

SENATE BILL No. 259

By Committee on Ways and Means

2-7

AN ACT concerning school district finance; revising definitions; increasing base state aid per pupil; affecting determination of at-risk pupil and low enrollment weightings; revising the special education and capital improvements funding formulas; providing for capital outlay state aid; authorizing adoption of local enhancement budgets and providing revenue sources for funding such budgets; amending K.S.A. 75-2319 and K.S.A. 2000 Supp. 72-978, 72-6407, 72-6410, 72-6412 and 72-6414 and repealing the existing sections; also repealing K.S.A. 2000 Supp. 72-6442.

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

Section 1. K.S.A. 2000 Supp. 72-6407 is hereby amended to read as follows: 72-6407. (a) "Pupil" means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district. Except as otherwise provided in this subsection, a pupil in attendance full time shall be counted as one pupil. A pupil in attendance part time shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance. A pupil attending kindergarten shall be counted as ~~$\frac{1}{2}$~~ *.5 pupil, except that a pupil attending kindergarten for a school day consisting of not less than six hours shall be counted in the 2001-02 school year as .7 pupil, in the 2002-03 school year as .9 pupil, in the 2003-04 school year and each school year thereafter as one pupil.* A pupil enrolled in and attending an institution of postsecondary education which is authorized under the laws of this state to award academic degrees shall be counted as one pupil if the pupil's postsecondary education enrollment and attendance together with the pupil's attendance in either of the grades 11 or 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's postsecondary education attendance and attendance in grade

1 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in
2 and attending an area vocational school, area vocational-technical school
3 or approved vocational education program shall be counted as one pupil
4 if the pupil's vocational education enrollment and attendance together
5 with the pupil's attendance in any of grades nine through 12 is at least $\frac{5}{6}$
6 time, otherwise the pupil shall be counted as that proportion of one pupil
7 (to the nearest $\frac{1}{10}$) that the total time of the pupil's vocational education
8 attendance and attendance in any of grades nine through 12 bears to full-
9 time attendance. A pupil enrolled in a district and attending special ed-
10 ucation services, except special education services for preschool-aged ex-
11 ceptional children, provided for by the district shall be counted as one
12 pupil. A pupil enrolled in a district and attending special education serv-
13 ices for preschool-aged exceptional children provided for by the district
14 shall be counted as $\frac{1}{2}$ pupil. A preschool-aged at-risk pupil enrolled in a
15 district and receiving services under an approved at-risk pupil assistance
16 plan maintained by the district shall be counted as $\frac{1}{2}$ pupil. A pupil in
17 the custody of the secretary of social and rehabilitation services and en-
18 rolled in unified school district No. 259, Sedgwick county, Kansas, but
19 housed, maintained, and receiving educational services at the Judge James
20 V. Riddel Boys Ranch, shall be counted as two pupils. A pupil residing at
21 the Flint Hills job corps center shall not be counted. A pupil confined in
22 and receiving educational services provided for by a district at a juvenile
23 detention facility shall not be counted. A pupil enrolled in a district but
24 housed, maintained, and receiving educational services at a state institu-
25 tion shall not be counted.

26 (b) "Preschool-aged exceptional children" means exceptional chil-
27 dren, except gifted children, who have attained the age of three years but
28 are under the age of eligibility for attendance at kindergarten.

29 (c) "At-risk pupils" means pupils who are eligible for free meals un-
30 der the national school lunch act and who are enrolled in a district which
31 maintains an approved at-risk pupil assistance plan.

32 (d) "Preschool-aged at-risk pupil" means an at-risk pupil who has
33 attained the age of four years, is under the age of eligibility for attendance
34 at kindergarten, and has been selected by the state board in accordance
35 with guidelines consonant with guidelines governing the selection of pu-
36 pils for participation in head start programs. ~~The state board shall select~~
37 ~~not more than 794 preschool-aged at-risk pupils to be counted in the~~
38 ~~1999-2000 school year and not more than 2,230 preschool-aged at-risk~~
39 ~~pupils to be counted in any school year thereafter.~~

40 (e) "Enrollment" means, for districts scheduling the school days or
41 school hours of the school term on a trimestral or quarterly basis, the
42 number of pupils regularly enrolled in the district on September 20 plus
43 the number of pupils regularly enrolled in the district on February 20

1 less the number of pupils regularly enrolled on February 20 who were
2 counted in the enrollment of the district on September 20; and for dis-
3 tricts not hereinbefore specified, the number of pupils regularly enrolled
4 in the district on September 20. Notwithstanding the foregoing, if en-
5 rollment in a district in any school year has decreased from enrollment
6 in the preceding school year, enrollment of the district in the current
7 school year means whichever is the greater of (1) enrollment in the pre-
8 ceding school year minus enrollment in such school year of preschool-
9 aged at-risk pupils, if any such pupils were enrolled, plus enrollment in
10 the current school year of preschool-aged at-risk pupils, if any such pupils
11 are enrolled, or (2) the sum of enrollment in the current school year of
12 preschool-aged at-risk pupils, if any such pupils are enrolled and the av-
13 erage (mean) of the sum of (A) enrollment of the district in the current
14 school year minus enrollment in such school year of preschool-aged at-
15 risk pupils, if any such pupils are enrolled and (B) enrollment in the
16 preceding school year minus enrollment in such school year of preschool-
17 aged at-risk pupils, if any such pupils were enrolled and (C) enrollment
18 in the school year next preceding the preceding school year minus en-
19 rollment in such school year of preschool-aged at-risk pupils, if any such
20 pupils were enrolled.

21 (f) “Adjusted enrollment” means enrollment adjusted by adding at-
22 risk pupil weighting, program weighting, low enrollment weighting, if any,
23 correlation weighting, if any, school facilities weighting, if any, ancillary
24 school facilities weighting, if any, and transportation weighting to enroll-
25 ment. *Adjusted enrollment of a district shall be determined by subtracting*
26 *from adjusted enrollment of the district in the current school year the*
27 *weightings ascribed to pupils, if any, who do not meet the requirements*
28 *of K.S.A. 72-1046, and amendments thereto, for attendance at school in*
29 *the district, determining the district in which each such pupil is entitled*
30 *under the requirements of K.S.A. 72-1046, and amendments thereto, to*
31 *attend school, computing the weightings that would be ascribed to such*
32 *pupil if enrolled in the district in which the pupil is entitled under the*
33 *requirements of K.S.A. 72-1046, and amendments thereto, to attend*
34 *school, and adding the computed weightings for each such pupil to the*
35 *weightings ascribed to pupils who are enrolled in the district and meet*
36 *the requirements of K.S.A. 72-1046, and amendments thereto, for attend-*
37 *ance at school in the district.*

38 (g) “At-risk pupil weighting” means an addend component assigned
39 to enrollment of districts on the basis of enrollment of at-risk pupils.

40 (h) “Program weighting” means an addend component assigned to
41 enrollment of districts on the basis of pupil attendance in educational
42 programs which differ in cost from regular educational programs.

43 (i) “Low enrollment weighting” means an addend component as-

1 signed to enrollment of districts having under ~~1,725~~ 975 enrollment on
2 the basis of costs attributable to maintenance of educational programs by
3 such districts in comparison with costs attributable to maintenance of
4 educational programs by districts having ~~1,725~~ 975 or over enrollment.

5 (j) “School facilities weighting” means an addend component as-
6 signed to enrollment of districts on the basis of costs attributable to com-
7 mencing operation of new school facilities. ~~School facilities weighting may~~
8 ~~be assigned to enrollment of a district only if the district has adopted a~~
9 ~~local option budget and budgeted therein the total amount authorized for~~
10 ~~the school year. School facilities weighting may be assigned to enrollment~~
11 ~~of the district only in the school year in which operation of a new school~~
12 ~~facility is commenced and in the next succeeding school year.~~

13 (k) “Transportation weighting” means an addend component as-
14 signed to enrollment of districts on the basis of costs attributable to the
15 provision or furnishing of transportation.

16 (l) ~~“Correlation weighting” means an addend component assigned to~~
17 ~~enrollment of districts having 1,725 or over enrollment on the basis of~~
18 ~~costs attributable to maintenance of educational programs by such dis-~~
19 ~~tricts as a correlate to low enrollment weighting assigned to enrollment~~
20 ~~of districts having under 1,725 enrollment.~~

21 ~~(m)~~ “Ancillary school facilities weighting” means an addend compo-
22 nent assigned to enrollment of districts to which the provisions of K.S.A.
23 2000 Supp. 72-6441, and amendments thereto, apply on the basis of costs
24 attributable to commencing operation of new school facilities. Ancillary
25 school facilities weighting may be assigned to enrollment of a district only
26 if the district has levied a tax under authority of K.S.A. 2000 Supp. 72-
27 6441, and amendments thereto, and remitted the proceeds from such tax
28 to the state treasurer. Ancillary school facilities weighting is in addition
29 to assignment of school facilities weighting to enrollment of any district
30 eligible for such weighting.

31 ~~(n)~~ (m) “Juvenile detention facility” means any community juvenile
32 corrections center or facility, the Forbes Juvenile Attention Facility, the
33 Sappa Valley Youth Ranch of Oberlin, Salvation Army/Koch Center Youth
34 Services, the Clarence M. Kelley Youth Center, Trego County Secure
35 Care Center, St. Francis Academy at Atchison, St. Francis Academy at
36 Ellsworth, St. Francis Academy at Salina, and St. Francis Center at Salina.

37 Sec. 2. K.S.A. 2000 Supp. 72-6410 is hereby amended to read as
38 follows: 72-6410. (a) “State financial aid” means an amount equal to the
39 product obtained by multiplying base state aid per pupil by the adjusted
40 enrollment of a district.

41 (b) “Base state aid per pupil” means an amount of state financial aid
42 per pupil. Subject to the other provisions of this subsection, the amount
43 of base state aid per pupil is ~~\$3,770 in the 1999-2000 school year and~~

1 ~~\$3,820 in the 2000-01 school year and in school years thereafter \$5,400~~
2 *for the 2001-02 school year and for each school year thereafter the amount*
3 *of base state aid per pupil is the amount of base state aid per pupil in the*
4 *preceding school year increased by a percentage equal to the percentage*
5 *increase in the CPI (Urban) from the calendar year in which the second*
6 *preceding school year ended to the calendar year in which the preceding*
7 *school year commenced. If there is a percentage decrease or no change in*
8 *the CPI (Urban) from the calendar year in which the second preceding*
9 *school year ended to the calendar year in which the preceding school year*
10 *commenced, base state aid per pupil is the amount of base state aid per*
11 *pupil in the preceding school year. The amount of base state aid per pupil*
12 *is subject to reduction commensurate with any reduction under K.S.A.*
13 *75-6704, and amendments thereto, in the amount of the appropriation*
14 *from the state general fund for general state aid. If the amount of appro-*
15 *priations for general state aid is insufficient to pay in full the amount each*
16 *district is entitled to receive for any school year, the amount of base state*
17 *aid per pupil for such school year is subject to reduction commensurate*
18 *with the amount of the insufficiency.*

19 (c) “Local effort” means the sum of an amount equal to the proceeds
20 from the tax levied under authority of K.S.A. 72-6431, and amendments
21 thereto, and an amount equal to any unexpended and unencumbered
22 balance remaining in the general fund of the district, except amounts
23 received by the district and authorized to be expended for the purposes
24 specified in K.S.A. 72-6430, and amendments thereto, and an amount
25 equal to any unexpended and unencumbered balances remaining in the
26 program weighted funds of the district, except any amount in the voca-
27 tional education fund of the district if the district is operating an area
28 vocational school, and an amount equal to any remaining proceeds from
29 taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amend-
30 ments thereto, prior to the repeal of such statutory sections, and an
31 amount equal to the amount deposited in the general fund in the current
32 school year from amounts received in such year by the district under the
33 provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto,
34 and an amount equal to the amount deposited in the general fund in the
35 current school year from amounts received in such year by the district
36 pursuant to contracts made and entered into under authority of K.S.A.
37 72-6757, and amendments thereto, and an amount equal to the amount
38 credited to the general fund in the current school year from amounts
39 distributed in such year to the district under the provisions of articles 17
40 and 34 of chapter 12 of Kansas Statutes Annotated and under the pro-
41 visions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated,
42 and an amount equal to 75% of the federal impact aid of the district.

43 (d) “Federal impact aid” means an amount equal to the federally

1 qualified percentage of the amount of moneys a district receives in the
2 current school year under the provisions of title I of public law 874 and
3 congressional appropriations therefor, excluding amounts received for as-
4 sistance in cases of major disaster and amounts received under the low-
5 rent housing program. The amount of federal impact aid defined herein
6 as an amount equal to the federally qualified percentage of the amount
7 of moneys provided for the district under title I of public law 874 shall
8 be determined by the state board in accordance with terms and conditions
9 imposed under the provisions of the public law and rules and regulations
10 thereunder.

11 Sec. 3. K.S.A. 2000 Supp. 72-6412 is hereby amended to read as
12 follows: 72-6412. (a) The low enrollment weighting of each district with
13 under ~~1,725~~ 975 enrollment shall be determined by the state board as
14 follows:

15 ~~—(a) Determine the amount of the median budget per pupil for the~~
16 ~~1991-92 school year of districts with 75-125 enrollment in such school~~
17 ~~year;~~

18 ~~—(b) determine the amount of the median budget per pupil for the~~
19 ~~1991-92 school year of districts with 200-399 enrollment in such school~~
20 ~~year;~~

21 ~~—(c) determine the amount of the median budget per pupil for the~~
22 ~~1991-92 school year of districts with 1,900 or over enrollment;~~

23 ~~—(d) prescribe by prescribing a schedule amount for each of the dis-~~
24 ~~tricts by preparing after preparation of a schedule based upon an accepted~~
25 ~~mathematical formula and derived from a linear transition between (1)~~
26 ~~the median budgets per pupil determined under (a) and (b), and (2) the~~
27 ~~median budgets per pupil determined under (b) and (c). The schedule~~
28 ~~amount for districts with 0-99 enrollment is an amount equal to the~~
29 ~~amount of the median budget per pupil determined under (a). The sched-~~
30 ~~ule amount for districts with 100-299 enrollment is the amount derived~~
31 ~~from the linear transition under (1). The schedule amount for districts~~
32 ~~with 300-1,899 enrollment is the amount derived from the linear transi-~~
33 ~~tion under (2);~~

34 ~~—(e) for districts with 0-99 enrollment:~~

35 ~~—(1) Subtract the amount determined under (e) from the amount de-~~
36 ~~termined under (a);~~

37 ~~—(2) divide the remainder obtained under (1) by the amount deter-~~
38 ~~mined under (e);~~

39 ~~—(3) multiply the quotient obtained under (2) by the enrollment of the~~
40 ~~district in the current school year. The product is the low enrollment~~
41 ~~weighting of the district;~~

42 ~~—(f) for districts with 100-299 enrollment:~~

43 ~~—(1) Subtract the amount determined under (e) from the schedule~~

1 amount of the district;
 2 ~~—(2) divide the remainder obtained under (1) by the amount deter-~~
 3 ~~mined under (c);~~
 4 ~~—(3) multiply the quotient obtained under (2) by the enrollment of the~~
 5 ~~district in the current school year. The product is the low enrollment~~
 6 ~~weighting of the district;~~
 7 ~~—(g) for districts with 300-1,724 enrollment:~~
 8 ~~—(1) Subtract the amount determined under (c) from the schedule~~
 9 ~~amount of the district;~~
 10 ~~—(2) divide the remainder obtained under (1) by the amount deter-~~
 11 ~~mined under (c);~~
 12 ~~—(3) multiply the quotient obtained under (2) by the enrollment of the~~
 13 ~~district in the current school year. The product is the low enrollment~~
 14 ~~weighting of the district. regression model as follows:~~

15 $0 \text{ to } 99.9 \text{ enrollment} = 0.869$

16 $100 \text{ to } 299.9 \text{ enrollment} = (-0.00246019)*FTE+1.11509259$

17 $300 \text{ to } 974.9 \text{ enrollment} = (-0.00055857)*FTE+0.54460905$

18 $975 \text{ and over enrollment} = 0.0.$

19 (b) (1) *If any district experiences a decrease in the amount of its state*
 20 *financial aid in any school year as the result of amendment of this section*
 21 *or repeal of K.S.A. 2000 Supp. 72-6442, the district may adopt an en-*
 22 *rollment weighting impact budget in an amount equal to the amount of*
 23 *decrease in state financial aid from the amount of state financial aid to*
 24 *which the district would have been entitled if this section had not been*
 25 *amended and K.S.A. 2000 Supp. 72-6442 had not been repealed.*

26 (2) *There is established in every district that adopts an enrollment*
 27 *weighting impact budget a fund which shall be called the enrollment*
 28 *weighting impact fund. The fund shall consist of all amounts deposited*
 29 *therein or credited thereto according to law. Amounts in the enrollment*
 30 *weighting impact fund may be expended for any purpose for which ex-*
 31 *penditures from the general fund are authorized or may be transferred to*
 32 *any program weighted fund or categorical fund of the district. Any unex-*
 33 *pended and unencumbered cash balance remaining in the enrollment*
 34 *weighting impact fund of a district at the conclusion of any school year*
 35 *in which an enrollment weighting impact budget is adopted may be main-*
 36 *tained in such fund until budgeted and expended in a succeeding school*
 37 *year or may be transferred to the general fund or any program weighted*
 38 *fund or categorical fund of the district.*

39 (3) (A) *In each school year, the board of every district that has*
 40 *adopted an enrollment weighting impact budget may levy an ad valorem*
 41 *tax on the taxable tangible property of the district for the purpose of*
 42 *financing that portion of the district's enrollment weighting impact budget*
 43 *which is not financed from any other source provided by law and for the*

1 purpose of paying a portion of the principal and interest on bonds issued
2 by cities under authority of K.S.A. 12-1774, and amendments thereto, for
3 the financing of redevelopment projects upon property located within the
4 district.

5 (B) The proceeds from the tax levied by a district under authority of
6 this subsection, except the proceeds of such tax levied for the purpose of
7 paying a portion of the principal and interest on bonds issued by cities
8 under authority of K.S.A. 12-1774, and amendments thereto, for the fi-
9 nancing of redevelopment projects upon property located within the dis-
10 trict, shall be deposited in the enrollment weighting impact fund of the
11 district.

12 (C) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
13 1964b, and amendments thereto.

14 Sec. 4. K.S.A. 2000 Supp. 72-6414 is hereby amended to read as
15 follows: 72-6414. The at-risk pupil weighting of each district shall be de-
16 termined by the state board by multiplying the number of at-risk pupils
17 included in enrollment of the district by ~~.09~~ .30 in the 2001-02 school
18 year, .35 in the 2002-03 school year, .40 in the 2003-04 school year and
19 in each school year thereafter. The product is the at-risk pupil weighting
20 of the district.

21 Sec. 5. K.S.A. 2000 Supp. 72-978 is hereby amended to read as fol-
22 lows: 72-978. (a) ~~(1)~~ In each school year, in accordance with appropria-
23 tions for special education and related services provided under this act,
24 each school district which has districts which have provided special ed-
25 ucation and related services in compliance with the provisions of this act
26 shall be entitled to receive state aid in an amount which shall be computed
27 by the state board as provided in this section. The state board shall:

28 (1) Determine the total amount of general fund and local option budg-
29 ets of all school districts for the preceding school year;

30 (2) subtract from the amount determined in provision (1) the total
31 amount attributable in the preceding school year to assignment of trans-
32 portation weighting, program weighting and at-risk pupil weighting to
33 enrollment of all school districts in such school year;

34 (3) divide the remainder obtained in provision (2) by the total number
35 of pupils enrolled in all school districts on September 20 of the preceding
36 school year;

37 (4) determine the total full-time equivalent enrollment of exceptional
38 children in special education and related services provided by all school
39 districts in the preceding school year;

40 (5) multiply the amount of the quotient obtained in provision (3) by
41 the full-time equivalent enrollment determined in provision (4);

42 (6) determine the amount of federal funds received by all school dis-
43 tricts for the provision of special education and related services in the

1 preceding school year;

2 (7) determine the amount of revenue received by all school districts
3 in the preceding school year for services rendered under contracts with
4 the state institutions for the provision of special education and related
5 services by the state institution;

6 (8) add the amounts determined under (6) and (7) to the amount of
7 the product obtained under (5);

8 (9) determine the total amount of expenditures of all school districts
9 for the provision of special education and related services in the preceding
10 school year;

11 (10) subtract the amount of the sum obtained under (8) from the
12 amount determined under (9); the remainder is the amount of state special
13 education aid school districts are entitled to receive for the provision of
14 special education and related services.

15 (b) Each school district shall be entitled to receive:

16 ~~(A)~~ (1) Reimbursement for actual travel allowances paid to special
17 teachers at not to exceed the rate specified under K.S.A. 75-3203, and
18 amendments thereto, for each mile actually traveled during the school
19 year in connection with duties in providing special education or related
20 services for exceptional children; such reimbursement shall be computed
21 by the state board by ascertaining the actual travel allowances paid to
22 special teachers by the school district for the school year and shall be in
23 an amount equal to 80% of such actual travel allowances;

24 ~~(B)~~ (2) reimbursement in an amount equal to 80% of the actual travel
25 expenses incurred for providing transportation for exceptional children to
26 special education or related services; such reimbursement shall not be
27 paid if such child has been counted in determining the transportation
28 weighting of the district under the provisions of the school district finance
29 and quality performance act;

30 ~~(C)~~ (3) reimbursement in an amount equal to 80% of the actual ex-
31 penses incurred for the maintenance of an exceptional child at some place
32 other than the residence of such child for the purpose of providing special
33 education or related services; such reimbursement shall not exceed \$600
34 per exceptional child per school year; and

35 ~~(D)~~ (4) after subtracting the amounts of reimbursement under ~~(A)~~;
36 ~~(B)~~ and ~~(C)~~ provisions (1), (2) and (3) from the total amount appropriated
37 of state aid for special education and related services computed under
38 this act subsection (a), an amount which bears the same proportion to the
39 remaining amount appropriated as the number of full-time equivalent
40 special teachers who are qualified to provide special education or related
41 services to exceptional children and are employed by the school district
42 for approved special education or related services bears to the total num-
43 ber of such qualified full-time equivalent special teachers employed by

1 all school districts for approved special education or related services.

2 ~~(2)~~ (c) Each special teacher who is qualified to assist in the provision
3 of special education or related services to exceptional children shall be
4 counted as $\frac{2}{3}$ full-time equivalent special teacher who is qualified to pro-
5 vide special education or related services to exceptional children.

6 ~~(4)~~ (d) No time spent by a special teacher in connection with duties
7 performed under a contract entered into by the Atchison juvenile cor-
8 rectional facility, the Beloit juvenile correctional facility, the Larned ju-
9 venile correctional facility, or the Topeka juvenile correctional facility and
10 a school district for the provision of special education services by such
11 state institution shall be counted in making computations under this
12 section.

13 Sec. 6. K.S.A. 75-2319 is hereby amended to read as follows: 75-
14 2319. (a) There is hereby established in the state treasury the school
15 district capital improvements fund. The fund shall consist of all amounts
16 transferred thereto under the provisions of subsection (c).

17 (b) In each school year, each school district which is obligated to
18 make payments from its bond and interest fund shall be entitled to receive
19 payment from the school district capital improvements fund in an amount
20 determined by the state board of education as provided in this subsection.
21 The state board of education shall:

22 (1) Determine the amount of the assessed valuation per pupil (AVPP)
23 of each school district in the state and round such amount to the nearest
24 \$1,000. The rounded amount is the AVPP of a school district for the
25 purposes of this section;

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

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

36 (4) determine a state aid percentage factor for each school district by
37 assigning ~~a~~ *the* state aid computation percentage to the amount of the
38 median AVPP shown on the schedule, decreasing the state aid compu-
39 tation percentage assigned to the amount of the median AVPP by one
40 percentage point for each \$1,000 interval above the amount of the median
41 AVPP, and increasing the state aid computation percentage assigned to
42 the amount of the median AVPP by one percentage point for each \$1,000
43 interval below the amount of the median AVPP. The state aid percentage

1 factor of a school district is the percentage assigned to the schedule
2 amount that is equal to the amount of the AVPP of the school district,
3 except that the state aid percentage factor of a school district shall not
4 exceed 100%. The state aid computation percentage is ~~5% for contractual~~
5 ~~bond obligations incurred by a school district prior to the effective date~~
6 ~~of this act, and 25% for contractual bond obligations incurred by a school~~
7 ~~district on or after the effective date of this act;~~

8 (5) determine the amount of payments in the aggregate that a school
9 district is obligated to make from its bond and interest fund and, ~~of such~~
10 ~~amount, compute the amount attributable to contractual bond obligations~~
11 ~~incurred by the school district prior to the effective date of this act and~~
12 ~~the amount attributable to contractual bond obligations incurred by the~~
13 ~~school district on or after the effective date of this act;~~

14 ~~—(6) multiply each of the amounts computed under (5) such amount~~
15 ~~by the applicable state aid percentage factor;~~

16 ~~—(7) add the products obtained under (6). The amount of the sum~~
17 ~~product is the amount of payment the school district is entitled to receive~~
18 ~~from the school district capital improvements fund in the school year.~~

19 (c) The state board of education shall certify to the director of ac-
20 counts and reports the entitlements of school districts determined under
21 the provisions of subsection (b), and an amount equal thereto shall be
22 transferred by the director from the state general fund to the school
23 district capital improvements fund for distribution to school districts. All
24 transfers made in accordance with the provisions of this subsection shall
25 be considered to be demand transfers from the state general fund.

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

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

41 New Sec. 7. (a) In each school year, each school district that has
42 levied a capital outlay tax under authority of K.S.A. 72-8801, and amend-
43 ments thereto, is eligible for entitlement to an amount of capital outlay

1 state aid. Entitlement of a school district to capital outlay state aid shall
2 be determined by the state board of education as provided in this sub-
3 section. The state board shall:

4 (1) Determine the amount of the assessed valuation per pupil in the
5 preceding school year of each school district in the state;

6 (2) rank the school districts from low to high on the basis of the
7 amounts of assessed valuation per pupil determined under (1);

8 (3) identify the amount of the assessed valuation per pupil located at
9 the 75th percentile of the amounts ranked under (2);

10 (4) divide the assessed valuation per pupil of the school district in the
11 preceding school year by the amount identified under (3);

12 (5) subtract the ratio obtained under (4) from 1.0. If the resulting
13 ratio equals or exceeds 1.0, the eligibility of the school district for enti-
14 tlement to capital outlay state aid shall lapse. If the resulting ratio is less
15 than 1.0, the district is entitled to receive capital outlay state aid in an
16 amount which shall be determined by the state board by multiplying the
17 amount of the proceeds of the capital outlay tax levied in the school year
18 by such ratio. The product is the amount of capital outlay state aid the
19 school district is entitled to receive for the school year.

20 (b) If the amount of appropriations for capital outlay state aid is less
21 than the amount each school district is entitled to receive for the school
22 year, the state board shall prorate the amount appropriated among the
23 school districts in proportion to the amount each school district is entitled
24 to receive.

25 (c) Payments of capital outlay state aid shall be distributed to school
26 districts at a time to be determined by the state board. The state board
27 shall certify to the director of accounts and reports the amount due each
28 school district, and the director of accounts and reports shall draw a war-
29 rant on the state treasurer payable to the treasurer of the district. Upon
30 receipt of the warrant, the treasurer of the school district shall credit the
31 amount thereof to the capital outlay fund of the school district to be used
32 for the purposes of such fund.

33 New Sec. 8. (a) In each school year, the board of any district may
34 adopt a local enhancement budget in an amount not to exceed 10% of
35 the product obtained by multiplying base state aid per pupil by enrollment
36 of the district. The adoption of a local enhancement budget shall require
37 no procedure, authorization or approval other than a majority vote of the
38 members of the board upon a determination by the board that the
39 amounts budgeted for operating expenses in the general fund and the
40 supplemental general fund are insufficient to provide for any one or more
41 of the following special needs of the district:

42 (1) Implementation and maintenance of innovative programs and
43 school reform efforts;

1 (2) maintenance of classes having a low pupil/teacher ratio for pupils
2 enrolled in and attending kindergarten or any of the grades one through
3 three;

4 (3) maintenance of full-day kindergarten and early childhood edu-
5 cation programs;

6 (4) implementation and maintenance of programs which exceed an
7 adequate level of education as defined by the state board.

8 (b) (1) In each school year, each district that has adopted a local
9 enhancement budget is eligible for entitlement to an amount of local
10 enhancement state aid. Entitlement of a district to local enhancement
11 state aid shall be determined by the state board as provided in this sub-
12 section. The state board shall:

13 (A) Determine the amount of the assessed valuation per pupil in the
14 preceding school year of each district in the state;

15 (B) rank the districts from low to high on the basis of the amounts of
16 assessed valuation per pupil determined under (A);

17 (C) identify the amount of the assessed valuation per pupil located
18 at the 75th percentile of the amounts ranked under (B);

19 (D) divide the assessed valuation per pupil of the district in the pre-
20 ceding school year by the amount identified under (C);

21 (E) subtract the ratio obtained under (D) from 1.0. If the resulting
22 ratio equals or exceeds 1.0, the eligibility of the district for entitlement
23 to local enhancement state aid shall lapse. If the resulting ratio is less
24 than 1.0, the district is entitled to receive local enhancement state aid in
25 an amount which shall be determined by the state board by multiplying
26 the amount of the local enhancement budget of the district by such ratio.
27 The product is the amount of local enhancement state aid the district is
28 entitled to receive for the school year.

29 (2) If the amount of appropriations for local enhancement state aid
30 is less than the amount each district is entitled to receive for the school
31 year, the state board shall prorate the amount appropriated among the
32 districts in proportion to the amount each district is entitled to receive.

33 (3) Payments of local enhancement state aid shall be distributed to
34 districts at a time to be determined by the state board. The state board
35 shall certify to the director of accounts and reports the amount due each
36 district, and the director of accounts and reports shall draw a warrant on
37 the state treasurer payable to the treasurer of the district. Upon receipt
38 of the warrant, the treasurer of the district shall credit the amount thereof
39 to the local enhancement fund of the district.

40 (c) (1) In each school year, the board of every district that has
41 adopted a local enhancement budget may levy an ad valorem tax on the
42 taxable tangible property of the district for the purpose of financing that
43 portion of the district's local enhancement budget which is not financed

1 from any other source provided by law and for the purpose of paying a
2 portion of the principal and interest on bonds issued by cities under au-
3 thority of K.S.A. 12-1774, and amendments thereto, for the financing of
4 redevelopment projects upon property located within the district.

5 (2) The proceeds from the tax levied by a district under authority of
6 this subsection, except the proceeds of such tax levied for the purpose of
7 paying a portion of the principal and interest on bonds issued by cities
8 under authority of K.S.A. 12-1774, and amendments thereto, for the fi-
9 nancing of redevelopment projects upon property located within the dis-
10 trict, shall be deposited in the local enhancement fund of the district.

11 (3) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
12 1964b, and amendments thereto.

13 Sec. 9. K.S.A. 75-2319 and K.S.A. 2000 Supp. 72-978, 72-6407, 72-
14 6410, 72-6412, 72-6414 and 72-6442 are hereby repealed.

15 Sec. 10. This act shall take effect and be in force from and after its
16 publication in the statute book.

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