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4 **HOUSE Substitute for SENATE BILL No. 251**

5  
6 By Committee on Appropriations

7  
8 3-27

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10 AN ACT concerning school districts; relating to capital improvements;  
11 state aid; amending K.S.A. 2002 Supp. 75-2319 and repealing the ex-  
12 isting section.

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

15 Section 1. K.S.A. 2002 Supp. 75-2319 is hereby amended to read as  
16 follows: 75-2319. (a) There is hereby established in the state treasury the  
17 school district capital improvements fund. The fund shall consist of all  
18 amounts transferred thereto under the provisions of subsection (c).

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

25 (1) Determine the amount of the assessed valuation per pupil (AVPP)  
26 of each school district in the state and round such amount to the nearest  
27 \$1,000. The rounded amount is the AVPP of a school district for the  
28 purposes of this section;

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

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

39 (4) determine a state aid percentage factor for each school district by  
40 assigning a state aid computation percentage to the amount of the median  
41 AVPP shown on the schedule, decreasing the state aid computation per-  
42 centage assigned to the amount of the median AVPP by one percentage  
43 point for each \$1,000 interval above the amount of the median AVPP,

1 and increasing the state aid computation percentage assigned to the  
2 amount of the median AVPP by one percentage point for each \$1,000  
3 interval below the amount of the median AVPP. The state aid percentage  
4 factor of a school district is the percentage assigned to the schedule  
5 amount that is equal to the amount of the AVPP of the school district,  
6 except that the state aid percentage factor of a school district shall not  
7 exceed 100%. The state aid computation percentage is 5% for contractual  
8 bond obligations incurred by a school district prior to the effective date  
9 of this act, and 25% for contractual bond obligations incurred by a school  
10 district on or after the effective date of this act;

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

17 (6) multiply each of the amounts computed under (5) by the appli-  
18 cable state aid percentage factor;

19 (7) add the products obtained under (6). The amount of the sum is  
20 the amount of payment the school district is entitled to receive from the  
21 school district capital improvements fund in the school year.

22 (c) The state board of education shall certify to the director of ac-  
23 counts and reports the entitlements of school districts determined under  
24 the provisions of subsection (b), and an amount equal thereto shall be  
25 transferred by the director from the state general fund to the school  
26 district capital improvements fund for distribution to school districts. All  
27 transfers made in accordance with the provisions of this subsection shall  
28 be considered to be demand transfers from the state general fund, ~~except~~  
29 ~~that all such transfers during the fiscal year ending June 30, 2003, shall~~  
30 ~~be considered revenue transfers from the state general fund.~~

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

42 (e) The provisions of this section apply only to contractual obligations  
43 incurred by school districts pursuant to general obligation bonds issued

1 upon approval of a majority of the qualified electors of the school district  
2 voting at an election upon the question of the issuance of such bonds  
3 *which occurred prior to July 1, 2003, and on or after July 1, 2006.*

4 ~~(f) *(1) On and after July 1, 2003 through June 30, 2006, school dis-*~~  
5 ~~*tricts are not entitled to receive payments from the school district capital*~~  
6 ~~*improvements fund for any general obligation bonds issued after July 1,*~~  
7 ~~*2003 through June 30, 2006, for a school district athletic or sports facility.*~~  
8 ~~*For the purposes of this section, a school district athletic or sports facility*~~  
9 ~~*shall not include a gymnasium which is attached to a classroom building.*~~  
10 ~~*School districts are entitled to receive annual payments from the school*~~  
11 ~~*district capital improvements fund for outstanding bonds for school dis-*~~  
12 ~~*trict athletic or sports facilities on June 30, 2003, and bonds, the issuance*~~  
13 ~~*of which has been approved at an election held on or before June 30,*~~  
14 ~~*2003, in an amount determined by the state board of education as pro-*~~  
15 ~~*vided in subsection (b) of this section sufficient to retire such bonds and*~~  
16 ~~*to pay the interest thereon.*~~

17 ~~*(2) On and after July 1, 2003 through June 30, 2006, school districts*~~  
18 ~~*which reorganize and consolidate in accordance with article 87 of chapter*~~  
19 ~~*72 of the Kansas Statutes Annotated, and amendments thereto, are enti-*~~  
20 ~~*tled to receive payments from the school district capital improvements*~~  
21 ~~*fund, pursuant to subsection (b), for any general obligation bonds issued*~~  
22 ~~*after July 1, 2003 through June 30, 2006, or school district athletic or*~~  
23 ~~*sports facilities, if such school district has first presented to and received*~~  
24 ~~*approval for the plan to purchase or improve a site or sites, construct,*~~  
25 ~~*furnish, equip, repair, remodel or make additions to buildings necessary*~~  
26 ~~*for school district purposes or issue bonds therefor from the joint com-*~~  
27 ~~*mittee on state building construction. The plan shall include information*~~  
28 ~~*on long-term demographics; available space in area school buildings or*~~  
29 ~~*school districts; potential growth or decline of the area; new construction*~~  
30 ~~*of buildings in the area; sustained growth of student population; and fi-*~~  
31 ~~*nancial condition of the school district, including but not limited to, the*~~  
32 ~~*amount of debt of such district. Such school district shall further advise*~~  
33 ~~*and consult on such capital improvement project with the committee.*~~

34 Sec. 2. K.S.A. 2002 Supp. 75-2319 is hereby repealed.

35 Sec. 3. This act shall take effect and be in force from and after its  
36 publication in the statute book.

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