

Senate Substitute for HOUSE BILL No. 2353

By Committee on Ways and Means

5-8

1 AN ACT concerning education; relating to the financing and instruction
2 thereof; making and concerning appropriations for the fiscal years
3 ending June 30, 2016, and June 30, 2017, for the department of
4 education; amending K.S.A. 2014 Supp. 72-1046b, as amended by
5 section 29 of 2015 House Substitute for Senate Bill No. 7, 72-3715, as
6 amended by section 36 of 2015 House Substitute for Senate Bill No. 7,
7 72-6434, as amended by section 38 of 2015 House Substitute for
8 Senate Bill No. 7, 72-8814, as amended by section 63 of 2015 House
9 Substitute for Senate Bill No. 7, 75-2319, as amended by section 72 of
10 2015 House Substitute for Senate Bill No. 7 and Sections 5 and 6 of
11 2015 House Substitute for Senate Bill No. 7 and repealing the existing
12 sections; also repealing K.S.A. 2014 Supp. 72-6434, as amended by
13 section 7 of this act, and 72-8814, as amended by section 8 of this act.
14

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

16 Section 1.

17 DEPARTMENT OF EDUCATION

18 (a) There is appropriated for the above agency from the state general
19 fund for the fiscal year ending June 30, 2016, the following:

20 Block grants to USDs.....\$4,500,000

21 Sec. 2.

22 DEPARTMENT OF EDUCATION

23 (a) There is appropriated for the above agency from the state general
24 fund for the fiscal year ending June 30, 2017, the following:

25 Block grants to USDs.....\$4,500,000

26 Sec. 3. Section 5 of 2015 House Substitute for Senate Bill No. 7 is
27 hereby amended to read as follows: Sec. 5. (a) As used in sections 4
28 through 22 of 2015 House Substitute for Senate Bill No. 7, and
29 amendments thereto:

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

33 (B) The term "at-risk pupils" shall not include any pupil: (i) Enrolled
34 in any of the grades one through 12 who is in attendance less than full
35 time; or (ii) who is over 19 years of age. The provisions of this paragraph
36 shall not apply to any pupil who has an individualized education program.

1 (2) "Board" means the board of education of a school district.

2 (3) "Current school year" means the school year during which general
3 state aid is determined by the state board under section 6 of 2015 House
4 *Substitute for Senate Bill No. 7*, and amendments thereto.

5 (4) "Enrollment" means: (A) (i) Subject to the provisions of
6 subsection (a)(4)(A)(ii), for school districts scheduling the school days or
7 school hours of the school term on a trimestral or quarterly basis, the
8 number of pupils regularly enrolled in the district on September 20 plus
9 the number of pupils regularly enrolled in the school district on February
10 20 less the number of pupils regularly enrolled on February 20 who were
11 counted in the enrollment of the school district on September 20;

12 (ii) for school districts not described in subsection (a)(4)(A)(i), the
13 number of pupils regularly enrolled in the school district on September 20;
14 and

15 (iii) a pupil who is a foreign exchange student shall not be counted
16 unless such student is regularly enrolled in the school district on
17 September 20 and attending kindergarten or any of the grades one through
18 12 maintained by the school district for at least one semester or two
19 quarters or the equivalent thereof;

20 (B) if enrollment in a school district in any school year has decreased
21 from enrollment in the preceding school year, enrollment of the school
22 district in the current school year means whichever is the greater of:

23 (i) Enrollment in the preceding school year minus enrollment in such
24 school year of preschool-aged at-risk pupils, if any such pupils were
25 enrolled, plus enrollment in the current school year of preschool-aged at-
26 risk pupils, if any such pupils are enrolled; or

27 (ii) the sum of enrollment in the current school year of preschool-
28 aged at-risk pupils, if any such pupils are enrolled and the average of the
29 sum of:

30 (a) Enrollment of the school district in the current school year minus
31 enrollment in such school year of preschool-aged at-risk pupils, if any
32 such pupils are enrolled;

33 (b) enrollment in the preceding school year minus enrollment in such
34 school year of preschool-aged at-risk pupils, if any such pupils were
35 enrolled; and

36 (c) enrollment in the school year next preceding the preceding school
37 year minus enrollment in such school year of preschool-aged at-risk
38 pupils, if any such pupils were enrolled.

39 (5) "February 20" has its usual meaning, except that in any year in
40 which February 20 is not a day on which school is maintained, it shall
41 mean the first day after February 20 on which school is maintained.

42 (6) "Federal impact aid" means an amount equal to the federally
43 qualified percentage of the amount of moneys a district receives in the

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

10 ~~(6)~~ (7) "Preceding school year" means the school year immediately
 11 before the current school year.

12 ~~(7)~~ (8) "Preschool-aged at-risk pupil" means an at-risk pupil who has
 13 attained the age of four years, is under the age of eligibility for attendance
 14 at kindergarten, and has been selected by the state board in accordance
 15 with guidelines consonant with guidelines governing the selection of
 16 pupils for participation in head start programs.

17 ~~(8)~~ (9) "Preschool-aged exceptional children" means exceptional
 18 children, except gifted children, who have attained the age of three years
 19 but are under the age of eligibility for attendance at kindergarten.

20 ~~(9)~~ (10) "Pupil" means any person who is regularly enrolled in a
 21 district and attending kindergarten or any of the grades one through 12
 22 maintained by the district, or who is regularly enrolled in a district and
 23 attending kindergarten or any of the grades one through 12 in another
 24 district in accordance with an agreement entered into under authority of
 25 K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a
 26 district and attending special education services provided for preschool-
 27 aged exceptional children by the district.

28 ~~(10)~~ (11) "School district" means a unified school district organized
 29 and operated under the laws of this state.

30 ~~(11)~~ (12) "School year" means the 12-month period ending June 30.

31 ~~(12)~~ (13) "September 20" has its usual meaning, except that in any
 32 year in which September 20 is not a day on which school is maintained, it
 33 shall mean the first day after September 20 on which school is maintained.

34 ~~(13)~~ (14) "State board" means the state board of education.

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

37 Sec. 4. Section 6 of 2015 House Substitute for Senate Bill No. 7 is
 38 hereby amended to read as follows: Sec. 6. (a) For school year 2015-2016
 39 and school year 2016-2017, the state board shall disburse general state aid
 40 to each school district in an amount equal to:

41 (1) Subject to the provisions of subsections (b) through ~~(e)~~ (f), the
 42 amount of general state aid such school district received for school year
 43 2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as

1 prorated in accordance with K.S.A. 72-6410, prior to its repeal, less:

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

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

8 (C) the amount directly attributable to declining enrollment state aid
9 as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-
10 6452, prior to its repeal; and

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

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

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

21 (4) (A) an amount that is directly attributable to the proceeds of the
22 tax levied by the school district pursuant to section 14 of *2015 House*
23 *Substitute for Senate Bill No. 7*, and amendments thereto, provided, the
24 school district has levied such tax;

25 (B) an amount that is directly attributable to the proceeds of the tax
26 levied by the school district pursuant to section 15 of *2015 House*
27 *Substitute for Senate Bill No. 7*, and amendments thereto, provided, the
28 school district has levied such tax;

29 (C) an amount that is directly attributable to the proceeds of the tax
30 levied by the school district pursuant to section 16 of *2015 House*
31 *Substitute for Senate Bill No. 7*, and amendments thereto, provided, the
32 school district has levied such tax, plus;

33 (5) the amount of virtual school state aid such school district is to
34 receive under K.S.A. 2014 Supp. 72-3715, and amendments thereto, plus;

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

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

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

1 shall be the proceeds of the tax levied by the school district pursuant to
2 section 11, and amendments thereto, less the difference between such
3 school district's school financing sources and its state financial aid for
4 school year 2014-2015 as calculated under the school district finance and
5 quality performance act, prior to its repeal.

6 (c) 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. 72-
10 6445a, prior to its repeal, the amount of general state aid for such school
11 district determined under subsection (a)(1) shall be determined as if such
12 school district was not subject to K.S.A. 72-6445a, prior to its repeal, for
13 school year 2014-2015.

14 (d) For any school district that consolidated in accordance with article
15 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) shall be the sum of the general state aid each of the
19 former school districts would have received under subsection (a)(1).

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

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

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

1 for school year 2016-2017 shall be added to the amount of general state
2 aid for such school district determined under subsection (a)(1).

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

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

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

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

26 Sec. 5. From and after July 1, 2015, K.S.A. 2014 Supp. 72-1046b, as
27 amended by section 29 of 2015 House Substitute for Senate Bill No. 7, is
28 hereby amended to read as follows: 72-1046b. (a) As used in this section:

29 (1) "School district" means a school district organized and operating
30 under the laws of this state and no part of which is located in Johnson
31 county, Sedgwick county, Shawnee county or Wyandotte county.

32 (2) "Non-resident pupil" or "pupil" means a pupil who is enrolled and
33 in attendance at a school located in a district in which such pupil is not a
34 resident and who: (A) Lives 2½ or more miles from the attendance center
35 the pupil would attend in the district in which the pupil resides and is not a
36 resident of Johnson county, Sedgwick county, Shawnee county or
37 Wyandotte county; or (B) is a member of the family of a pupil meeting the
38 condition prescribed in subpart (A).

39 (3) "Member of the family" means a brother or sister of the whole or
40 half blood or by adoption, a stepbrother or stepsister, and a foster brother
41 or foster sister.

42 (b) The board of education of any school district may allow any pupil
43 who is not a resident of the district to enroll in and attend school in such

1 district. The board of education of such district may furnish or provide
2 transportation to any non-resident pupil who is enrolled in and attending
3 school in the district pursuant to this section. If the district agrees to
4 furnish or provide transportation to a non-resident pupil, such
5 transportation shall be furnished or provided until the end of the school
6 year. Prior to providing or furnishing transportation to a non-resident
7 pupil, the district shall notify the board of education of the district in
8 which the pupil resides that transportation will be furnished or provided.

9 (c) Pupils attending school in a school district in which the pupil does
10 not reside pursuant to this section shall be counted as regularly enrolled in
11 and attending school in the district where the pupil is enrolled for the
12 purpose of computations under the classroom learning assuring student
13 success act, section 4 of 2015 House Substitute for Senate Bill No. 7 et
14 seq., and amendments thereto, and for the purposes of the statutory
15 provisions contained in article 83 of chapter 72 of the Kansas Statutes
16 Annotated, and amendments thereto. Such non-resident pupil shall not be
17 charged for the costs of attendance at school.

18 (d) *Any pupil who was not a resident of the district in school year*
19 *2014-2015, but was allowed to enroll in and attend school in such district*
20 *in school year 2014-2015 by the board of education of such district and*
21 *any member of the family of such pupil regardless of whether such family*
22 *member enrolled in and attended school in such district in school year*
23 *2014-2015, shall be allowed to enroll in and attend school in such district*
24 *in school years 2015-2016 and 2016-2017 regardless of whether such*
25 *pupil or family member of such pupil is a resident of the district in either*
26 *school year. If transportation was furnished or provided to such pupil in*
27 *school year 2014-2015 by the district, then transportation shall be*
28 *furnished or provided by the district to such pupil and any family member*
29 *of such pupil in school years 2015-2016 and 2016-2017, provided there is*
30 *no change in such pupil's residence and no requirement for the district to*
31 *furnish transportation to any additional residence.*

32 Sec. 6. From and after July 1, 2015, K.S.A. 2014 Supp. 72-3715, as
33 amended by section 36 of 2015 House Substitute for Senate Bill No. 7, is
34 hereby amended to read as follows: 72-3715. (a) In order to be included in
35 the full-time equivalent enrollment of a virtual school, a pupil shall be in
36 attendance at the virtual school on: (1) A single school day on or before
37 September 19 of each school year; and (2) on a single school day on or
38 after September 20, but before October 4 of each school year.

39 (b) A school district which offers a virtual school shall determine the
40 full-time equivalent enrollment of each pupil enrolled in the virtual school
41 on September 20 of each school year as follows:

42 (1) Determine the number of hours the pupil was in attendance on a
43 single school day on or before September 19 of each school year;

1 (2) determine the number of hours the pupil was in attendance on a
2 single school day on or after September 20, but before October 4 of each
3 school year;

4 (3) add the numbers obtained under paragraphs (1) and (2);

5 (4) divide the sum obtained under paragraph (3) by 12. The quotient
6 is the full-time equivalent enrollment of the pupil.

7 (c) The school days on which a district determines the full-time
8 equivalent enrollment of a pupil under subsections (b)(1) and (2) shall be
9 the school days on which the pupil has the highest number of hours of
10 attendance at the virtual school. No more than six hours of attendance may
11 be counted in a single school day. Attendance may be shown by a pupil's
12 on-line activity or entries in the pupil's virtual school journal or log of
13 activities.

14 (d) Subject to the availability of appropriations and within the limits
15 of any such appropriations, each school year a school district which offers
16 a virtual school shall receive virtual school state aid.

17 The state board of education shall determine the amount of virtual
18 school state aid a school district is to receive as follows:

19 (1) For school year 2015-2016:

20 (A) Determine the number of pupils enrolled in virtual school on a
21 full-time basis, excluding those pupils who are over 18 years of age, and
22 multiply the total number of such pupils by \$5,000;

23 (B) determine the full-time equivalent enrollment of pupils enrolled
24 in virtual school on a part-time basis, excluding those pupils who are over
25 18 years of age, and multiply the total full-time equivalent enrollment of
26 such pupils by \$4,045;

27 (C) for pupils enrolled in a virtual school who are over 18 years of
28 age, determine the number of one-hour credit courses such pupils have
29 passed and multiply the total number of such courses by \$933; and

30 (D) add the amounts calculated under subsections (d)(1)(A) through
31 (d)(1)(C). The resulting sum is the amount of virtual school state aid the
32 school district shall receive.

33 (2) For school year 2016-2017:

34 (A) Determine the number of pupils enrolled in virtual school on a
35 full-time basis, excluding those pupils who are over 18 years of age, and
36 multiply the total number of such pupils by \$5,600;

37 (B) determine the full-time equivalent enrollment of pupils enrolled
38 in virtual school on a part-time basis, excluding those pupils who are over
39 18 years of age, and multiply the total full-time equivalent enrollment of
40 such pupils by \$1,700;

41 (C) for pupils enrolled in a virtual school who are over 18 years of
42 age, determine the number of one-hour credit courses such pupils have
43 passed and multiply the total number of such courses by \$933; and

1 (D) add the amounts calculated under subsections (d)(2)(A) through
2 (d)(2)(C). The resulting sum is the amount of virtual school state aid the
3 school district shall receive.

4 (3) For purposes of this subsection:

5 (A) "Full-time" means attendance in a virtual school for no less than
6 six hours as determined pursuant to subsection (b).

7 (B) "Part-time" means attendance in a virtual school for less than six
8 hours as determined pursuant to subsection (b).

9 (e) There is hereby established in every school district a fund which
10 shall be called the virtual school fund, which fund shall consist of all
11 moneys deposited therein or transferred thereto according to law. The
12 expenses of a school district directly attributable to virtual schools offered
13 by a school district may be paid from the virtual school fund. The cost of
14 an advance placement course provided to a pupil by a virtual school shall
15 be paid by the virtual school. Amounts deposited in the virtual school fund
16 may be transferred to the general fund of the school district as approved by
17 the board of education.

18 Any balance remaining in the virtual school fund at the end of the
19 budget year shall be carried forward into the virtual school fund for
20 succeeding budget years. Such fund shall not be subject to the provisions
21 of K.S.A. 79-2925 through 79-2937, and amendments thereto.

22 In preparing the budget of such school district, the amounts credited to
23 and the amount on hand in the virtual school fund, and the amount
24 expended therefrom shall be included in the annual budget for the
25 information of the residents of the school district. Interest earned on the
26 investment of moneys in any such fund shall be credited to that fund.

27 *(f) For the purposes of this section, a pupil enrolled in a virtual
28 school who is not a resident of the state of Kansas shall not be counted in
29 the full-time equivalent enrollment of the virtual school. The virtual school
30 shall record the permanent address of any pupil enrolled in such virtual
31 school.*

32 Sec. 7. K.S.A. 2014 Supp. 72-6434, as amended by section 38 of
33 2015 House Substitute for Senate Bill No. 7, is hereby amended to read as
34 follows: 72-6434. (a) For school year 2014-2015, each district that has
35 adopted a local option budget is eligible for entitlement to an amount of
36 supplemental general state aid. Except as provided by K.S.A. 2014 Supp.
37 72-6434b, and amendments thereto, entitlement of a district to
38 supplemental general state aid shall be determined by the state board as
39 provided in this subsection. The state board shall:

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

42 (2) rank the districts from low to high on the basis of the amounts of
43 assessed valuation per pupil determined under subsection (a)(1);

1 (3) identify the amount of the assessed valuation per pupil located at
2 the 81.2 percentile of the amounts ranked under subsection (a)(2);

3 (4) divide the assessed valuation per pupil of the district as
4 determined under subsection (a)(1) by the amount identified under
5 subsection (a)(3);

6 (5) (A) if the quotient obtained under subsection (a)(4) is less than
7 one, subtract the quotient obtained under subsection (a)(4) from one, and
8 multiply such difference by the amount of the local option budget of the
9 school district; or

10 (B) if the quotient obtained under subsection (a)(4) equals or exceeds
11 one, the school district shall not be entitled to receive supplemental
12 general state aid; and

13 (6) determine the amount of supplemental general state aid for each
14 school district eligible to receive such state aid as follows:

15 (A) For those school districts ranked in the lowest quintile of those
16 school districts eligible to receive supplemental general state aid under
17 subsection (a)(5), multiply the product calculated under subsection (a)(5)
18 (A) by 97%;

19 (B) for those school districts ranked in the second lowest quintile of
20 those school districts eligible to receive supplemental general state aid
21 under subsection (a)(5), multiply the product calculated under subsection
22 (a)(5)(A) by 95%;

23 (C) for those school districts ranked in the third lowest quintile of
24 those school districts eligible to receive supplemental general state aid
25 under subsection (a)(5), multiply the product calculated under subsection
26 (a)(5)(A) by 92%;

27 (D) for those school districts ranked in the second highest quintile of
28 those school districts eligible to receive supplemental general state aid
29 under subsection (a)(5), multiply the product calculated under subsection
30 (a)(5)(A) by 82%; and

31 (E) for those school districts ranked in the highest quintile of those
32 school districts eligible to receive supplemental general state aid under
33 subsection (a)(5), multiply the product calculated under subsection (a)(5)
34 (A) by 72%.

35 (b) If the amount of appropriations for supplemental general state aid
36 is less than the amount each district is entitled to receive for the school
37 year, the state board shall prorate the amount appropriated among the
38 districts in proportion to the amount each district is entitled to receive.

39 (c) The state board shall prescribe the dates upon which the
40 distribution of payments of supplemental general state aid to school
41 districts shall be due. Payments of supplemental general state aid shall be
42 distributed to districts on the dates prescribed by the state board. The state
43 board shall certify to the director of accounts and reports the amount due

1 each district, and the director of accounts and reports shall draw a warrant
2 on the state treasurer payable to the treasurer of the district. Upon receipt
3 of the warrant, the treasurer of the district shall credit the amount thereof
4 to the supplemental general fund of the district to be used for the purposes
5 of such fund.

6 (d) If any amount of supplemental general state aid that is due to be
7 paid during the month of June of a school year pursuant to the other
8 provisions of this section is not paid on or before June 30 of such school
9 year, then such payment shall be paid on or after the ensuing July 1, as
10 soon as moneys are available therefor. Any payment of supplemental
11 general state aid that is due to be paid during the month of June of a school
12 year and that is paid to school districts on or after the ensuing July 1 shall
13 be recorded and accounted for by school districts as a receipt for the
14 school year ending on the preceding June 30.

15 (e) (1) Except as provided by paragraph (2), moneys received as
16 supplemental general state aid shall be used to meet the requirements
17 under the school performance accreditation system adopted by the state
18 board, to provide programs and services required by law and to improve
19 student performance.

20 (2) Amounts of supplemental general state aid attributable to any
21 percentage over 25% of state financial aid determined for the current
22 school year may be transferred to the capital improvements fund of the
23 district and the capital outlay fund of the district if such transfers are
24 specified in the resolution authorizing the adoption of a local option
25 budget in excess of 25%.

26 (f) For the purposes of determining the total amount of state moneys
27 paid to school districts, all moneys appropriated as supplemental general
28 state aid shall be deemed to be state moneys for educational and support
29 services for school districts.

30 (g) For school year 2014-2015, for those school districts whose total
31 assessed valuation for school year 2015-2016 is less than such district's
32 total assessed valuation for school year 2014-2015, and the difference in
33 total assessed valuation between school year 2014-2015 and school year
34 2015-2016 is an amount that is greater than 25% of the total assessed
35 valuation of such district for school year 2014-2015, and such reduction in
36 total assessed valuation is the ~~direct~~ result of the classification of tangible
37 personal property within such district for property tax purposes pursuant to
38 K.S.A. 2014 Supp. 79-507, and amendments thereto, the assessed
39 valuation per pupil for purposes of determining supplemental general state
40 aid shall be based on such school district's total assessed valuation for
41 school year 2015-2016.

42 Sec. 8. K.S.A. 2014 Supp. 72-8814, as amended by section 63 of
43 2015 Senate Bill No. 7, is hereby amended to read as follows: 72-8814. (a)

1 There is hereby established in the state treasury the school district capital
2 outlay state aid fund. Such fund shall consist of all amounts transferred
3 thereto under the provisions of subsection (c).

4 (b) For school year 2014-2015, each school district which levies a
5 tax pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall be
6 entitled to receive payment from the school district capital outlay state aid
7 fund in an amount determined by the state board of education as provided
8 in this subsection. The state board of education shall:

9 (1) Determine the amount of the assessed valuation per pupil (AVPP)
10 of each school district in the state and round such amount to the nearest
11 \$1,000. The rounded amount is the AVPP of a school district for the
12 purposes of this section;

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

19 (3) determine a state aid percentage factor for each school district by
20 assigning a state aid computation percentage to the amount of the lowest
21 AVPP shown on the schedule and decreasing the state aid computation
22 percentage assigned to the amount of the lowest AVPP by one percentage
23 point for each \$1,000 interval above the amount of the lowest AVPP.
24 Except as provided by K.S.A. 2014 Supp. 72-8814b, and amendments
25 thereto, the state aid percentage factor of a school district is the percentage
26 assigned to the schedule amount that is equal to the amount of the AVPP of
27 the school district. The state aid computation percentage is 75%;

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

30 (5) multiply the amount computed under subsection (b)(4), but not to
31 exceed 8 mills, by the applicable state aid percentage factor for the school
32 district. The product is the amount of payment the school district is entitled
33 to receive from the school district capital outlay state aid fund in the
34 school year.

35 (c) During the fiscal year ending June 30, 2015:

36 (1) On February 20, 2015, the director of accounts and reports shall
37 transfer \$25,300,000 from the state general fund to the school district
38 capital outlay state aid fund. The state board of education shall distribute
39 such moneys to pay the proportionate share of the entitlements to each
40 school district as determined under the provisions of subsection (b); and

41 (2) On June 20, 2015, the director of accounts and reports shall
42 transfer the remaining amount of moneys to which the school districts are
43 entitled to receive from the state general fund to the school district capital

1 outlay state aid fund pursuant to the provisions of subsection (b). Such
2 transferred amount shall not exceed ~~\$2,202,500~~ \$3,958,900. The state
3 board of education shall distribute such moneys to pay the share of the
4 entitlement to each school district as determined under the provisions of
5 subsection (b).

6 (d) Payments from the school district capital outlay state aid fund
7 shall be distributed to school districts at times determined by the state
8 board of education. The state board of education shall certify to the
9 director of accounts and reports the amount due each school district
10 entitled to payment from the fund, and the director of accounts and reports
11 shall draw a warrant on the state treasurer payable to the treasurer of the
12 school district. Upon receipt of the warrant, the treasurer of the school
13 district shall credit the amount thereof to the capital outlay fund of the
14 school district to be used for the purposes of such fund.

15 (e) Amounts transferred to the capital outlay fund of a school district
16 as authorized by K.S.A. 72-6433, and amendments thereto, shall not be
17 included in the computation when determining the amount of state aid to
18 which a district is entitled to receive under this section.

19 (f) For school year 2014-2015, for those school districts whose total
20 assessed valuation for school year 2015-2016 is less than such district's
21 total assessed valuation for school year 2014-2015, and the difference in
22 total assessed valuation between school year 2014-2015 and school year
23 2015-2016 is an amount that is greater than 25% of the total assessed
24 valuation of such district for school year 2014-2015, and such reduction in
25 total assessed valuation is the direct result of the classification of tangible
26 personal property within such district for property tax purposes pursuant to
27 ~~K.S.A. 2014 Supp. 79-507, and amendments thereto~~, the assessed
28 valuation per pupil for purposes of determining capital outlay state aid
29 shall be based on such school district's total assessed valuation for school
30 year 2015-2016.

31 Sec. 9. From and after July 1, 2015, K.S.A. 2014 Supp. 75-2319, as
32 amended by section 72 of 2015 House Substitute for Senate Bill No. 7, is
33 hereby amended to read as follows: 75-2319. (a) There is hereby
34 established in the state treasury the school district capital improvements
35 fund. The fund shall consist of all amounts transferred thereto under the
36 provisions of subsection (c).

37 (b) Subject to the provisions of subsection (f), in each school year,
38 each school district which is obligated to make payments from its capital
39 improvements fund shall be entitled to receive payment from the school
40 district capital improvements fund in an amount determined by the state
41 board of education as provided in this subsection.

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

1 (A) Determine the amount of the assessed valuation per pupil (AVPP)
2 of each school district in the state and round such amount to the nearest
3 \$1,000. The rounded amount is the AVPP of a school district for the
4 purposes of this subsection (b)(1);

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

6 (C) prepare a schedule of dollar amounts using the amount of the
7 median AVPP of all school districts as the point of beginning. The
8 schedule of dollar amounts shall range upward in equal \$1,000 intervals
9 from the point of beginning to and including an amount that is equal to the
10 amount of the AVPP of the school district with the highest AVPP of all
11 school districts and shall range downward in equal \$1,000 intervals from
12 the point of beginning to and including an amount that is equal to the
13 amount of the AVPP of the school district with the lowest AVPP of all
14 school districts;

15 (D) determine a state aid percentage factor for each school district by
16 assigning a state aid computation percentage to the amount of the median
17 AVPP shown on the schedule, decreasing the state aid computation
18 percentage assigned to the amount of the median AVPP by one percentage
19 point for each \$1,000 interval above the amount of the median AVPP, and
20 increasing the state aid computation percentage assigned to the amount of
21 the median AVPP by one percentage point for each \$1,000 interval below
22 the amount of the median AVPP. Except as provided by K.S.A. 2014 Supp.
23 75-2319c, and amendments thereto, the state aid percentage factor of a
24 school district is the percentage assigned to the schedule amount that is
25 equal to the amount of the AVPP of the school district. The state aid
26 percentage factor of a school district shall not exceed 100%. The state aid
27 computation percentage is 25%;

28 (E) determine the amount of payments that a school district is
29 obligated to make from its bond and interest fund attributable to
30 ~~contractual bond obligations incurred by the school district~~ *general*
31 *obligation bonds approved for issuance at an election held* prior to July 1,
32 2015; and

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

35 (2) For general obligation bonds approved for issuance at an election
36 held on or after July 1, 2015, but prior to July 1, 2017, the state board of
37 education shall:

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

41 (B) prepare a schedule of dollar amounts using the amount of the
42 AVPP of the school district with the lowest AVPP of all school districts as
43 the point of beginning. The schedule of dollar amounts shall range upward

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

4 (C) determine a state aid percentage factor for each school district by
5 assigning a state aid computation percentage to the amount of the lowest
6 AVPP shown on the schedule and decreasing the state aid computation
7 percentage assigned to the amount of the lowest AVPP by one percentage
8 point for each \$1,000 interval above the amount of the lowest AVPP.
9 Except as provided by K.S.A. 2014 Supp. 75-2319c, and amendments
10 thereto, the state aid percentage factor of a school district is the percentage
11 assigned to the schedule amount that is equal to the amount of the AVPP of
12 the school district. The state aid computation percentage is 75%;

13 (D) determine the amount of payments that a school district is
14 obligated to make from its bond and interest fund attributable to
15 ~~contractual bond obligations incurred by the school district~~ *general*
16 *obligation bonds approved for issuance at an election held on or after July*
17 *1, 2015, but prior to July 1, 2017;* and

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

20 (3) The sum of the amount determined under subsection (b)(1)(F) and
21 the amount determined under subsection (b)(2)(E) is the amount of
22 payment the school district is entitled to receive from the school district
23 capital improvements fund in the school year.

24 (c) The state board of education shall certify to the director of
25 accounts and reports the entitlements of school districts determined under
26 the provisions of subsection (b), and an amount equal thereto shall be
27 transferred by the director from the state general fund to the school district
28 capital improvements fund for distribution to school districts. All transfers
29 made in accordance with the provisions of this subsection shall be
30 considered to be demand transfers from the state general fund, except that
31 all such transfers during the fiscal years ending June 30, 2013, June 30,
32 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue
33 transfers from the state general fund.

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

1 fund.

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

7 Sec. 10. K.S.A. 2014 Supp. 72-6434, as amended by section 38 of
8 2015 House Substitute for Senate Bill No. 7, and 72-8814, as amended by
9 section 63 of 2015 House Substitute for Senate Bill No. 7, are hereby
10 repealed.

11 Sec. 11. From and after July 1, 2015, K.S.A. 2014 Supp. 72-1046b, as
12 amended by section 29 of 2015 House Substitute for Senate Bill No. 7, 72-
13 3715, as amended by section 36 of 2015 House Substitute for Senate Bill
14 No. 7, 72-6434, as amended by section 7 of this act, 72-8814, as amended
15 section 8 of this act, 75-2319, as amended by section 72 of 2015 House
16 Substitute for Senate Bill No. 7 and Sections 5 and 6 of 2015 House
17 Substitute for Senate Bill No. 7 are hereby repealed.

18 Sec. 12. This act shall take effect and be in force from and after its
19 publication in the Kansas register.