

## HOUSE BILL No. 2058

By Representatives Decker and Mason

1-24

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AN ACT concerning school districts; relating to capital improvements; state aid; amending K.S.A. 2002 Supp. 75-2319 and repealing the existing section.

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

Section 1. K.S.A. 2002 Supp. 75-2319 is hereby amended to read as 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). *The school district capital improvements fund is abolished when all the obligations of the fund cease.*

(b) *Subject to the provisions of subsection (f)*, in each school year, each school district which is obligated to make payments from its 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. 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

1 point for each \$1,000 interval above the amount of the median AVPP,  
2 and increasing the state aid computation percentage assigned to the  
3 amount of the median AVPP by one percentage point for each \$1,000  
4 interval below the amount of the median AVPP. The state aid percentage  
5 factor of a school district is the percentage assigned to the schedule  
6 amount that is equal to the amount of the AVPP of the school district,  
7 except that the state aid percentage factor of a school district shall not  
8 exceed 100%. The state aid computation percentage is 5% for contractual  
9 bond obligations incurred by a school district prior to ~~the effective date~~  
10 ~~of this act~~ *July 1, 1992*, and 25% for contractual bond obligations incurred  
11 by a school district on or after ~~the effective date of this act~~ *July 1, 1992*  
12 *through June 30, 2003*;

13 (5) determine the amount of payments in the aggregate that a school  
14 district is obligated to make from its bond and interest fund and, of such  
15 amount, compute the amount attributable to contractual bond obligations  
16 incurred by the school district prior to ~~the effective date of this act~~ *July*  
17 *1, 1992* and the amount attributable to contractual bond obligations in-  
18 curred by the school district on or after ~~the effective date of this act~~ *July*  
19 *1, 1992 through June 30, 2003*;

20 (6) multiply each of the amounts computed under (5) by the appli-  
21 cable state aid percentage factor;

22 (7) add the products obtained under (6). The amount of the sum is  
23 the amount of payment the school district is entitled to receive from the  
24 school district capital improvements fund in the school year.

25 (c) The state board of education shall certify to the director of ac-  
26 counts and reports the entitlements of school districts determined under  
27 the provisions of subsection (b), and an amount equal thereto shall be  
28 transferred by the director from the state general fund to the school  
29 district capital improvements fund for distribution to school districts. All  
30 transfers made in accordance with the provisions of this subsection shall  
31 be considered to be demand transfers from the state general fund, ~~except~~  
32 ~~that all such transfers during the fiscal year ending June 30, 2003, shall~~  
33 ~~be considered revenue transfers from the state general fund.~~

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

1 of such fund.

2 (e) The provisions of this section apply only to contractual obligations  
3 incurred by school districts pursuant to general obligation bonds issued  
4 upon approval of a majority of the qualified electors of the school district  
5 voting at an election upon the question of the issuance of such bonds  
6 *which occurred prior to July 1, 2003.*

7 (f) *On and after July 1, 2003, school districts are not entitled to receive*  
8 *payments from the school district capital improvements fund for any gen-*  
9 *eral obligation bonds issued after July 1, 2003. School districts are entitled*  
10 *to receive annual payments from the school district capital improvements*  
11 *fund for outstanding bonds on June 30, 2003 in an amount determined*  
12 *by the state board of education as provided in subsection (b) sufficient to*  
13 *retire such bonds and to pay the interest thereon.*

14 Sec. 2. K.S.A. 2002 Supp. 75-2319 is hereby repealed.

15 Sec. 3. This act shall take effect and be in force from and after its  
16 publication in the statute book.

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