

SESSION OF 2016

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2486**

As Recommended by House Committee on
Education

Brief*

Sub. for HB 2486 would amend the capital improvement state aid formula (bond and interest state aid) for school districts' general obligation bonds approved at an election held on or after July 1, 2016. For such bonds, the bill places a cap on the total amount of capital improvement state aid available. This cap could not exceed the six-year average amount of capital improvement state aid as determined by the State Board of Education (Board). The bill would use the same formula for calculating capital improvement state aid as currently exists under the block grant to school districts.

The bill would require the State Board of Education to determine this six-year average by calculating the average of the total amount of capital improvement state aid spent per year in the immediately preceding six fiscal years, but not including the current fiscal year. The Board would be required to prioritize the allocations of capital improvement state aid to school districts based on factors the Board deems necessary and prorate payments to districts accordingly.

Further, the Board would be required to provide approval of the amount of capital improvement state aid a district could expect to receive before the district holds a bond election.

At the beginning of the 2017 Legislative Session, and each year thereafter, the Board would be required to submit a report to the Legislature, including information on school

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

district elections held on or after July 1, 2016, and the amount of capital improvement state aid approved.

Background

The bill was introduced by the House Committee on Education. At the House Committee hearing on the original bill, proponents of the bill included Representative Bradford, and representatives of Americans for Prosperity, the Kansas Policy Institute, the Kansas Chamber of Commerce, and Educational Management Consultants. Opponents included representatives of the Galena, Topeka, Lawrence, and Bonner Springs-Edwardsville school districts, Kansas Families for Education, and the Kansas National Education Association. A representative of the Kansas Association of School Boards provided neutral testimony.

The House Education Committee adopted a substitute bill incorporating some provisions of the bill as introduced; however, the following provisions in the original bill were deleted in the substitute bill.

- Establishing the School District Bond Project Review Board comprised of the following members: chairpersons and ranking minority members of the Senate Committee on Ways and Means and the House Committee on Appropriations and two State Board of Education members;
- Requiring capital improvement state aid would only be paid for general obligation bonds approved by a local election on or after January 1, 2016, only with approval by the Review Board; and
- Requiring the Review Board approve applications for capital improvement state aid based on whether the project bonds are to be issued for instruction.

The fiscal note prepared by the Division of the Budget on the original bill indicated the bill likely would have the effect of reducing capital improvement state aid for bond issues after January 1, 2016, but would not change current state aid entitlements. Any reduced state aid payments would be reliant on the number of bond issues approved by voters and the actions of the Review Board, according to the fiscal note.

There was no fiscal note on the substitute bill.