

SENATE BILL No. 356

By Committee on Education

1-25

1 AN ACT concerning school districts; relating to capital improvements;
2 creating the school district bond project review board; amending
3 K.S.A. 2015 Supp. 75-2319 and repealing the existing section.
4

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

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

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

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

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

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

17 (5) one member of the state board of education appointed by the state
18 board of education; and

19 (6) two members selected by the governor who are actively involved
20 in the construction industry.

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

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

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

35 (e) The board shall review all submitted applications and approve or
36 deny the disbursement of capital improvement state aid under K.S.A. 75-

1 2319, and amendments thereto, based on whether the project for which
2 such bonds are to be issued is for instruction. As part of its review of an
3 application, the board may conduct a hearing and provide the applicant
4 school district an opportunity to present testimony regarding the project. In
5 determining whether a project is for instruction, the board shall consider
6 the extent to which the facility being constructed or improved is to be
7 utilized by the school district for direct instruction of students of the
8 school district.

9 (f) If the board approves an application, the board shall determine the
10 extent to which the facility being constructed or improved is to be utilized
11 by the school district for direct instruction of students of the school
12 district, and shall express such utilization as a percentage of the total
13 utilization of such facility. In making such determination, the board shall
14 only consider basic building planning and design to be a part of the facility
15 that is utilized for direct instruction of students. Any architectural
16 enhancements to a facility beyond basic building planning and design shall
17 not be deemed part of the facility that is utilized for direct instruction of
18 students. The board shall certify to the state board of education that such
19 application was approved and the percentage of utilization for direct
20 instruction.

21 (g) If the board denies an application, then within 15 days of such
22 denial, it shall send written notice of such denial to the superintendent of
23 such school district. The decision of the board shall be final. Denial of an
24 application by the board shall not prohibit a school district from continuing
25 to hold an election to approve the issuance of bonds by the school district.

26 (h) The provisions of this section shall not apply to any school district
27 which is not entitled to capital improvement state aid under K.S.A. 75-
28 2319, and amendments thereto.

29 Sec. 2. K.S.A. 2015 Supp. 75-2319 is hereby amended to read as
30 follows: 75-2319. (a) There is hereby established in the state treasury the
31 school district capital improvements fund. The fund shall consist of all
32 amounts transferred thereto under the provisions of subsection (c).

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

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

40 (A) Determine the amount of the assessed valuation per pupil (AVPP)
41 of each school district in the state and round such amount to the nearest
42 \$1,000. The rounded amount is the AVPP of a school district for the
43 purposes of this subsection (b)(1);

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

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

11 (D) determine a state aid percentage factor for each school district by
12 assigning a state aid computation percentage to the amount of the median
13 AVPP shown on the schedule, decreasing the state aid computation
14 percentage assigned to the amount of the median AVPP by one percentage
15 point for each \$1,000 interval above the amount of the median AVPP, and
16 increasing the state aid computation percentage assigned to the amount of
17 the median AVPP by one percentage point for each \$1,000 interval below
18 the amount of the median AVPP. Except as provided by K.S.A. 2015 Supp.
19 75-2319c, and amendments thereto, the state aid percentage factor of a
20 school district is the percentage assigned to the schedule amount that is
21 equal to the amount of the AVPP of the school district. The state aid
22 percentage factor of a school district shall not exceed 100%. The state aid
23 computation percentage is 25%;

24 (E) determine the amount of payments that a school district is
25 obligated to make from its bond and interest fund attributable to general
26 obligation bonds approved for issuance at an election held prior to July 1,
27 2015; and

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

30 (2) For general obligation bonds approved for issuance at an election
31 held on or after July 1, 2015, but prior to ~~July 1, 2017~~ *January 1, 2016*, the
32 state board of education shall:

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

36 (B) prepare a schedule of dollar amounts using the amount of the
37 AVPP of the school district with the lowest AVPP of all school districts as
38 the point of beginning. The schedule of dollar amounts shall range upward
39 in equal \$1,000 intervals from the point of beginning to and including an
40 amount that is equal to the amount of the AVPP of the school district with
41 the highest AVPP of all school districts;

42 (C) determine a state aid percentage factor for each school district by
43 assigning a state aid computation percentage to the amount of the lowest

1 AVPP shown on the schedule and decreasing the state aid computation
2 percentage assigned to the amount of the lowest AVPP by one percentage
3 point for each \$1,000 interval above the amount of the lowest AVPP.
4 Except as provided by K.S.A. 2015 Supp. 75-2319c, and amendments
5 thereto, the state aid percentage factor of a school district is the percentage
6 assigned to the schedule amount that is equal to the amount of the AVPP of
7 the school district. The state aid computation percentage is 75%;

8 (D) 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 on or after July
11 1, 2015, but prior to ~~July 1, 2017~~ *January 1, 2016*; and

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

14 (3) *Subject to the provisions of section 1, and amendments thereto,*
15 *for general obligation bonds approved for issuance at an election held on*
16 *or after January 1, 2016, the state board of 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)(3);*

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

36 (D) *determine the amount of payments that a school district is*
37 *obligated to make from its bond and interest fund attributable to general*
38 *obligation bonds approved for issuance at an election held on or after*
39 *January 1, 2016;*

40 (E) *multiply the amount determined under subsection (b)(3)(D) by*
41 *the applicable state aid percentage factor; and*

42 (F) *multiply the amount calculated under subsection (b)(3)(E) by the*
43 *percentage certified by the school district bond project review board*

1 *pursuant to section 1, and amendments thereto, if any.*

2 ~~(3)~~ (4) The sum of the amount determined under subsection (b)(1)(F)
3 ~~and~~, the amount determined under subsection (b)(2)(E) *and the amount*
4 *determined under (b)(3)(F)* is the amount of payment the school district is
5 entitled to receive from the school district capital improvements fund in
6 the school year.

7 (c) The state board of education shall certify to the director of
8 accounts and reports the entitlements of school districts determined under
9 the provisions of subsection (b), and an amount equal thereto shall be
10 transferred by the director from the state general fund to the school district
11 capital improvements fund for distribution to school districts. All transfers
12 made in accordance with the provisions of this subsection shall be
13 considered to be demand transfers from the state general fund, except that
14 all such transfers during the fiscal years ending June 30, 2013, June 30,
15 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue
16 transfers from the state general fund.

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

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

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

34 Sec. 4. This act shall take effect and be in force from and after its
35 publication in the statute book.