHEREAS, After hearing evidence concerning varying proposals for
26 this body to continue providing an adequate public education while
27 satisfying the supreme court's equity issue, the legislature is acting on this
28 bill in an expedited manner so that the schools will open, as scheduled, for
29 the 2016-2017 school year; and

30 WHEREAS, This step, while important, is only the first of many. Upon
31 enactment of this legislation, the legislature will immediately return to the
32 task of finding a long-term solution, based upon a broad base of
33 stakeholders, that will continue to provide every Kansas student the
34 opportunity to pursue their chosen desires through an excellent public
35 education.

36 Now, therefore:

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

2 Section 1.

3 DEPARTMENT OF EDUCATION

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

6 Supplemental general state aid.....\$367,582,721

7 School district equalization state aid.....\$61,792,947

8 (b) There is appropriated for the above agency from the following
9 special revenue fund or funds for the fiscal year ending June 30, 2017, all
10 moneys now or hereafter lawfully credited to and available in such fund or
11 funds, except that expenditures other than refunds authorized by law and
12 transfers to other state agencies shall not exceed the following:

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

14 (c) On July 1, 2016, of the \$2,759,751,285 appropriated for the above
15 agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016
16 House Substitute for Senate Bill No. 161 from the state general fund in the
17 block grants to USDs account (652-00-1000-0500), the sum of
18 \$477,802,500 is hereby lapsed.

19 (d) On July 1, 2016, the expenditure limitation established for the
20 fiscal year ending June 30, 2017, by section 3(b) of chapter 4 of the 2015
21 Session Laws of Kansas on the school district extraordinary need fund of
22 the department of education is hereby decreased from \$17,521,425 to
23 \$15,167,962.

24 (e) On July 1, 2016, or as soon thereafter as moneys are available, the
25 director of accounts and reports shall transfer \$15,167,962 from the state
26 general fund to the school district extraordinary need fund of the
27 department of education.

28 New Sec. 2. (a) The legislature hereby declares that the intent of this
29 act is to ensure that public school students receive a constitutionally
30 adequate education through a fair allocation of resources among the school
31 districts and that the distribution of these funds does not result in
32 unreasonable wealth-based disparities among districts. In particular, the
33 legislature: (1) Has been advised of the constitutional standard for equity
34 as set forth in the supreme court's ruling in *Gannon v. State*, Case No.
35 113,267, ___ Kan. ___, 2016 WL 540725 (Feb. 11, 2016), including
36 preceding school finance decisions; (2) endeavored to memorialize the
37 legislative evidence and deliberations conferees shared as the legislature
38 considered the best way to meet this constitutional standard; and (3)
39 arrived at the best solution to discharge its constitutional duty to make
40 suitable provision for finance of the educational interests of the state. To
41 this end, this legislation shall be liberally construed so as to make certain
42 that no funding for public schools will be enjoined.

43 (b) The legislature has been advised that funding disruptions and

1 uncertainty are counter-productive to public education and that the funding
2 certainty of the classroom learning assuring student success act is critical
3 to the effective operation of school districts. Furthermore, the evidence
4 before the legislature confirms that the total amount of school funding
5 meets or exceeds the supreme court's standard for adequacy. As a result,
6 the legislature believes that it has enacted legislation that both fairly meets
7 the equity requirements of article 6 of the constitution of the state of
8 Kansas and does not run afoul of the already adequate funding as
9 demonstrated by the excellent results of the public education system made
10 known to the legislature.

11 (c) The legislature hereby finds and declares the following:

12 (1) That, based on testimony from the state department of education
13 and other parties involved in the public education system, a hold harmless
14 fund is necessary in light of the fact that many school budgets are set
15 based upon the provisions of the classroom learning assuring student
16 success act;

17 (2) that the prior equalization formulas used for capital outlay state
18 aid and supplemental general state aid had no basis in educational policy,
19 and that it is preferable to apply a single equalization formula to both
20 categories of state aid;

21 (3) that this act fully complies with the supreme court's order, but that
22 there is an untenable risk the act may be found to be unconstitutional and,
23 as a result, all educational funding could be enjoined. The risk of
24 disrupting education in this regard is unacceptable to the legislature, and as
25 a result, the provisions of this act should be considered as severable; and

26 (4) that, based on testimony from the state department of education,
27 the state board of education may be able to more quickly respond to and
28 address concerns raised by the school districts, including, without
29 limitation, emergency needs or a demonstrated inability to have reasonably
30 equal access to substantially similar educational opportunities through
31 similar tax effort.

32 New Sec. 3. (a) For school year 2016-2017, each school district that
33 has adopted a local option budget is eligible to receive an amount of
34 supplemental general state aid. A school district's eligibility to receive
35 supplemental general state aid shall be determined by the state board as
36 provided in this subsection. The state board of education shall:

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

41 (2) determine the median AVPP of all school districts;

42 (3) prepare a schedule of dollar amounts using the amount of the
43 median AVPP of all school districts as the point of beginning. The

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

8 (4) determine a state aid percentage factor for each school district by
9 assigning a state aid computation percentage to the amount of the median
10 AVPP shown on the schedule, decreasing the state aid computation
11 percentage assigned to the amount of the median AVPP by one percentage
12 point for each \$1,000 interval above the amount of the median AVPP, and
13 increasing the state aid computation percentage assigned to the amount of
14 the median AVPP by one percentage point for each \$1,000 interval below
15 the amount of the median AVPP. 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, except that the state
18 aid percentage factor of a school district shall not exceed 100%. The state
19 aid computation percentage is 25%;

20 (5) determine the amount of the local option budget adopted by each
21 school district pursuant to K.S.A. 2015 Supp. 72-6471, and amendments
22 thereto; and

23 (6) multiply the amount computed under subsection (a)(5) by the
24 applicable state aid percentage factor. The resulting product is the amount
25 of payment the school district is to receive as supplemental general state
26 aid in the school year.

27 (b) The state board shall prescribe the dates upon which the
28 distribution of payments of supplemental general state aid to school
29 districts shall be due. Payments of supplemental general state aid shall be
30 distributed to school districts on the dates prescribed by the state board.
31 The state board shall certify to the director of accounts and reports the
32 amount due each school district, and the director of accounts and reports
33 shall draw a warrant on the state treasury payable to the treasurer of the
34 school district. Upon receipt of the warrant, the treasurer of the school
35 district shall credit the amount thereof to the supplemental general fund of
36 the school district to be used for the purposes of such fund.

37 (c) If any amount of supplemental general state aid that is due to be
38 paid during the month of June of a school year pursuant to the other
39 provisions of this section is not paid on or before June 30 of such school
40 year, then such payment shall be paid on or after the ensuing July 1, as
41 soon as moneys are available therefor. Any payment of supplemental
42 general state aid that is due to be paid during the month of June of a school
43 year and that is paid to school districts on or after the ensuing July 1 shall

1 be recorded and accounted for by school districts as a receipt for the
2 school year ending on the preceding June 30.

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

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

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

11 New Sec. 4. (a) There is hereby established in the state treasury the
12 school district capital outlay state aid fund. Such fund shall consist of all
13 amounts transferred thereto under the provisions of subsection (c).

14 (b) For school year 2016-2017, each school district which levies a tax
15 pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall receive
16 payment from the school district capital outlay state aid fund in an amount
17 determined by the state board of education as provided in this subsection.
18 The state board of education shall:

19 (1) Determine the amount of the assessed valuation per pupil (AVPP)
20 of each school district in the state and round such amount to the nearest
21 \$1,000. The rounded amount is the AVPP of a school district for the
22 purposes of this section;

23 (2) determine the median AVPP of all school districts;

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

33 (4) determine a state aid percentage factor for each school district by
34 assigning a state aid computation percentage to the amount of the median
35 AVPP shown on the schedule, decreasing the state aid computation
36 percentage assigned to the amount of the median AVPP by one percentage
37 point for each \$1,000 interval above the amount of the median AVPP, and
38 increasing the state aid computation percentage assigned to the amount of
39 the median AVPP by one percentage point for each \$1,000 interval below
40 the amount of the median AVPP. The state aid percentage factor of a
41 school district is the percentage assigned to the schedule amount that is
42 equal to the amount of the AVPP of the school district, except that the state
43 aid percentage factor of a school district shall not exceed 100%. The state

1 aid computation percentage is 25%;

2 (5) determine the amount levied by each school district pursuant to
3 K.S.A. 72-8801 et seq., and amendments thereto; and

4 (6) multiply the amount computed under subsection (b)(5), but not to
5 exceed 8 mills, by the applicable state aid percentage factor. The resulting
6 product is the amount of payment the school district is to receive from the
7 school district capital outlay state aid fund in the school year.

8 (c) The state board shall certify to the director of accounts and reports
9 the amount of school district capital outlay state aid determined under the
10 provisions of subsection (b), and an amount equal thereto shall be
11 transferred by the director from the state general fund to the school district
12 capital outlay state aid fund for distribution to school districts. All transfers
13 made in accordance with the provisions of this subsection shall be
14 considered to be demand transfers from the state general fund.

15 (d) Payments from the school district capital outlay state aid fund
16 shall be distributed to school districts at times determined by the state
17 board of education. The state board of education shall certify to the
18 director of accounts and reports the amount due each school district, and
19 the director of accounts and reports shall draw a warrant on the state
20 treasury payable to the treasurer of the school district. Upon receipt of the
21 warrant, the treasurer of the school district shall credit the amount thereof
22 to the capital outlay fund of the school district to be used for the purposes
23 of such fund.

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

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

27 New Sec. 5. (a) For school year 2016-2017, the state board of
28 education shall disburse school district equalization state aid to each
29 school district that is eligible to receive such state aid. In determining
30 whether a school district is eligible to receive school district equalization
31 state aid, the state board shall:

32 (1) Determine the aggregate amount of supplemental general state aid
33 and capital outlay state aid such school district is to receive for school year
34 2016-2017 under sections 3 and 4, and amendments thereto, respectively;

35 (2) determine the aggregate amount of supplemental general state aid
36 and capital outlay state aid such school district received as a portion of
37 general state aid for school year 2015-2016 under K.S.A. 2015 Supp. 72-
38 6465, and amendments thereto;

39 (3) subtract the amount determined under subsection (a)(1) from the
40 amount determined under (a)(2). If the resulting difference is a positive
41 number, then the school district is eligible to receive school district
42 equalization state aid.

43 (b) The amount of school district equalization state aid an eligible

1 school district is to receive shall be equal to the amount calculated under
2 subsection (a)(3).

3 (c) The state board shall prescribe the dates upon which the
4 distribution of payments of school district equalization state aid to school
5 districts shall be due. Payments of school district equalization state aid
6 shall be distributed to school districts on the dates prescribed by the state
7 board. The state board shall certify to the director of accounts and reports
8 the amount due each school district, and the director of accounts and
9 reports shall draw a warrant on the state treasury payable to the treasurer
10 of the school district. Upon receipt of the warrant, the treasurer of the
11 school district shall credit the amount thereof to the general fund of the
12 school district to be used for the purposes of such fund.

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

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

16 Sec. 6. K.S.A. 2015 Supp. 72-6463 is hereby amended to read as
17 follows: 72-6463. (a) The provisions of K.S.A. 2015 Supp. 72-6463
18 through 72-6481, *and sections 3 through 5*, and amendments thereto, shall
19 be known and may be cited as the classroom learning assuring student
20 success act.

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

25 (1) Enhance predictability and certainty in school district funding
26 sources and amounts;

27 (2) allow school district boards of education and administrators to
28 best meet their individual school district's financial needs; and

29 (3) maximize opportunities for more funds to go to the classroom.

30 To meet this legislative intent, state financial support for elementary
31 and secondary public education will be met by providing a block grant for
32 school years 2015-2016 and 2016-2017 to each school district. Each
33 school district's block grant will be based in part on, and be at least equal
34 to, the total state financial support as determined for school year 2014-
35 2015 under the school district finance and quality performance act, prior to
36 its repeal. All school districts will be held harmless from any decreases to
37 the final school year 2014-2015 amount of total state financial support.

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

41 (1) Ensuring that students' educational needs are funded;

42 (2) providing more funding to classroom instruction;

43 (3) maximizing flexibility in the use of funding by school district

1 boards of education and administrators; and

2 (4) achieving the goal of providing students with those education
3 capacities established in K.S.A. 72-1127, and amendments thereto.

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

6 Sec. 7. K.S.A. 2015 Supp. 72-6465 is hereby amended to read as
7 follows: 72-6465. (a) For school year 2015-2016 ~~and school year 2016-~~
8 ~~2017~~, the state board shall disburse general state aid to each school district
9 in an amount equal to:

10 (1) Subject to the provisions of subsections ~~(b)~~ (c) through ~~(f)~~ (g), the
11 amount of general state aid such school district received for school year
12 2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as
13 prorated in accordance with K.S.A. 72-6410, prior to its repeal, less:

14 (A) The amount directly attributable to the ancillary school facilities
15 weighting as determined for school year 2014-2015 under K.S.A. 72-6443,
16 prior to its repeal;

17 (B) the amount directly attributable to the cost-of-living weighting as
18 determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6450,
19 prior to its repeal;

20 (C) the amount directly attributable to declining enrollment state aid
21 as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-
22 6452, prior to its repeal; and

23 (D) the amount directly attributable to virtual school state aid as
24 determined for school year 2014-2015 under K.S.A. 2015 Supp. 72-3715,
25 and amendments thereto, plus;

26 (2) the amount of supplemental general state aid such school district
27 received for school year 2014-2015, if any, pursuant to K.S.A. 72-6434,
28 prior to its repeal, as prorated in accordance with K.S.A. 72-6434, prior to
29 its repeal, plus;

30 (3) the amount of capital outlay state aid such school district received
31 for school year 2014-2015, if any, pursuant to K.S.A. 2014 Supp. 72-8814,
32 prior to its repeal, plus;

33 (4) (A) an amount that is directly attributable to the proceeds of the
34 tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6473,
35 and amendments thereto, provided; the school district has levied such tax;

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

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

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

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

4 (7) an amount equal to 0.4% of the amount determined under
5 subsection (a)(1).

6 (b) *For school year 2016-2017, the state board shall disburse*
7 *general state aid to each school district in an amount equal to:*

8 (1) *Subject to the provisions of subsections (c) through (g), the*
9 *amount of general state aid such school district received for school year*
10 *2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as*
11 *prorated in accordance with K.S.A. 72-6410, prior to its repeal, less:*

12 (A) *The amount directly attributable to the ancillary school facilities*
13 *weighting as determined for school year 2014-2015 under K.S.A. 72-6443,*
14 *prior to its repeal;*

15 (B) *the amount directly attributable to the cost-of-living weighting as*
16 *determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6450,*
17 *prior to its repeal;*

18 (C) *the amount directly attributable to declining enrollment state aid*
19 *as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-*
20 *6452, prior to its repeal; and*

21 (D) *the amount directly attributable to virtual school state aid as*
22 *determined for school year 2014-2015 under K.S.A. 2015 Supp. 72-3715,*
23 *and amendments thereto, plus;*

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

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

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

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

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

38 (5) *an amount equal to 0.4% of the amount determined under*
39 *subsection (b)(1).*

40 ~~(b)~~ (c) *For any school district whose school financing sources*
41 *exceeded its state financial aid for school year 2014-2015 as calculated*
42 *under the school district finance and quality performance act, prior to its*
43 *repeal, the amount such school district is entitled to receive under*

1 subsection (a)(1) *or* (b)(1) shall be the proceeds of the tax levied by the
2 school district pursuant to K.S.A. 2015 Supp. 72-6470, and amendments
3 thereto, less the difference between such school district's school financing
4 sources and its state financial aid for school year 2014-2015 as calculated
5 under the school district finance and quality performance act, prior to its
6 repeal.

7 ~~(e)~~ (d) For any school district formed by consolidation in accordance
8 with article 87 of chapter 72 of the Kansas Statutes Annotated, and
9 amendments thereto, prior to the effective date of this act, and whose state
10 financial aid for school year 2014-2015 was determined under K.S.A.
11 2014 Supp. 72-6445a, prior to its repeal, the amount of general state aid
12 for such school district determined under subsection (a)(1) *or* (b)(1) shall
13 be determined as if such school district was not subject to K.S.A. 2014
14 Supp. 72-6445a, prior to its repeal, for school year 2014-2015.

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

22 ~~(e)~~ (f) (1) For any school district that was entitled to receive school
23 facilities weighting for school year 2014-2015 under K.S.A. 2014 Supp.
24 72-6415b, prior to its repeal, and which would not have been eligible to
25 receive such weighting for school year 2015-2016 under K.S.A. 2014
26 Supp. 72-6415b, prior to its repeal, an amount directly attributable to the
27 school facilities weighting as determined for school year 2014-2015 under
28 K.S.A. 72-6415, prior to its repeal, for such school district shall be
29 subtracted from the amount of general state aid for such school district
30 determined under subsection (a)(1) *or* (b)(1).

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

39 (3) For any school district which would have been eligible to receive
40 school facilities weighting for school year 2016-2017 under K.S.A. 2014
41 Supp. 72-6415b, prior to its repeal, but which did not receive such
42 weighting for school year 2014-2015, and which would not have been
43 eligible to receive such weighting for school year 2015-2016 under K.S.A.

1 2014 Supp. 72-6415b, prior to its repeal, an amount directly attributable to
2 the school facilities weighting as would have been determined under
3 K.S.A. 72-6415, prior to its repeal, for school year 2016-2017 shall be
4 added to the amount of general state aid for such school district
5 determined under subsection (a)(1) *or* (b)(1).

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

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

22 ~~(g)~~ (h) The general state aid for each school district shall be disbursed
23 in accordance with appropriation acts. In the event the appropriation for
24 general state aid exceeds the amount determined under subsection (a) *or*
25 (b) for any school year, then the state board shall disburse such excess
26 amount to each school district in proportion to such school district's
27 enrollment.

28 ~~(h)~~ (i) The provisions of this section shall be effective from and after
29 July 1, 2015, through June 30, 2017.

30 Sec. 8. K.S.A. 2015 Supp. 72-6474 is hereby amended to read as
31 follows: 72-6474. (a) The board of any school district to which the
32 provisions of this subsection apply may levy an ad valorem tax on the
33 taxable tangible property of the school district for school years 2015-2016
34 and 2016-2017 in an amount not to exceed the amount authorized by the
35 state court of tax appeals for school year 2014-2015 pursuant to K.S.A. 72-
36 6441, prior to its repeal, for the purpose set forth in K.S.A. 72-6441, prior
37 to its repeal. The provisions of this subsection apply to any school district
38 that imposed a levy pursuant to K.S.A. 72-6441, prior to its repeal, for
39 school year 2014-2015.

40 (b) The board of any school district which would have been eligible
41 to levy an ad valorem tax pursuant to K.S.A. 72-6441, prior to its repeal,
42 for school year 2015-2016 ~~or 2016-2017~~ *the operation of a school facility*
43 *whose construction was financed by the issuance of bonds approved for*

1 *issuance at an election held on or before June 30, 2015*, may levy an ad
2 valorem tax on the taxable tangible property of the school district each
3 year for a period of time not to exceed two years in an amount not to
4 exceed the amount authorized by the state board of tax appeals under this
5 subsection for the purpose of financing the costs incurred by the school
6 district that are directly attributable to ancillary school facilities. The state
7 board of tax appeals may authorize the school district to make a levy
8 which will produce an amount that is not greater than the difference
9 between the amount of costs directly attributable to commencing operation
10 of one or more new school facilities and the amount that is financed from
11 any other source provided by law for such purpose.

12 (c) The state board of tax appeals shall certify to the state board of
13 education the amount authorized to be produced by the levy of a tax under
14 subsection (a). The state board of tax appeals may adopt rules and
15 regulations necessary to effectuate the provisions of this section, including
16 rules and regulations relating to the evidence required in support of a
17 school district's claim that the costs attributable to commencing operation
18 of one or more new school facilities are in excess of the amount that is
19 financed from any other source provided by law for such purpose.

20 (d) The board of any school district that has levied an ad valorem tax
21 on the taxable tangible property of the school district each year for a
22 period of two years under authority of subsection (b) may continue to levy
23 such tax under authority of this subsection each year for an additional
24 period of time not to exceed six years in an amount not to exceed the
25 amount computed by the state board of education as provided in this
26 subsection if the board of education of the school district determines that
27 the costs attributable to commencing operation of one or more new school
28 facilities are significantly greater than the costs attributable to the
29 operation of other school facilities in the school district. The tax authorized
30 under this subsection may be levied at a rate which will produce an
31 amount that is not greater than the amount computed by the state board of
32 education as provided in this subsection. In computing such amount, the
33 state board shall:

34 (1) Determine the amount produced by the tax levied by the school
35 district under authority of subsection (b) in the second year for which such
36 tax was levied;

37 (2) compute 90% of the amount of the sum obtained under subsection
38 (d)(1), which computed amount is the amount the school district may levy
39 in the first year of the six-year period for which the school district may
40 levy a tax under authority of this subsection;

41 (3) compute 75% of the amount of the sum obtained under subsection
42 (d)(1), which computed amount is the amount the school district may levy
43 in the second year of the six-year period for which the school district may

1 levy a tax under authority of this subsection;

2 (4) compute 60% of the amount of the sum obtained under subsection
3 (d)(1), which computed amount is the amount the school district may levy
4 in the third year of the six-year period for which the school district may
5 levy a tax under authority of this subsection;

6 (5) compute 45% of the amount of the sum obtained under subsection
7 (d)(1), which computed amount is the amount the school district may levy
8 in the fourth year of the six-year period for which the school district may
9 levy a tax under authority of this subsection;

10 (6) compute 30% of the amount of the sum obtained under subsection
11 (d)(1), which computed amount is the amount the school district may levy
12 in the fifth year of the six-year period for which the school district may
13 levy a tax under authority of this subsection; and

14 (7) compute 15% of the amount of the sum obtained under subsection
15 (d)(1), which computed amount is the amount the school district may levy
16 in the sixth year of the six-year period for which the school district may
17 levy a tax under authority of this subsection.

18 (e) The proceeds from any tax levied by a school district under
19 authority of this section shall be remitted to the state treasurer in
20 accordance with the provisions of K.S.A. 75-4215, and amendments
21 thereto. Upon receipt of each such remittance, the state treasurer shall
22 deposit the entire amount in the state treasury and shall credit the same to
23 the state school finance fund. All moneys remitted to the state treasurer
24 pursuant to this subsection shall be used for paying a portion of the costs
25 of operating and maintaining public schools in partial fulfillment of the
26 constitutional obligation of the legislature to finance the educational
27 interests of the state.

28 (f) The provisions of this section shall be effective from and after July
29 1, 2015, through June 30, 2017.

30 Sec. 9. K.S.A. 2015 Supp. 72-6476 is hereby amended to read as
31 follows: 72-6476. (a) Each school district may submit an application to the
32 state ~~finance council~~ *board of education* for approval of extraordinary need
33 state aid. Such application shall be submitted in such form and manner as
34 prescribed by the state ~~finance council~~ *board*, and shall include a
35 description of the extraordinary need of the school district that is the basis
36 for the application.

37 (b) The state ~~finance council~~ *board* shall review all submitted
38 applications and approve or deny such application based on whether the
39 applicant school district has demonstrated extraordinary need. As part of
40 its review of an application, the state ~~finance council~~ *board* may conduct a
41 hearing and provide the applicant school district an opportunity to present
42 testimony as to such school district's extraordinary need. In determining
43 whether a school district has demonstrated extraordinary need, the state

1 ~~finance council~~ board shall consider: (1) Any extraordinary increase in
2 enrollment of the applicant school district for the current school year; (2)
3 any extraordinary decrease in the assessed valuation of the applicant
4 school district for the current school year; ~~and~~ (3) any other unforeseen
5 acts or circumstances which substantially impact the applicant school
6 district's general fund budget for the current school year; ~~and~~ (4) *in lieu of*
7 *any of the foregoing considerations, whether the applicant school district*
8 *has reasonably equal access to substantially similar educational*
9 *opportunity through similar tax effort.*

10 (c) If the state ~~finance council~~ board approves an application it shall
11 ~~certify to the state board of education that such application was approved~~
12 ~~and determine~~ the amount of extraordinary need state aid to be disbursed
13 to the applicant school district from the school district extraordinary need
14 fund. In approving any application for extraordinary need state aid, the
15 state ~~finance council~~ board may approve an amount of extraordinary need
16 state aid that is less than the amount the school district requested in the
17 application. If the state ~~finance council~~ board denies an application, then
18 within 15 days of such denial ~~it the state board~~ shall send written notice of
19 such denial to the superintendent of such school district. ~~The decision of~~
20 ~~the state finance council shall be final~~ *All administrative proceedings*
21 *pursuant to this section shall be conducted in accordance with the*
22 *provisions of the Kansas administrative procedure act. Any action by the*
23 *state board pursuant to this section shall be subject to review in*
24 *accordance with the Kansas judicial review act.*

25 (d) There is hereby established in the state treasury the school district
26 extraordinary need fund which shall be administered by the state
27 department of education. All expenditures from the school district
28 extraordinary need fund shall be used for the disbursement of
29 extraordinary need state aid as approved by the state ~~finance council~~ board
30 under this section. All expenditures from the school district extraordinary
31 need fund shall be made in accordance with appropriation acts upon
32 warrants of the director of accounts and reports issued pursuant to
33 vouchers approved by the state board of education, or the designee of the
34 state board of education. ~~At the end of each fiscal year, the director of~~
35 ~~accounts and reports shall transfer to the state general fund any moneys in~~
36 ~~the school district extraordinary need fund on each such date in excess of~~
37 ~~the amount required to pay all amounts of extraordinary need state aid~~
38 ~~approved by the state finance council for the current school year.~~

39 (e) ~~For school year 2015-2016 and school year 2016-2017, the state~~
40 ~~board of education shall certify to the director of accounts and reports an~~
41 ~~amount equal to the aggregate of the amount determined under K.S.A.~~
42 ~~2015 Supp. 72-6465(a)(7), and amendments thereto, for all school~~
43 ~~districts. Upon receipt of such certification, the director shall transfer the~~

1 certified amount from the state general fund to the school district
2 extraordinary need fund. All transfers made in accordance with the
3 provisions of this subsection shall be considered to be demand transfers
4 from the state general fund.

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

10 (g) The provisions of this section shall expire on July 1 June 30,
11 2017.

12 Sec. 10. K.S.A. 2015 Supp. 72-6481 is hereby amended to read as
13 follows: 72-6481. (a) The provisions of K.S.A. 2015 Supp. 72-6463
14 through 72-6481, and sections 3 through 5, and amendments thereto, shall
15 not be severable. If any provision of K.S.A. 2015 Supp. 72-6463 through
16 72-6481, and sections 3 through 5, and amendments thereto, or any
17 application of such provision to any person or circumstance is held to be
18 invalid or unconstitutional by court order, all provisions the invalidity
19 shall not affect other provisions or applications of K.S.A. 2015 Supp. 72-
20 6463 through 72-6481, and sections 3 through 5, and amendments thereto,
21 shall be null and void which can be given effect without the invalid
22 provision or application.

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

25 Sec. 11. K.S.A. 2015 Supp. 74-4939a is hereby amended to read as
26 follows: 74-4939a. On and after the effective date of this act for each fiscal
27 year commencing with fiscal year 2005, notwithstanding the provisions of
28 K.S.A. 74-4939, and amendments thereto, or any other statute, all moneys
29 appropriated for the department of education from the state general fund
30 commencing with fiscal year 2005, and each ensuing fiscal year thereafter,
31 by appropriation act of the legislature, in the KPERS — employer
32 contributions account and all moneys appropriated for the department of
33 education from the state general fund or any special revenue fund for each
34 fiscal year commencing with fiscal year 2005, and each ensuing fiscal year
35 thereafter, by any such appropriation act in that account or any other
36 account for payment of employer contributions for school districts, shall
37 be distributed by the department of education to school districts in
38 accordance with this section. Notwithstanding the provisions of K.S.A. 74-
39 4939, and amendments thereto, for school year 2015-2016, the department
40 of education shall disburse to each school district that is an eligible
41 employer as specified in K.S.A. 74-4931(1), and amendments thereto, an
42 amount in accordance with K.S.A. 2015 Supp. 72-6465(a)(6), and
43 amendments thereto, which shall be disbursed pursuant to K.S.A. 2015

1 Supp. 72-6465, and amendments thereto. *Notwithstanding the provisions*
2 *of K.S.A. 74-4939, and amendments thereto, for school year 2016-2017,*
3 *the department of education shall disburse to each school district that is*
4 *an eligible employer as specified in K.S.A. 74-4931(1), and amendments*
5 *thereto, an amount in accordance with K.S.A. 2015 Supp. 72-6465(b)(4),*
6 *and amendments thereto, which shall be disbursed pursuant to K.S.A.*
7 *2015 Supp. 72-6465, and amendments thereto.* Upon receipt of each such
8 disbursement of moneys, the school district shall deposit the entire amount
9 thereof into a special retirement contributions fund of the school district,
10 which shall be established by the school district in accordance with such
11 policies and procedures and which shall be used for the sole purpose of
12 receiving such disbursements from the department of education and
13 making the remittances to the system in accordance with this section and
14 such policies and procedures. Upon receipt of each such disbursement of
15 moneys from the department of education, the school district shall remit,
16 in accordance with the provisions of such policies and procedures and in
17 the manner and on the date or dates prescribed by the board of trustees of
18 the Kansas public employees retirement system, an equal amount to the
19 Kansas public employees retirement system from the special retirement
20 contributions fund of the school district to satisfy such school district's
21 obligation as a participating employer. Notwithstanding the provisions of
22 K.S.A. 74-4939, and amendments thereto, each school district that is an
23 eligible employer as specified in K.S.A. 74-4931(1), and amendments
24 thereto, shall show within the budget of such school district all amounts
25 received from disbursements into the special retirement contributions fund
26 of such school district. Notwithstanding the provisions of any other statute,
27 no official action of the school board of such school district shall be
28 required to approve a remittance to the system in accordance with this
29 section and such policies and procedures. All remittances of moneys to the
30 system by a school district in accordance with this subsection and such
31 policies and procedures shall be deemed to be expenditures of the school
32 district.

33 Sec. 12. K.S.A. 2015 Supp. 72-6463, 72-6465, 72-6474, 72-6476, 72-
34 6481 and 74-4939a are hereby repealed.

35 Sec. 13. This act shall take effect and be in force from and after its
36 publication in the statute book.