

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 11, 2016

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

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

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

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

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

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

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

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

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

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

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

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

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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.

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.~~

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.~~

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

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~~ July 1, 2016, the
28 state board of education shall:

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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; 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 (4) 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) provide 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. 75-3319a 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

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Insert Attachment

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

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

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

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

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

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

for general obligation bonds approved for issuance at an election held on or before June 30, 2016.

(5) The amount determined under subsection (b)(3)(F) is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year for general obligation bonds approved for issuance at an election held on or after July 1, 2016, subject to the provisions of subsection (b)(6).

(6) The total amount of capital improvement state aid disbursed to school districts pursuant subsection (b)(5) shall not exceed the statewide average amount of capital improvement state aid as determined by the board. The board shall determine the statewide average amount of capital improvement state aid by calculating the average amount of total capital improvement state aid disbursed to school districts in the immediately preceding six fiscal years, not to include the current fiscal year. If the average amount of capital improvement state aid is insufficient to meet the total state aid amount the state department of education shall assess school districts' need for capital improvement state aid and shall determine how to allocate the amount of capital improvement state aid authorized by this subsection (b)(6).

Attachment

- (A) Determine the amount of the assessed valuation per pupil (AVPP) of each school district in the state and round such amount to the nearest \$1,000. The rounded amount is the AVPP of a school district for the purposes of this section;
- (B) determine the median AVPP of all school districts;
- (C) prepare a schedule of dollar amounts using the amount of the median AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal \$1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts and shall range downward in equal \$1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the lowest AVPP of all school districts;
- (D) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval below the amount of the median AVPP. Except as provided by K.S.A. 2015 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%.
- (E) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to general obligation bonds approved for issuance at an election held on or after July 1, 2016; and
- (F) multiply the amount determined under subsection (b)(3)(E) by the applicable state aid percentage factor.