

HOUSE BILL No. 2486

By Committee on Education

1-20

Proposed Amendments
House Committee on Education
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Office of Revisor of Statutes
March 8, 2016

1 AN ACT concerning school districts; relating to capital improvements;
2 creating the school district bond project review board; amending
3 K.S.A. 2015 Supp. 75-2319 and repealing the existing section.

K.S.A. 46-1701 and

sections

72-6760 and

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. (a) ~~There is hereby established the school district~~
7 ~~bond project review board. The board shall consist of the following six~~
8 ~~members:~~

9 ~~(1) The chairperson of the committee on appropriations of the house~~
10 ~~of representatives;~~

11 ~~(2) the chairperson of the committee on ways and means of the~~
12 ~~senate;~~

13 ~~(3) the ranking minority member of the committee on appropriations~~
14 ~~of the house of representatives;~~

15 ~~(4) the ranking minority member of the committee on ways and~~
16 ~~means of the senate; and~~

17 ~~(5) two members of the state board of education appointed by the~~
18 ~~state board of education.~~

19 ~~(b) A majority of all members of the board shall constitute a quorum.~~
20 ~~All actions of the board shall be taken by a majority of all members of the~~
21 ~~board.~~

22 ~~(c) Members of the board shall receive expenses, mileage and~~
23 ~~subsistence as provided in K.S.A. 75-3223(e), and amendments thereto.~~

24 ~~(d) For general obligation bonds that have not been approved for~~
25 ~~issuance by an election prior to January 1, 2016, no capital improvement~~
26 ~~state aid shall be paid pursuant to K.S.A. 75-2319, and amendments~~
27 ~~thereto, unless such payment is approved by the board in accordance with~~
28 ~~this section. A school district shall submit an application to the school~~
29 ~~district bond project review board for approval of capital improvement~~
30 ~~state aid. The application shall be submitted in such form and manner as~~
31 ~~prescribed by the board, and shall include a description of the project that~~
32 ~~is the basis for the application.~~

joint committee on state building construction
established in K.S.A. 46-1701, and
amendments thereto,

prior to an election to approve the issuance of general obligation bonds

committee

(b) 33 ~~(e) The board shall review all submitted applications and approve or~~
34 ~~deny the disbursement of capital improvement state aid under K.S.A. 75-~~
35 ~~2319, and amendments thereto, based on whether the project for which~~
36 ~~such bonds are to be issued is for instruction. As part of its review of an~~

shall meet on no less than a quarterly basis to review applications submitted by
school districts. The committee

1 application, the ~~board~~ may conduct a hearing and provide the applicant
 2 school district an opportunity to present testimony regarding the project. In
 3 determining whether a project is for instruction, the ~~board~~ shall consider
 4 the extent to which the facility being constructed or improved is to be
 5 utilized by the school district for direct instruction of students of the
 6 school district.

(c) 7 ~~(f)~~ If the ~~board~~ approves an application, the ~~board~~ shall determine the
 8 extent to which the facility being constructed or improved is to be utilized
 9 by the school district for direct instruction of students of the school
 10 district, and shall express such utilization as a percentage of the total
 11 utilization of such facility. In making such determination, the ~~board~~ shall
 12 only consider basic building planning and design to be a part of the facility
 13 that is utilized for direct instruction of students. Any architectural
 14 enhancements to a facility beyond basic building planning and design shall
 15 not be deemed part of the facility that is utilized for direct instruction of
 16 students. ~~The board shall certify to the state board of education that such~~
 17 ~~application was approved and the percentage of utilization for direct~~
 18 ~~instruction.~~

(e) 19 ~~(g)~~ If the ~~board~~ denies an application, then within 15 days of such
 20 denial, it shall send written notice of such denial to the superintendent of
 21 such school district. ~~The decision of the board shall be final.~~

(g) 22 ~~(h)~~ The provisions of this section shall not apply to any school district
 23 which is not entitled to capital improvement state aid under K.S.A. 75-
 24 2319, and amendments thereto.

25 Sec. 2. K.S.A. 2015 Supp. 75-2319 is hereby amended to read as
 26 follows: 75-2319. (a) There is hereby established in the state treasury the
 27 school district capital improvements fund. The fund shall consist of all
 28 amounts transferred thereto under the provisions of subsection (c).

29 ~~(b) Subject to the provisions of subsection (f),~~ In each school year,
 30 each school district which is obligated to make payments from its capital
 31 improvements fund shall be entitled to receive payment from the school
 32 district capital improvements fund in an amount determined by the state
 33 board of education as provided in this subsection.

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

36 (A) 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 subsection (b)(1);

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

41 (C) 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

committee

The committee may authorize:

- (1) Up to 100% as the percentage of utilization for direct instruction for any building or part of any building where students receive classroom instruction at an attendance center;
- (2) up to 50% as the percentage of utilization for direct instruction for any building or part of any building that is: (A) Used for student transportation services; or (B) not a classroom but is used by students at the attendance center for instruction and extracurricular activities including, but not limited to, auditoriums and gymnasiums; and
- (3) no percentage of utilization for direct instruction for any athletic facility or for any school administration and support building.
- (d)

committee

Insert Attachment 1

Insert Attachment 2

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 (D) 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. Except as provided by K.S.A. 2015 Supp.
15 75-2319c, and amendments thereto, 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. The state aid
18 percentage factor of a school district shall not exceed 100%. The state aid
19 computation percentage is 25%;

20 (E) determine the amount of payments that a school district is
21 obligated to make from its bond and interest fund attributable to general
22 obligation bonds approved for issuance at an election held prior to July 1,
23 2015; and

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

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

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

32 (B) prepare a schedule of dollar amounts using the amount of the
33 AVPP of the school district with the lowest AVPP of all school districts as
34 the point of beginning. The schedule of dollar amounts shall range upward
35 in equal \$1,000 intervals from the point of beginning to and including an
36 amount that is equal to the amount of the AVPP of the school district with
37 the highest AVPP of all school districts;

38 (C) determine a state aid percentage factor for each school district by
39 assigning a state aid computation percentage to the amount of the lowest
40 AVPP shown on the schedule and decreasing the state aid computation
41 percentage assigned to the amount of the lowest AVPP by one percentage
42 point for each \$1,000 interval above the amount of the lowest AVPP.
43 Except as provided by K.S.A. 2015 Supp. 75-2319c, and amendments

1 thereto, the state aid percentage factor of a school district is the percentage
2 assigned to the schedule amount that is equal to the amount of the AVPP of
3 the school district. The state aid computation percentage is 75%;

4 (D) determine the amount of payments that a school district is
5 obligated to make from its bond and interest fund attributable to general
6 obligation bonds approved for issuance at an election held on or after July
7 1, 2015, but prior to ~~July 1, 2017~~ January 1, 2016; and

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

10 (3) *Subject to the provisions of section 1, and amendments thereto,*
11 *for general obligation bonds approved for issuance at an election held on*
12 *or after January 1, 2016, the state board of education shall:*

13 (A) *Determine the amount of the AVPP of each school district in the*
14 *state and round such amount to the nearest \$1,000. The rounded amount is*
15 *the AVPP of a school district for the purposes of this subsection (b)(3);*

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

22 (C) *determine a state aid percentage factor for each school district*
23 *by assigning a state aid computation percentage to the amount of the*
24 *lowest AVPP shown on the schedule and decreasing the state aid*
25 *computation percentage assigned to the amount of the lowest AVPP by one*
26 *percentage point for each \$1,000 interval above the amount of the lowest*
27 *AVPP. Except as provided by K.S.A. 2015 Supp. 75-2319c, and*
28 *amendments thereto, the state aid percentage factor of a school district is*
29 *the percentage assigned to the schedule amount that is equal to the*
30 *amount of the AVPP of the school district. The state aid computation*
31 *percentage is 75%;*

32 (D) *determine the amount of payments that a school district is*
33 *obligated to make from its bond and interest fund attributable to general*
34 *obligation bonds approved for issuance at an election held on or after*
35 *January 1, 2016;*

36 (E) *multiply the amount determined under subsection (b)(3)(D) by*
37 *the applicable state aid percentage factor; and*

38 (F) *multiply the amount calculated under subsection (b)(3)(E) by the*
39 *percentage certified by the ~~school district bond project review board~~*
40 *pursuant to section 1, and amendments thereto, if any.*

41 ~~(3) (4)~~ *The sum of the amount determined under subsection (b)(1)(F)*
42 *and, the amount determined under subsection (b)(2)(E) and the amount*
43 *determined under (b)(3)(F) is the amount of payment the school district is*

joint committee on state building construction

1 entitled to receive from the school district capital improvements fund in
2 the school year.

3 (c) The state board of education shall certify to the director of
4 accounts and reports the entitlements of school districts determined under
5 the provisions of subsection (b), and an amount equal thereto shall be
6 transferred by the director from the state general fund to the school district
7 capital improvements fund for distribution to school districts. All transfers
8 made in accordance with the provisions of this subsection shall be
9 considered to be demand transfers from the state general fund, except that
10 all such transfers during the fiscal years ending June 30, 2013, June 30,
11 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue
12 transfers from the state general fund.

13 (d) Payments from the school district capital improvements fund shall
14 be distributed to school districts at times determined by the state board of
15 education to be necessary to assist school districts in making scheduled
16 payments pursuant to contractual bond obligations. The state board of
17 education shall certify to the director of accounts and reports the amount
18 due each school district entitled to payment from the fund, and the director
19 of accounts and reports shall draw a warrant on the state treasurer payable
20 to the treasurer of the school district. Upon receipt of the warrant, the
21 treasurer of the school district shall credit the amount thereof to the bond
22 and interest fund of the school district to be used for the purposes of such
23 fund.

24 (e) The provisions of this section apply only to contractual
25 obligations incurred by school districts pursuant to general obligation
26 bonds issued upon approval of a majority of the qualified electors of the
27 school district voting at an election upon the question of the issuance of
28 such bonds.

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

K.S.A. 46-1701 and

30 Sec. 4. This act shall take effect and be in force from and after its
31 publication in the Kansas register.

72-6760 and

And by renumbering sections and subsections accordingly

Attachment 1

- (f) (1) A school district may conduct an election to approve the issuance of bonds without submitting an application to the committee prior to an election if the purpose for the issuance of bonds is necessary to repair, replace, acquire, construct, equip, furnish or remodel solely due to:
- (A) Damage caused by an act of God;
 - (B) a mechanical or structural failure that jeopardizes the health and safety of students and staff.
- (2) Prior to conducting an election for the issuance of bonds pursuant to this subsection, a school district shall submit an exemption certificate to the committee in such form and manner as prescribed by the committee and shall include a description of the project, a description of the damage or mechanical or structural failure, the total estimated cost and any other information requested by the committee.
- (3) The committee shall have 30 days from the date such application was submitted to approve or deny the exemption certificate. If the committee fails to approve or deny an exemption certificate within 30 days, such exemption certificate shall be deemed approved. If the committee denies such exemption certificate, the school district must submit an application pursuant to subsection (a) prior to holding an election to approve the issuance of general obligation bonds.

- Sec. 2. K.S.A. 46-1701 is hereby amended to read as follows: 46-1701. (a) There is hereby created the joint committee on state building construction which shall be within the legislative branch of state government and which shall be composed of five members of the senate and five members of the house of representatives. The five senate members shall be the chairperson of the committee on ways and means of the senate, or a member of the committee on ways and means of the senate appointed by the chairperson, two senators appointed by the president and two senators appointed by the minority leader. The five representative members shall be the chairperson of the committee on appropriations of the house of representatives, or a member of the committee on appropriations of the house of representatives appointed by the chairperson, two representatives appointed by the speaker and two representatives appointed by the minority leader.
- (b) All members of the joint committee on state building construction shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. The joint committee shall organize annually and elect a chairperson and vice-chairperson in accordance with this subsection. On and after the first day of the regular legislative session in odd-numbered years, the chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the senate members elected by the members of the joint committee and on and after the first day of the regular legislative session in even-numbered years, the chairperson shall be one of the senate members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee. The chairperson and vice-chairperson of the joint committee shall serve in such capacities until the first day of the regular legislative session in the ensuing year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. If a vacancy occurs in the office of chairperson or vice-chairperson, a member of the joint committee, who is a member of the same house as the member who vacated the office, shall be elected by the members of the joint committee to fill such vacancy.
- (c) A quorum of the joint committee on state building construction shall be six. All actions of the joint committee shall be taken by a majority of all of the members of the joint committee.
- (d) The joint committee on state building construction may meet at any time and at any place within the state on the call of the chairperson and shall meet on no less than a quarterly basis to review any applications submitted pursuant to section 1, and amendments thereto.
- (e) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the joint committee on state building construction to the extent that the same do not conflict with the specific provisions of this act applicable to the joint committee.
- (f) In accordance with K.S.A. 46-1204 and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on state building construction.
- (g) The joint committee on state building construction may introduce such legislation as it deems necessary in performing its functions.

Sec. 3. K.S.A. 2015 Supp. 72-6760 is hereby amended to read as follows: 72-6760. (a) Except as provided by this section and K.S.A. 72-6760b, no expenditure involving an amount greater than \$20,000 for construction, reconstruction or remodeling or for the purchase of materials, goods or wares shall be made by the board of education of any school district except upon sealed proposals, and to the lowest responsible bidder.

(b) The provisions of subsection (a) do not apply to expenditures by a board of education for the purchase of:

- (1) Services;
- (2) products required to be purchased under the provisions of K.S.A. 75-3317 through 75-3322, and amendments thereto;
- (3) educational materials directly related to curriculum and secured by copyright;
- (4) motor fuels required to provide or furnish transportation;
- (5) food and foodstuffs necessary for the implementation or operation of any child nutrition program;
- (6) articles or products that are produced, manufactured or provided by inmates under the prison-made goods act of Kansas;
- (7) natural gas that will be consumed in buildings owned or operated by the school district;
- (8) materials, goods or wares required for reconstructing, remodeling, repairing or equipping buildings when such purchase has been necessitated by the occurrence of a loss against which the board of education has purchased property or casualty insurance; and
- (9) materials, goods or wares which are purchased:

(A) From vendors who have entered into contracts with the state director of purchases pursuant to state purchasing statutes for purchases by state agencies;

(B) under the same pricing provisions established in the state contracts, subject to agreement of the vendor to honor the state contract prices; and

(C) under the same pricing provisions established in federal, national or other state contracts facilitated by a federal or local governmental entity or agency, subject to:

- (i) Agreement of the vendor to honor the contract prices; and
- (ii) approval by the board of education for expenditures in an amount greater than \$20,000.

(c) (1) Whenever the board of education of any school district lets bids for the purchase of materials, goods or wares and bids are submitted by bidders domiciled within the school district and by bidders domiciled outside the school district and the low bid is submitted by a bidder domiciled outside the school district, the school district domiciliary which submitted the lowest bid may be deemed the preferred bidder and awarded the bid if:

- (1) (A) The quality, suitability and usability of the materials, goods or wares are equal;
- (2) (B) the amount of the bid of the school district domiciliary is not more than 1% greater than the amount of the low bid; and
- (3) (C) the school district domiciliary agrees to meet the low bid by filing a written agreement to that effect within 72 hours after receiving notification of being deemed the preferred bidder.

(d) (2) The provisions of subsection (c) do not apply to expenditures for construction, reconstruction or remodeling.

(d) No expenditure for construction, reconstruction or remodeling of a facility for which bonds have been issued by the school district to finance such expenditure shall be made unless such school district has received at least three sealed proposals.