

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **House Substitute for SB 218**, on page 1, by striking all in lines 12 through 36; by striking all on pages 2 through 39; on page 40, by striking lines 1 through 5 and inserting:

"Section 1.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Supplemental general state aid.....\$103,865,000

(b) On July 1, 2014, the expenditure limitation established for the fiscal year ending June 30, 2015, by section 144(b) of chapter 136 of the 2013 Session Laws of Kansas on the school district capital outlay state aid fund of the department of education is hereby increased from \$0 to no limit.

Sec. 2.

FORT HAYS STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Operating expenditures (including official hospitality).....\$708,060

(b) In addition to the other purposes for which expenditures may be made by Fort Hays state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by Fort Hays state university from moneys appropriated from the state general fund or from any special

revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project for the Weist hall replacement project: *Provided*, That such capital improvement project is hereby approved for Fort Hays state university for the purpose of subsection (b) of K.S.A. 74-8405, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That Fort Hays state university may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$25,000,000, plus all amounts required for costs of bonds issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations for any appropriate special revenue fund or funds: *And provided further*, That Fort Hays state university may make provisions for the maintenance of the Weist hall.

Sec. 3.

KANSAS STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality).....\$474,916

Sec. 4.

KANSAS STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Operating expenditures (including official hospitality).....\$1,065,180

(b) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, for the capital improvement project or projects specified, the following:

School of architecture.....\$1,500,000

(c) In addition to the other purposes for which expenditures may be made by Kansas state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by Kansas state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to expand the chilled water plant: *Provided*, That such capital improvement project is hereby approved for Kansas state university for the purpose of subsection (b) of K.S.A. 74-8405, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That Kansas state university may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$56,000,000, plus all amounts required for costs of bonds issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs

and any required reserves for payment of principal interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations for any appropriate special revenue fund or funds: *And provided further*, That Kansas state university may make provisions for the maintenance of the chilled water plant.

Sec. 5.

KANSAS STATE UNIVERSITY – EXTENSION SYSTEMS  
AND AGRICULTURE RESEARCH PROGRAMS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Cooperative extension service (including official hospitality).....	\$270,101
Agricultural experiment stations (including official hospitality).....	\$480,180

Sec. 6.

KANSAS STATE UNIVERSITY – EXTENSION SYSTEMS  
AND AGRICULTURE RESEARCH PROGRAMS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Cooperative extension service (including official hospitality).....	\$491,177
Agricultural experiment stations (including official hospitality).....	\$873,205

Sec. 7.

KANSAS STATE UNIVERSITY  
VETERINARY MEDICAL CENTER

(a) On July 1, 2014, of the \$9,623,280 appropriated for the above agency for the fiscal year ending June 30, 2015, by section 160(a) of chapter 136 of the 2013 Session Laws of Kansas from the state general fund in the operating expenditures account, the sum of \$14,742 is hereby lapsed.

Sec. 8.

EMPORIA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality).....\$386,076

(b) In addition to the other purposes for which expenditures may be made by Emporia state university from the restricted fees fund for fiscal year 2014 as authorized by section 161(b) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the restricted fees fund for fiscal year 2014 for official hospitality.

(c) In addition to the other purposes for which expenditures may be made by Emporia state university from the reading recovery program account for fiscal year 2014 as authorized by section 161(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the reading recovery program account for fiscal year 2014 for official hospitality.

(d) In addition to the other purposes for which expenditures may be made by Emporia state university from the nat'l board cert/future teacher academy account for fiscal year 2014 as authorized by section 161(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the nat'l board cert/future teacher academy account for fiscal year 2014 for official hospitality.

Sec. 9.

EMPORIA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Operating expenditures (including official hospitality).....\$1,811,386

(b) In addition to the other purposes for which expenditures may be made by Emporia state university from the restricted fees fund for fiscal year 2015 as authorized by section 162(b) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the restricted fees fund for fiscal year 2015 for official hospitality.

(c) In addition to the other purposes for which expenditures may be made by Emporia state university from the reading recovery program account for fiscal year 2015 as authorized by section 162(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the reading recovery program account for fiscal year 2015 for official hospitality.

(d) In addition to the other purposes for which expenditures may be made by Emporia state university from the nat'l board cert/future teacher academy account for fiscal year 2015 as authorized by section 162(a) of chapter 136 of the 2013 Session Laws of Kansas, expenditures may be made by the above agency from the nat'l board cert/future teacher academy account for fiscal year 2015 for official hospitality.

Sec. 10.

PITTSBURG STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Operating expenditures (including official hospitality).....\$1,011,858

Sec. 11.

UNIVERSITY OF KANSAS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality).....\$38,967

Sec. 12.

UNIVERSITY OF KANSAS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Operating expenditures (including official hospitality).....\$2,085,768

(b) In addition to the other purposes for which expenditures may be made by the university of Kansas from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, expenditures shall be made by the university of Kansas from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project for the earth energy environment center: *Provided*, That such capital improvement project is hereby approved for the university of Kansas for the purpose of subsection (b) of K.S.A. 74-8405, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That the university of Kansas may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$25,000,000, plus all amounts required for costs of bonds issuance, costs of interest on the bonds issued

for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations for any appropriate special revenue fund or funds: *And provided further*, That the university of Kansas may make provisions for the maintenance of the earth energy environment center.

Sec. 13.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality).....\$865,340

Sec. 14.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Operating expenditures (including official hospitality).....\$2,328,224

Rural health bridging.....\$70,000

*Provided*, That expenditures from the rural health bridging account shall not be used to supplant or replace funds already budgeted for the rural health bridging program of the university of Kansas medical center.

Midwest stem cell therapy center.....\$9,000

(b) In addition to the other purposes for which expenditures may be made by the university of Kansas medical center from the moneys appropriated from the state general fund or from any special



revenue fund or funds for fiscal year 2015 authorized by chapter 136 of the 2013 Session Laws of Kansas, this act or other appropriation act of the 2014 regular session of the legislature, and in addition to the bonding authority issued pursuant to section 240(d) of the 2013 Session Laws of Kansas, expenditures shall be made by the university of Kansas medical center from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project construction of the health education building part two at the university of Kansas medical center: *Provided*, That such capital improvement project is hereby approved for the university of Kansas medical center for the purposes of subsection (b) of K.S.A. 74-8905, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That the university of Kansas medical center may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$25,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds: *And provided further*, That the university of Kansas medical center may make provisions for the maintenance of the buildings.

Sec. 15.

WICHITA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Operating expenditures (including official hospitality).....\$140,634

Sec. 16.

WICHITA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Operating expenditures (including official hospitality).....\$14,755

(b) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, for the capital improvement project or projects specified, the following:

Technology transfer facility.....\$2,000,000

Sec. 17.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2014, the following:

Tuition for technical education.....\$9,250,000

Municipal university operating grant.....\$169,698

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2014, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Temporary assistance for needy families federal fund.....No limit

Workforce data quality initiative.....No limit

Sec. 18.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2015, the following:

Tuition for technical education.....\$9,750,000

Provided, That, notwithstanding the provisions of any other statute, in addition to the other purposes for which expenditures may be made by the above agency from the tuition for technical education account of the state general fund for fiscal year 2015, expenditures shall be made by the above agency from the tuition for technical education account of the state general fund for fiscal year 2015 for the payment of technical education tuition for adult students who are enrolled in technical education classes while obtaining a GED using the Accelerating Opportunity program: Provided further, That, such expenditures shall be in an amount not less than \$500,000.

Postsecondary tiered technical education state aid.....\$900,752

Non-tiered course credit hour grant.....\$1,194,020

Municipal university operating grant.....\$169,698

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2015, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Temporary assistance for needy families federal fund.....No limit

Workforce data quality initiative.....No limit

New Sec. 19. (a) The state board of regents is hereby authorized for and on behalf of Emporia state university, to sell and convey, or exchange with the Emporia state university foundation for property of equal or greater value, all of the rights, title and interest in the following tract of real estate and any improvements thereon, located in the city of Emporia in Lyon county, Kansas, commonly

known as Emporia State University Apartments at 1201 Triplett Drive, Emporia, Kansas 66801, and described as follows: Even lots 2 through 34 and all of now vacated alleys lying adjacent to said lots, lying south of the south right of way line of Interstate 35, all in Kellogg's addition to the City of Emporia, Lyon County, Kansas, according to the recorded plat thereof.

Also: Lots 1 through 24 in Norton's addition to the City of Emporia, Lyon County, Kansas, according to the recorded plat thereof, all of now vacated alleys lying adjacent to said lots, all of that part of now vacated Eskridge street and all of that part of now vacated Union Pacific railroad, lying west and south of East Street and south of the south right of way line of Interstate 35.

(b) Conveyance of such rights, title and interest in such tract of real estate, and any improvements thereon, shall be executed in the name of the state board of regents by its chairperson and chief executive officer. If a sale is made, not an exchange, the proceeds from sale of such tract of real estate, and any improvements thereon, shall be deposited in the state treasury to the credit of an appropriate account of the restricted fees fund of Emporia state university. The deed for such conveyance may be by warranty deed or by quitclaim deed as determined to be in the best interests of the state by the state board of regents in consultation with the attorney general.

(c) In the event that the state board of regents determines that the legal description of such tract of real estate described by this section is incorrect, the state board of regents may convey the property utilizing the correct legal description but the deed conveying the property shall be subject to the approval of the attorney general.

(d) No exchange and conveyance of real estate and improvements thereon as authorized by this section shall be made by the state board of regents until the deeds and conveyances have been reviewed and approved by the attorney general and, if warranty deeds are to be the instruments of conveyance, title reviews have been performed or title insurance has been obtained and the title opinion

or the certificates of title insurance, as the case may be, have been approved by the attorney general.

(e) The conveyance authorized by this section shall not be subject to the provisions of K.S.A. 75-3043a or K.S.A. 2012 Supp. 75-6609, and amendments thereto.

Sec. 20. K.S.A. 2013 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a) As used in this section:

(1) "State prescribed percentage" means ~~31%~~ 33% of state financial aid of the district in the current school year.

(2) "Authorized to adopt a local option budget" means that a district has adopted a resolution ~~under this section, has published the same, and either the resolution was not protested or it was protested and an election was held by which the adoption of a local option budget was approved pursuant to subsection (c), (d) or (e).~~

(b) In each school year, the board of any district may adopt a local option budget which does not exceed the state prescribed percentage.

(c) Subject to the limitation of subsection (b), in each school year, the board of any district may adopt, by resolution, a local option budget in an amount not to exceed:

(1) (A) The amount which the board was authorized to adopt in accordance with the provisions of this section in effect prior to its amendment by this act; plus

(B) the amount which the board was authorized to adopt pursuant to any resolution currently in effect; plus

(C) the amount which the board was authorized to adopt pursuant to K.S.A. 72-6444, and amendments thereto, if applicable to the district; or

(2) the state-wide average for the preceding school year as determined by the state board pursuant to subsection ~~(j)~~ (k).

Except as provided by subsection (e), the adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.

(d) Except as provided by subsection (e), if the board of a district desires to increase its local option budget authority above the amount authorized under subsection (c) or if the board was not authorized to adopt a local option budget in 2006-2007, the board may adopt, by resolution, such budget in an amount not to exceed the state prescribed percentage. The adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. The resolution shall be published at least once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. \_\_\_\_\_,

\_\_\_\_\_ County, Kansas.

#### RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year in an amount not to exceed \_\_\_\_% of the amount of state financial aid. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

#### CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of unified School District

No. \_\_\_\_, \_\_\_\_ County, Kansas, on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.  
 Clerk of the board of education.

All of the blanks in the resolution shall be filled as is appropriate. If a sufficient petition is not filed, the board may adopt a local option budget. If a sufficient petition is filed, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto. If the board fails to notify the county election officer within 30 days after a sufficient petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

(e) (1) Except as provided by paragraphs (2) and (3), any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. The election shall be called and held in the manner provided by K.S.A. 10-120, and amendments thereto, except that such election shall be a mail ballot election conducted in accordance with K.S.A. 25-431 et seq., and amendments thereto. Any such election shall be held on or before August 1 of the initial school year for which such resolution was adopted.

(2) For school year 2014-2015, any board of education of a school district which has adopted a local option budget in excess of 30% of state financial aid in the current school year on or before June 30, 2014, may adopt a second resolution in an amount not to exceed 2% of state financial aid, provided that the aggregate local option budget authority for the district does not exceed 33% of state financial aid in the current school year. The adoption of a second resolution pursuant to this paragraph shall require a majority vote of the members of the board and shall specifically state in such resolution that it

shall expire on June 30, 2015. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.

(3) The board of unified school district no. 207, as described in K.S.A. 72-5333b, and amendments thereto, may adopt a local option budget in excess of 30% of state financial aid of the district in the current school year in accordance with subsection (d).

(f) Unless specifically stated otherwise in the resolution, the authority to adopt a local option budget shall be continuous and permanent. The board of any district which is authorized to adopt a local option budget may choose not to adopt such a budget or may adopt a budget in an amount less than the amount authorized. If the board of any district whose authority to adopt a local option budget is not continuous and permanent refrains from adopting a local option budget, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget.

(g) The board of any district may initiate procedures to renew or increase the authority to adopt a local option budget at any time during a school year after the tax levied pursuant to K.S.A. 72-6435, and amendments thereto, is certified to the county clerk under any existing authorization.

(h) The board of any district that is authorized to adopt a local option budget prior to the effective date of this act under a resolution which authorized the adoption of such budget in accordance with the provisions of this section in effect prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

(i) Any resolution adopted pursuant to this section may revoke or repeal any resolution



previously adopted by the board. If the resolution does not revoke or repeal previously adopted resolutions, all resolutions which are in effect shall expire on the same date. The maximum amount of the local option budget of a school district under all resolutions in effect shall not exceed the state prescribed percentage in any school year.

(j) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitation imposed under paragraph (3) and subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to any program weighted fund or categorical fund of the district. Amounts in the supplemental general fund attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%.

(3) Amounts in the supplemental general fund may not be expended for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

(4) (A) Except as provided in paragraph (B), any unexpended budget remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be maintained in such fund.

(B) If the district received supplemental general state aid in the school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the

local option budget of the district for the school year and multiply the total amount of the unexpended budget remaining by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district or remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.

(k) Each year the state board of education shall determine the statewide average percentage of local option budgets legally adopted by school districts for the preceding school year.

(l) The provisions of this section shall be subject to the provisions of K.S.A. 2013 Supp. 72-6433d, and amendments thereto.

Sec. 21. K.S.A. 2013 Supp. 72-6433d is hereby amended to read as follows: 72-6433d. (a) (1) The provisions of this subsection shall apply in any school year in which the amount of base state aid per pupil is ~~\$4,433~~ \$4,540 or less.

(2) The board of any school district may adopt a local option budget which does not exceed the local option budget calculated as if the base state aid per pupil was ~~\$4,433~~ \$4,540, or which does not exceed the local option budget as calculated pursuant to K.S.A. 72-6433, and amendments thereto, whichever is greater.

(b) The board of education of any school district may adopt a local option budget which does not exceed the local option budget calculated as if the district received state aid for special education and related services equal to the amount of state aid for special education and related services received in school year 2008-2009, or which does not exceed the local option budget as calculated pursuant to K.S.A. 72-6433, and amendments thereto, whichever is greater.

(c) The board of education of any school district may exercise the authority granted under subsection (a) or (b) or both subsections (a) and (b).

(d) To the extent that the provisions of K.S.A. 72-6433, and amendments thereto, conflict with this section, this section shall control.

~~(e) The provisions of this section shall expire on June 30, 2014.~~

Sec. 22. K.S.A. 2013 Supp. 72-8814 is hereby amended to read as follows: 72-8814. (a) There is hereby established in the state treasury the school district capital outlay state aid fund. Such fund shall consist of all amounts transferred thereto under the provisions of subsection (c).

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

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

(2) determine the median AVPP of all school districts;

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

(4) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for

each \$1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval below the amount of the median AVPP. Except as provided by K.S.A. 2013 Supp. 72-8814b, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district, except that the state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

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

(6) multiply the amount computed under (5), but not to exceed 8 mills, by the applicable state aid percentage factor. The product is the amount of payment the school district is entitled to receive from the school district capital outlay state aid fund in the school year.

(c) The state board shall certify to the director of accounts and reports the entitlements of school districts determined under the provisions of subsection (b), and an amount equal thereto shall be transferred by the director from the state general fund to the school district capital outlay state aid fund for distribution to school districts, ~~except that no transfers shall be made from the state general fund to the school district capital outlay state aid fund during the fiscal years ending June 30, 2013, June 30, 2014, June 30, 2015, or June 30, 2016.~~ All transfers made in accordance with the provisions of this subsection shall be considered to be demand transfers from the state general fund.

(d) Payments from the school district capital outlay state aid fund shall be distributed to school districts at times determined by the state board of education. The state board of education shall certify to the director of accounts and reports the amount due each school district entitled to payment from the fund, and the director of accounts and reports shall draw a warrant on the state treasurer

payable to the treasurer of the school district. Upon receipt of the warrant, the treasurer of the school district shall credit the amount thereof to the capital outlay fund of the school district to be used for the purposes of such fund.

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

Sec. 23. On and after July 1, 2014, K.S.A. 2013 Supp. 72-6410 is hereby amended to read as follows: 72-6410. (a) "State financial aid" means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

(b) (1) Subject to the other provisions of this subsection, "base state aid per pupil" means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is \$4,433 in school year 2008-2009 and \$4,492 in school year 2009-2010 and each school year thereafter appropriated by the legislature in a fiscal year for the designated year. The amount of base state aid per pupil for school year 2014-2015, and each school year thereafter, shall be at least \$3,852.

(2) The amount of base state aid per pupil is subject to reduction commensurate with any reduction under K.S.A. 75-6704, and amendments thereto, in the amount of the appropriation from the state general fund for general state aid. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive for any school year, the amount of base state aid per pupil for such school year is subject to reduction commensurate with the amount of the insufficiency.

(c) "Local effort" means the sum of:

(1) An amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431,

and amendments thereto,~~and~~;

(2) an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K.S.A. 72-6430, and amendments thereto,~~and~~;

(3) an amount equal to any unexpended and unencumbered balances remaining in the program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area vocational school,~~and~~;

(4) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to the repeal of such statutory sections,~~and~~;

(5) an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto,~~and~~;

(6) an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto,~~and~~;

(7) an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 17 and 34 of chapter 12 of the Kansas Statutes Annotated and under the provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto;

(8) an amount equal to the amount of payments received by the district under the provisions of K.S.A. 72-979, and amendments thereto,~~and~~;

(9) an amount equal to the amount of a grant, if any, received by the district under the provisions of K.S.A. 72-983, and amendments thereto;~~;~~ and

(10) an amount equal to 70% of the federal impact aid of the district.

(d) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid defined herein as an amount equal to the federally qualified percentage of the amount of moneys provided for the district under title I of public law 874 shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.";

And by renumbering sections accordingly;

On page 40, in line 6, by striking "K.S.A. 72-8809 and"; also in line 6, by striking all after "Supp."; in line 7, by striking ", 72-8254"; in line 8, by striking all after "2014," in line 9, by striking "72-6407,"; also in line 9, by striking all after "72-6410"; in line 10, by striking "6441 and 72-6454 are" and inserting "is";

On page 1, in the title, in line 1, by striking "and instruction"; in line 6, by striking all after the first "K.S.A."; by striking all in lines 7 through 9 and inserting "K.S.A. 2013 Supp. 72-6410, 72-6433, 72-6433d and 72-8814 and repealing the existing sections."

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\_\_\_\_\_ District.