SENATE BILL No. 484

By Committee on Education

2 - 1

AN ACT concerning school districts; relating to consolidation; relating to certain state aid payments; amending K.S.A. 2005 Supp. 72-6415b and 75-2319 and repealing the existing sections.

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

Section 1. K.S.A. 2005 Supp. 72-6415b is hereby amended to read as follows: 72-6415b. (a) Except as provided by subsection (b) this section, school facilities weighting may be assigned to enrollment of a district only if the district has adopted a local option budget in an amount equal to the state prescribed percentage for the school year. School facilities weighting may be assigned to enrollment of the district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year.

- (b) School facilities weighting may be assigned to the enrollment of a district which adopted a local option budget in an amount which is not less than 25%, if the issuance of bonds to finance such facilities has been approved at an election held on or before June 30, 2005.
- (c) School facilities weighting shall not be assigned to the enrollment of a district unless: (1) Such district has consolidated with another district after June 30, 2006; or (2) the issuance of bonds to finance such facilities has been approved at an election held on or before June 30, 2006.
- (d) School facilities weighting shall not be assigned to the enrollment of a district for any new school facility used primarily as a sports facility unless the issuance of bonds to finance such facility has been approved at an election held on or before June 30, 2006.
- Sec. 2. K.S.A. 2005 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).
- (b) Except as provided by this section, 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 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 5% for contractual bond obligations incurred by a school district prior to the effective date of this act, and 25% for contractual bond obligations incurred by a school district on or after the effective date of this act;
 - (5) determine the amount of payments in the aggregate that a school district is obligated to make from its bond and interest fund and, of such amount, compute the amount attributable to contractual bond obligations incurred by the school district prior to the effective date of this act and the amount attributable to contractual bond obligations incurred by the school district on or after the effective date of this act;
 - (6) multiply each of the amounts computed under (5) by the applicable state aid percentage factor; and
 - (7) add the products obtained under (6). The amount of the sum is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year.
 - (c) The state board of education shall certify to the director of accounts and reports the entitlements of school districts determined under the provisions of subsection (b), and an amount equal thereto shall be

transferred by the director from the state general fund to the school district capital improvements fund for distribution to school districts. All transfers made in accordance with the provisions of this subsection shall be considered to be demand transfers from the state general fund, except that all such transfers during the fiscal years ending June 30, 2006 and June 30, 2007, shall be considered to be revenue transfers from the state general fund.

- (d) Payments from the school district capital improvements fund shall be distributed to school districts at times determined by the state board of education to be necessary to assist school districts in making scheduled payments pursuant to contractual bond obligations. The state board of education shall certify to the director of accounts and reports the amount due each school district entitled to payment from the fund, and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of the school district. Upon receipt of the warrant, the treasurer of the school district shall credit the amount thereof to the bond and interest fund of the school district to be used for the purposes of such fund.
- (e) The provisions of this section apply only to contractual obligations incurred by school districts pursuant to general obligation bonds issued upon approval of a majority of the qualified electors of the school district voting at an election upon the question of the issuance of such bonds.
- (f) No school district shall be entitled to receive payment from the school district capital improvements fund unless: (1) Such district has consolidated with another district after June 30, 2006; or (2) the issuance of bonds to finance such improvements has been approved at an election held on or before June 30, 2006.
- (g) No school district shall be entitled to receive payment from the school district capital improvements fund for bonds issued to finance the construction of an improvement used primarily as a sports facility unless the issuance of bonds to finance such improvement has been approved at an election held on or before June 30, 2006.
- Sec. 3. K.S.A. 2005 Supp. 72-6415b and 75-2319 are hereby repealed.
- Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.