

**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).

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

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

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

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

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

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

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

43 Sec. 2. K.S.A. 2015 Supp. 75-2319 is hereby amended to read as

1 follows: 75-2319. (a) There is hereby established in the state treasury the  
2 school district capital improvements fund. The fund shall consist of all  
3 amounts transferred thereto under the provisions of subsection (c).

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

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

11 (A) Determine the amount of the assessed valuation per pupil (AVPP)  
12 of each school district in the state and round such amount to the nearest  
13 \$1,000. The rounded amount is the AVPP of a school district for the  
14 purposes of this subsection (b)(1);

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

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

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

38 (E) determine the amount of payments that a school district is  
39 obligated to make from its bond and interest fund attributable to general  
40 obligation bonds approved for issuance at an election held prior to July 1,  
41 2015; and

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

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

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

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

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

22 (D) determine the amount of payments that a school district is  
23 obligated to make from its bond and interest fund attributable to general  
24 obligation bonds approved for issuance at an election held on or after July  
25 1, 2015, but prior to July 1, ~~2017~~ 2016; and

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

28 (3) The sum of the amount determined under subsection (b)(1)(F) and  
29 the amount determined under subsection (b)(2)(E) is the amount of  
30 payment the school district is entitled to receive from the school district  
31 capital improvements fund in the school year.

32 (c) The state board of education shall certify to the director of  
33 accounts and reports the entitlements of school districts determined under  
34 the provisions of subsection (b), and an amount equal thereto shall be  
35 transferred by the director from the state general fund to the school district  
36 capital improvements fund for distribution to school districts. All transfers  
37 made in accordance with the provisions of this subsection shall be  
38 considered to be demand transfers from the state general fund, except that  
39 all such transfers during the fiscal years ending June 30, 2013, June 30,  
40 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue  
41 transfers from the state general fund.

42 (d) Payments from the school district capital improvements fund shall  
43 be distributed to school districts at times determined by the state board of

1 education to be necessary to assist school districts in making scheduled  
2 payments pursuant to contractual bond obligations. The state board of  
3 education shall certify to the director of accounts and reports the amount  
4 due each school district entitled to payment from the fund, and the director  
5 of accounts and reports shall draw a warrant on the state treasurer payable  
6 to the treasurer of the school district. Upon receipt of the warrant, the  
7 treasurer of the school district shall credit the amount thereof to the bond  
8 and interest fund of the school district to be used for the purposes of such  
9 fund.

10 (e) The provisions of this section apply only to contractual  
11 obligations incurred by school districts pursuant to general obligation  
12 bonds issued upon approval of a majority of the qualified electors of the  
13 school district voting at an election upon the question of the issuance of  
14 such bonds.

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

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