

**Senate Substitute for HOUSE BILL No. 2655**

By Committee on Ways and Means

3-23

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 all Kansas students 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.....\$50,780,296

14 *Provided*, That if the amount of the demand transfer from the state general  
15 fund to the school district capital outlay state aid fund of the department of  
16 education pursuant to section 4(c), and amendments thereto, exceeds the  
17 expenditure limitation established pursuant to this subsection on the school  
18 district capital outlay state aid fund, then the expenditure limitation on the  
19 school district capital outlay state aid fund is hereby increased by the  
20 amount of moneys transferred from the school district extraordinary need  
21 fund of the department of education to the school district capital outlay  
22 state aid fund pursuant to subsection (e).

23 (c) On July 1, 2016, of the \$2,759,751,285 appropriated for the above  
24 agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016  
25 House Substitute for Senate Bill No. 161 from the state general fund in the  
26 block grants to USDs account (652-00-1000-0500), the sum of  
27 \$477,802,500 is hereby lapsed.

28 (d) On July 1, 2016, the expenditure limitation established for the  
29 fiscal year ending June 30, 2017, by section 3(b) of chapter 4 of the 2015  
30 Session Laws of Kansas on the school district extraordinary need fund of  
31 the department of education is hereby decreased from \$17,521,425 to  
32 \$15,167,962: *Provided, however*, That if any transfer of moneys by the  
33 director of accounts and reports from the school district extraordinary need  
34 fund of the department of education is made pursuant to subsection (e),  
35 then the expenditure limitation established pursuant to this subsection on  
36 the school district extraordinary need fund is hereby decreased from  
37 \$15,167,962 to \$15,167,962 minus the amount of moneys certified by the  
38 state board of education to be transferred pursuant to subsection (e).

39 (e) On July 1, 2016, or as soon thereafter as moneys are available, the  
40 director of accounts and reports shall transfer \$15,167,962 from the state  
41 general fund to the school district extraordinary need fund of the  
42 department of education: *Provided, however*, That if sufficient moneys are  
43 not available in the supplemental general state aid account of the state

1 general fund to fully fund the provisions of section 3, and amendments  
2 thereto, then the state board of education shall certify the amount of  
3 moneys of such insufficient funds to the director of accounts and reports:  
4 *And provided*, That upon receipt of any such certification, the director of  
5 accounts and reports shall transfer the amount of such insufficient funds  
6 certified from the school district extraordinary need fund of the department  
7 of education to the supplemental general state aid account of the state  
8 general fund: *And provided however*, That if the amount of the demand  
9 transfer from the state general fund to the school district capital outlay  
10 state aid fund of the department of education pursuant to section 4(c), and  
11 amendments thereto, exceeds \$50,780,296, then the state board of  
12 education shall certify the amount of moneys equal to the difference  
13 between \$50,780,296 and the amount of such demand transfer to the  
14 director of accounts and reports: *And provided*, That upon receipt of any  
15 such certification, the director of accounts and reports shall transfer the  
16 amount of such difference certified from the school district extraordinary  
17 need fund of the department of education to the school district capital  
18 outlay state aid fund of the department of education: *And provided further*,  
19 That, at the same time as the state board of education transmits each such  
20 certification to the director of accounts and reports, the state board of  
21 education shall transmit a copy of such certification to the director of  
22 legislative research.

23 (f) During the fiscal year ending June 30, 2017, the total amount of  
24 transfers from the school district extraordinary need fund of the  
25 department of education pursuant to this section shall not exceed  
26 \$15,167,962.

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

42 (b) The legislature has been advised that funding disruptions and  
43 uncertainty are counter-productive to public education and that the funding

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

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

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

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

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

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

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

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

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

41 (3) prepare a schedule of dollar amounts using the amount of the  
42 median AVPP of all school districts as the point of beginning. The  
43 schedule of dollar amounts shall range upward in equal \$1,000 intervals

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

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

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

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

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

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

1 school year ending on the preceding June 30.

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

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

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

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

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

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

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

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

32 (4) determine a state aid percentage factor for each school district by  
33 assigning a state aid computation percentage to the amount of the median  
34 AVPP shown on the schedule, decreasing the state aid computation  
35 percentage assigned to the amount of the median AVPP by one percentage  
36 point for each \$1,000 interval above the amount of the median AVPP, and  
37 increasing the state aid computation percentage assigned to the amount of  
38 the median AVPP by one percentage point for each \$1,000 interval below  
39 the amount of the median AVPP. The state aid percentage factor of a  
40 school district is the percentage assigned to the schedule amount that is  
41 equal to the amount of the AVPP of the school district, except that the state  
42 aid percentage factor of a school district shall not exceed 100%. The state  
43 aid computation percentage is 25%;

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

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

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

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

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

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

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

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

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

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

42 (b) The amount of school district equalization state aid an eligible  
43 school district is to receive shall be equal to the amount calculated under

1 subsection (a)(3).

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

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

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

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

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

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

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

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

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

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

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

41 (2) providing more funding to classroom instruction;

42 (3) maximizing flexibility in the use of funding by school district  
43 boards of education and administrators; and



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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (6) an amount certified by the board of trustees of the Kansas public

1 employees retirement system which is equal to the participating employer's  
2 obligation of such school district to the system, less;

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

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

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

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

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

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

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

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

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

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

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

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

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

39 ~~(b)~~ (c) For any school district whose school financing sources  
40 exceeded its state financial aid for school year 2014-2015 as calculated  
41 under the school district finance and quality performance act, prior to its  
42 repeal, the amount such school district is entitled to receive under  
43 subsection (a)(1) or (b)(1) shall be the proceeds of the tax levied by the

1 school district pursuant to K.S.A. 2015 Supp. 72-6470, and amendments  
2 thereto, less the difference between such school district's school financing  
3 sources and its state financial aid for school year 2014-2015 as calculated  
4 under the school district finance and quality performance act, prior to its  
5 repeal.

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

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

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

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

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

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

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

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

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

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

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

39 (b) The board of any school district which would have been eligible  
40 to levy an ad valorem tax pursuant to K.S.A. 72-6441, prior to its repeal,  
41 for school year 2015-2016 or 2016-2017 *the operation of a school facility*  
42 *whose construction was financed by the issuance of bonds approved for*  
43 *issuance at an election held on or before June 30, 2015, may levy an ad*

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (b) The state ~~finance council~~ *board* shall review all submitted  
37 applications and approve or deny such application based on whether the  
38 applicant school district has demonstrated extraordinary need. As part of  
39 its review of an application, the state ~~finance council~~ *board* may conduct a  
40 hearing and provide the applicant school district an opportunity to present  
41 testimony as to such school district's extraordinary need. In determining  
42 whether a school district has demonstrated extraordinary need, the state  
43 ~~finance council~~ *board* shall consider: (1) Any extraordinary increase in

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

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

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

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

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

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

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

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

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

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



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

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

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