

HOUSE BILL No. 2526

By Committee on K-12 Education Budget

1-29

1 AN ACT concerning education; relating to school district capital
2 improvements state aid determination; amending K.S.A. 2019 Supp.
3 72-5462 and repealing the existing section.
4

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

6 Section 1. K.S.A. 2019 Supp. 72-5462 is hereby amended to read as
7 follows: 72-5462. (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) In each school year, each school district which is obligated to
11 make payments from its capital improvements fund shall be entitled to
12 receive payment from the school district capital improvements fund in an
13 amount determined by the state board of education as provided in this
14 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 for the preceding school year and round
19 such amount to the nearest \$1,000. The rounded amount is the AVPP of a
20 school district for the 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. 72-5463,
3 and amendments thereto, the state aid percentage factor of a school district
4 is the percentage assigned to the schedule amount that is equal to the
5 amount of the AVPP of the school district. The state aid percentage factor
6 of a school district shall not exceed 100%. The state aid computation
7 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, the state board of education shall:

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

20 (B) *except as provided in subsection (b)(8)*, prepare a schedule of
21 dollar amounts using the amount of the AVPP of the school district with
22 the lowest AVPP of all school districts as the point of beginning. The
23 schedule of dollar amounts shall range upward in equal \$1,000 intervals
24 from the point of beginning to and including an amount that is equal to the
25 amount of the AVPP of the school district with the highest AVPP of all
26 school districts;

27 (C) determine a state aid percentage factor for each school district by
28 assigning a state aid computation percentage to the amount of the lowest
29 AVPP shown on the schedule and decreasing the state aid computation
30 percentage assigned to the amount of the lowest AVPP by one percentage
31 point for each \$1,000 interval above the amount of the lowest AVPP.
32 Except as provided by K.S.A. 72-5463, and amendments thereto, the state
33 aid percentage factor of a school district is the percentage assigned to the
34 schedule amount that is equal to the amount of the AVPP of the school
35 district. The state aid computation 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 July
39 1, 2015; and

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

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

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

4 (4) (A) 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 bonds
10 shall not exceed the six-year average amount of capital improvement state
11 aid as determined by the state board of education.

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

17 ~~(B)~~(C) (i) Subject to clause (ii), the state board of education shall
18 prioritize the allocations to school districts from the school district capital
19 improvements fund in accordance with the priorities set forth as follows in
20 order of highest priority to lowest priority:

21 (a) Safety of the current facility and disability access to such facility
22 as demonstrated by a state fire marshal report, an inspection under the
23 Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar
24 evaluation;

25 (b) enrollment growth and imminent overcrowding as demonstrated
26 by successive increases in enrollment of the school district in the
27 immediately preceding three school years;

28 (c) impact on the delivery of educational services as demonstrated by
29 restrictive inflexible design or limitations on installation of technology;
30 and

31 (d) energy usage and other operational inefficiencies as demonstrated
32 by a district-wide energy usage analysis, district-wide architectural
33 analysis or other similar evaluation.

34 (ii) In allocating capital improvement state aid, the state board shall
35 give higher priority to those school districts with a lower AVPP compared
36 to the other school districts that are to receive capital improvement state
37 aid under this section.

38 ~~(C)~~(D) On and after July 1, 2016, the state board of education shall
39 approve the amount of state aid payments a school district shall receive
40 from the school district capital improvements fund pursuant to subsection
41 (b)(5) prior to an election to approve the issuance of general obligation
42 bonds.

43 (5) Except as provided in subsections (b)(6) ~~and (b)(7)~~ through (b)(8),

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

6 (6) A school district that had an enrollment of less than 260 students
7 in the school year immediately preceding the school year in which an
8 election is held to approve the issuance of general obligation bonds shall
9 not be entitled to receive payments from the school district capital
10 improvements fund unless such school district applied for and received
11 approval from the state board of education to issue such bonds prior to
12 holding an election to approve such bond issuance. The provisions of this
13 paragraph shall apply to general obligation bonds approved for issuance at
14 an election held on or after July 1, 2017, that are issued for the purpose of
15 financing the construction of new school facilities.

16 (7) For general obligation bonds approved for issuance at an election
17 held on or after July 1, 2017, in determining the amount under subsection
18 (b)(2)(D), the state board shall exclude payments for any capital
19 improvement project, or portion thereof, that proposes to construct,
20 reconstruct or remodel a facility that would be used primarily for
21 extracurricular activities, unless the construction, reconstruction or
22 remodeling of such facility is necessary due to concerns relating to the
23 safety of the current facility or disability access to such facility as
24 demonstrated by a state fire marshal report, an inspection under the
25 Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar
26 evaluation.

27 (8) *For general obligation bonds approved for issuance at an*
28 *election held on or after July 1, 2020, in preparing the schedule of dollar*
29 *amounts under subsection (b)(2)(B), the state board shall exclude unified*
30 *school district No. 207, Fort Leavenworth, from such schedule, and the*
31 *amount of the AVPP of the school district with the lowest AVPP of all*
32 *remaining school districts shall be the point of beginning.*

33 (c) The state board of education shall certify to the director of
34 accounts and reports the entitlements of school districts determined under
35 the provisions of subsection (b), and an amount equal thereto shall be
36 transferred by the director from the state general fund to the school district
37 capital improvements fund for distribution to school districts. All transfers
38 made in accordance with the provisions of this subsection shall be
39 considered to be demand transfers from the state general fund, except that
40 all such transfers during the fiscal years ending June 30, 2020, June 30,
41 2021, and June 30, 2022, shall be considered to be revenue transfers from
42 the state general fund.

43 (d) Payments from the school district capital improvements fund shall

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

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

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

23 Sec. 2. K.S.A. 2019 Supp. 72-5462 is hereby repealed.

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