

**Substitute for HOUSE BILL No. 2486**

By Committee on Education

3-16

1 AN ACT concerning school districts; relating to capital improvement state  
2 aid, cap; amending K.S.A. 2015 Supp. 75-2319 and repealing the  
3 existing section.  
4

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

6 Section 1. K.S.A. 2015 Supp. 75-2319 is hereby amended to read as  
7 follows: 75-2319. (a) There is hereby established in the state treasury the  
8 school district capital improvements fund. The fund shall consist of all  
9 amounts transferred thereto under the provisions of subsection (c).

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

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

17 (A) Determine the amount of the assessed valuation per pupil (AVPP)  
18 of each school district in the state and round such amount to the nearest  
19 \$1,000. The rounded amount is the AVPP of a school district for the  
20 purposes of this subsection (b)(1);

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

22 (C) prepare a schedule of dollar amounts using the amount of the  
23 median AVPP of all school districts as the point of beginning. The  
24 schedule of dollar amounts shall range upward in equal \$1,000 intervals  
25 from the point of beginning to and including an amount that is equal to the  
26 amount of the AVPP of the school district with the highest AVPP of all  
27 school districts and shall range downward in equal \$1,000 intervals from  
28 the point of beginning to and including an amount that is equal to the  
29 amount of the AVPP of the school district with the lowest AVPP of all  
30 school districts;

31 (D) determine a state aid percentage factor for each school district by  
32 assigning a state aid computation percentage to the amount of the median  
33 AVPP shown on the schedule, decreasing the state aid computation  
34 percentage assigned to the amount of the median AVPP by one percentage  
35 point for each \$1,000 interval above the amount of the median AVPP, and  
36 increasing the state aid computation percentage assigned to the amount of

1 the median AVPP by one percentage point for each \$1,000 interval below  
2 the amount of the median AVPP. Except as provided by K.S.A. 2015 Supp.  
3 75-2319c, and amendments thereto, the state aid percentage factor of a  
4 school district is the percentage assigned to the schedule amount that is  
5 equal to the amount of the AVPP of the school district. The state aid  
6 percentage factor of a school district shall not exceed 100%. The state aid  
7 computation percentage is 25%;

8 (E) determine the amount of payments that a school district is  
9 obligated to make from its bond and interest fund attributable to general  
10 obligation bonds approved for issuance at an election held prior to July 1,  
11 2015; and

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

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

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

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

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

35 (D) determine the amount of payments that a school district is  
36 obligated to make from its bond and interest fund attributable to general  
37 obligation bonds approved for issuance at an election held on or after July  
38 1, 2015, ~~but prior to July 1, 2017~~; and

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

41 (3) *For general obligation bonds approved for issuance at an*  
42 *election held on or before June 30, 2016*, the sum of the amount  
43 determined under subsection (b)(1)(F) and the amount determined under

1 subsection (b)(2)(E) is the amount of payment the school district is entitled  
2 to receive from the school district capital improvements fund in the school  
3 year.

4 *(4) For general obligation bonds approved for issuance at an*  
5 *election held on or after July 1, 2016, the amount determined under*  
6 *subsection (b)(2)(E) is the amount of payment the school district shall*  
7 *receive from the school district capital improvements fund in the school*  
8 *year, except the total amount of payments school districts receive from the*  
9 *school district capital improvements fund in the school year for such*  
10 *bonds shall not exceed the six-year average amount of capital*  
11 *improvement state aid as determined by the state board of education.*

12 *(A) The state board of education shall determine the six-year average*  
13 *amount of capital improvement state aid by calculating the average of the*  
14 *total amount of moneys expended per year from the school district capital*  
15 *improvements fund in the immediately preceding six fiscal years, not to*  
16 *include the current fiscal year.*

17 *(B) If the total amount of payments school districts would receive*  
18 *from the school district capital improvements fund for general obligation*  
19 *bonds approved for issuance at an election on or after July 1, 2016,*  
20 *exceeds the six-year average amount of capital improvement state aid, the*  
21 *state board of education shall prioritize the allocations to school districts*  
22 *from the school district capital improvements fund based on any factors*  
23 *the board deems necessary and shall prorate payments to school districts*  
24 *accordingly.*

25 *(C) On and after July 1, 2016, the state board of education shall*  
26 *approve the amount of state aid payments a school district shall receive*  
27 *from the school district capital improvements fund pursuant to subsection*  
28 *(b)(5) prior to an election to approve the issuance of general obligation*  
29 *bonds.*

30 *(5) The sum of the amounts determined under subsection (b)(3) and*  
31 *the amount determined or allocated to the district by the state board of*  
32 *education pursuant to subsection (b)(4), is the amount of payment the*  
33 *school district is entitled to receive from the school district capital*  
34 *improvements fund in the school year.*

35 (c) The state board of education shall certify to the director of  
36 accounts and reports the entitlements of school districts determined under  
37 the provisions of subsection (b), and an amount equal thereto shall be  
38 transferred by the director from the state general fund to the school district  
39 capital improvements fund for distribution to school districts. All transfers  
40 made in accordance with the provisions of this subsection shall be  
41 considered to be demand transfers from the state general fund, except that  
42 all such transfers during the fiscal years ending June 30, 2013, June 30,  
43 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue

1 transfers from the state general fund.

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

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

18 (f) *On or before the first day of the legislative session in 2017, and*  
19 *each year thereafter, the state board of education shall prepare and submit*  
20 *a report to the legislature that includes information on school district*  
21 *elections held on or after July 1, 2016, to approve the issuance of general*  
22 *obligation bonds and the amount of payments school districts were*  
23 *approved to receive from the school district capital improvements fund*  
24 *pursuant to subsection (b)(4)(C).*

25 Sec. 2. K.S.A. 2015 Supp. 75-2319 is hereby repealed.

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