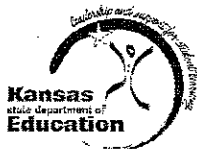


SCHOOL BOND GUIDE

Application for Capital Improvement (Bond & Interest) State Aid

Prepared by:
School Finance and Office of General Counsel



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INTRODUCTION

The purpose of this school bond guide is to present selected Kansas statutes relating to the issuance of school bonds, the construction of school buildings, and Capital Improvement state aid. It is updated periodically to include new legislation passed by the Kansas legislature.

This document should be used as a guide to submit an application for Capital Improvement state aid. Citations have been given as a reference to the statutes shown in the Kansas Statutes Annotated and their supplements. It is recommended that the actual statutes be reviewed.

Also included are samples of forms that may be used to develop a school bond state aid application. These forms may be duplicated or revised, as needed.

If you have any questions concerning the bond guide, please contact the Division of Fiscal and Administrative Services.

Dale M. Dennis

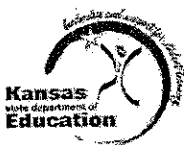
Deputy Commissioner
Division of Fiscal and Administrative Services
(785) 296-3871

S. Craig Neuenswander

School Finance
Division of Fiscal and Administrative Services

Office of General Counsel

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Kansas State Department of Education
Landon State Office Building
900 SW Jackson St., Suite 600
Topeka, Kansas 66612-1212
www.ksde.org



**KANSAS COMMISSIONER
OF EDUCATION**
Dr. Randy Watson
(785) 296-3202



**DIVISION OF
LEARNING SERVICES**
Brad Neuenswander
Deputy Commissioner
(785) 296-2304



**DIVISION OF FISCAL AND
ADMINISTRATIVE SERVICES**
Dale M. Dennis
Deputy Commissioner
(785) 296-3871

CONTENTS

	<u>Page</u>
Table of Contents	1
2016 House Substitute for Senate Bill 323	2
State Board of Education—Criteria for Determination of Capital Improvement State Aid (Bond & Interest).....	3
Guidelines/Procedures to Apply for State Board Approval of Capital Improvement State Aid (Bond & Interest).....	4
Required Supplemental Materials to Accompany Application	5
Required Forms to Accompany Application:	
o Form 7-212-106, Resolution – More than 14% of Assessed Valuation	6
o Form 7-212-104, Resolution – Less than 14% of Assessed Valuation	8
o Form 7-212-114, Assessed Valuation of School District	9
o Form 7-212-118(a), Bond Election Questionnaire - Application to Request Capital Improvement State Aid (Bond & Interest).....	10

(4) For general obligation bonds approved for issuance at an election held on or after July 1, 2016, the amount determined under subsection (b)(2)(E) is the amount of payment the school district shall receive from the school district capital improvements fund in the school year, except the total amount of payments school districts receive from the school district capital improvements fund in the school year for such bonds shall not exceed the six-year average amount of capital improvement state aid as determined by the state board of education. (A) The state board of education shall determine the six-year average amount of capital improvement state aid by calculating the average of the total amount of moneys expended per year from the school district capital improvements fund in the immediately preceding six fiscal years, not to include the current fiscal year. (B) (i) Subject to clause (ii), the state board of education shall prioritize the allocations to school districts from the school district capital improvements fund in accordance with the priorities set forth as follows in order of highest priority to lowest priority: (a) Safety of the current facility and disability access to such facility as demonstrated by a state fire marshal report, an inspection under the Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar evaluation; (b) enrollment growth and imminent overcrowding as demonstrated by successive increases in enrollment of the school district in the immediately preceding three school years; (c) impact on the delivery of educational services as demonstrated by restrictive inflexible design or limitations on installation of technology; and (d) energy usage and other operational inefficiencies as demonstrated by a district-wide energy usage analysis, district-wide architectural analysis or other similar evaluation. (ii) In allocating capital improvement state aid, the state board shall give higher priority to those school districts with a lower AVPP compared to the other school districts that are to receive capital improvement state aid under this section. (C) On and after July 1, 2016, the state board of education shall approve the amount of state aid payments a school district shall receive from the school district capital improvements fund pursuant to subsection (b)(5) prior to an election to approve the issuance of general obligation bonds. (5) The sum of the amounts determined under subsection (b)(3) and the amount determined or allocated to the district by the state board of education pursuant to subsection (b)(4), is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year. (c) The state board of education 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 improvements fund for distribution to school districts. All transfers made in accordance with the provisions of this subsection shall be considered to be demand transfers from the state general fund, except that all such transfers during the fiscal years ending June 30, 2013, June 30, 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue transfers from the state general fund. (d) Payments from the school district capital improvements fund shall be distributed to school districts at times determined by the state board of education to be necessary to assist school districts in making scheduled payments pursuant to contractual bond obligations. 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 bond and interest fund of the school district to be used for the purposes of such fund. (e) The provisions of this section apply only to contractual obligations incurred by school districts pursuant to general obligation bonds issued upon approval of a majority of the qualified electors of the school district voting at an election upon the question of the issuance of such bonds.

**STATE BOARD OF EDUCATION —
CRITERIA FOR DETERMINATION OF CAPITAL IMPROVEMENT STATE AID
(BOND & INTEREST)**

The State Board of Education shall consider the following criteria when determining the eligibility for capital improvement state aid (bond & interest).

- Safety of the current facility and disability access to such facility as demonstrated by a State Fire Marshal Report, an inspection under the federal Americans with Disabilities Act, or other similar evaluation;
- Enrollment growth and imminent overcrowding as demonstrated by successive increases in enrollment of the school district in the immediately preceding three school years;
- Impact on the delivery of educational services as demonstrated by restrictive inflexible design or limitations on installation of technology;
- Energy usage and other operational inefficiencies as demonstrated by a district-wide energy usage analysis, district-wide architectural analysis, or other similar evaluation; and
- High priority will be given to school districts with a lower assessed valuation per pupil (AVPP) compared to other districts who are to receive capital improvement state aid.

GUIDELINES / PROCEDURES TO APPLY FOR CAPITAL IMPROVEMENT STATE AID (BOND & INTEREST)

In accordance with 2016 Senate Bill 323, any school district that is eligible and desires to receive capital improvement state aid (bond & interest) must apply to the Kansas State Board of Education for such state aid.

Kansas law provides a cap on the total amount of capital improvement state aid available for elections held on or after July 1, 2016. This cap cannot exceed a six-year rolling average amount for capital improvement state aid.

The capital improvement state aid available to each school district is included on Form 241-242 provided annually in the School Finance budget packet. This amount could change on an annual basis.

Upon receipt of an application, State Department of Education staff will schedule a hearing with school district officials to review the application. This hearing can be held in Topeka or via ITV. Members of the review committee will include:

- Dale M. Dennis, Deputy Commissioner of Education
- Craig Neuenswander, Director, School Finance
- Sally Cauble, State Board of Education Member, District 5
- School Administrator or Retired Administrator (not involved in the process)

All applications must be submitted to the Division of Fiscal and Administrative Services by no later than the 10th day of the month in order for action by the State Board of Education the following month.

The areas of concern which will be reviewed at the hearing will be those facilities that are non-academically related.

**REQUIRED SUPPLEMENTAL MATERIAL TO ACCOMPANY
APPLICATION FOR CAPITAL IMPROVEMENT STATE AID**

1. An architect's schematic floor plan (8 ½ x 11 inches, if readable, otherwise, large enough to be discernible by members of the State Board) of the proposed facilities must be included with each application.
2. A map (8 ½ x 11 in inches, if readable, otherwise large enough to be discernible by members of the State Board) of the school district showing present facilities, proposed facilities, attendance centers, and the bordering districts by number must be included with each application.
3. Form 7-212-104, Resolution, Stating the Purpose for which Bonds are to be issued, the Estimated Amount thereof, and the Time of Election Therefor (Bond issue **will not** exceed general bond debt limitation).
4. Form 7-212-106, Resolution, Stating the Purpose of which Bonds are to be issued, the Estimated Amount Thereof, and the Time of Election Therefor (Bond issue **will exceed** general bond debt limitation).
5. Form 7-212-114, Certified Assessed Valuation of School District.
6. Form 7-212-118(a), Questions to be Completed by USDs Requesting Capital Improvement State Aid (Bond & Interest)

Submit application for capital improvement state aid to:

Craig Neuenswander, School Finance
Kansas State Department of Education
Landon State Office Building
900 SW Jackson Street, Ste 356
Topeka KS 66612-1212

To submit electronically:

Create a PDF document and attach to an email to: sroot@ksde.org

Type into subject line: USD ### App for capital improvement

Please follow up and send a paper copy.

REQUIRED FORMS TO ACCOMPANY APPLICATION

Form 7-212-106
9/2015

(Suggested form when bond issue will exceed
the district's general bond debt limitation)

RESOLUTION

Stating the Purpose for which Bonds are to be Issued,
the Estimated Amount Thereof, and the Time of Election Therefor

WHEREAS, K.S.A. 72-6761 provides that, when a board of education determines it is necessary to purchase or improve a site or sites, or to acquire, construct, equip, furnish, repair, remodel or make additions to any building or buildings used for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board, or to purchase school buses, the board may submit to the electors of the unified district the question of issuing general obligation bonds for one or more of the above purposes, and upon the affirmative vote of the majority of those voting thereon, the board shall be authorized to issue the bonds; and

WHEREAS, the Board of Education of Unified School District No. _____, _____ County, State of Kansas, has determined that it is necessary to make improvements pursuant to the provisions of said law, but if bonds are issued to pay the costs of such improvements, the aggregate amount of the school district's bonded indebtedness will exceed the limitation prescribed in K.S.A. 72-6761; and

WHEREAS, K.S.A. 75-2315 et seq. provides that a board of education may apply to the State Board of Education for authority to issue bonds in an amount in excess of the limitation otherwise prescribed by law; and

WHEREAS, the aforementioned Board desires to submit to the electors of the unified school district the question of issuing bonds in an amount sufficient to make the improvements deemed necessary by the Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Unified School District No. _____, _____ County, State of Kansas, that it is necessary to _____

and the Board desires to submit to the electors of the unified school district the question of issuing general obligation bonds to pay for such improvements; and

BE IT FURTHER RESOLVED that the Board make application to the State Board of Education for authority to issue bonds in excess of the statutory limitation prescribed in K.S.A. 72-6761, and call and hold an election to issue bonds in excess of said limitation, all pursuant to K.S.A. 75-2315 et seq.; and

BE IT FURTHER RESOLVED that notice of the intention to file an application with the State Board of Education, as stated above, be given as provided by law to the electors of the school district by publication in the _____, a newspaper of general circulation in the district; and

BE IT FURTHER RESOLVED that, upon receiving the Order of the State Board of Education granting such application, the Board request the election officer of the home county of the school district to hold a bond election on the _____ day of _____, _____ in the manner prescribed in K.S.A. 25-2018(f) and in accordance with the provisions of the general bond law, submitting the following proposition to the electors of the school district:

"Shall the following be adopted?

Shall Unified School District No. _____, _____ County, State of Kansas, issue school district general obligation bonds in an amount not exceeding \$ _____ for the purpose of

pursuant to K.S.A. 25-2018(f), 75-2315 et. seq., and 72-6761?"

Dated this _____ day of _____, _____.

Board of Education of
Unified School District No. _____
_____ County, Kansas

(SEAL)

Attested by:

Clerk

By: _____
President

RESOLUTION

Stating the Purpose for which Bonds are to be Issued,
the Estimated Amount Thereof, and the Time of Election Therefor

WHEREAS, K.S.A. 72-6761 provides in part:

"When a board determines that it is necessary to purchase or improve a site or sites, or to acquire, construct, equip, furnish, repair, remodel or make additions to any building or buildings used for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board, or to purchase school buses, the board may submit to the electors of the unified district the question of issuing general obligation bonds for one or more of the above purposes, and upon the affirmative vote of the majority of those voting thereon, the board shall be authorized to issue the bonds. . ."; and

WHEREAS, the Board of Education of Unified School District No. _____, _____ County, State of Kansas, has determined that it is necessary to make improvements pursuant to the provisions of said law; and

WHEREAS, the aforementioned board must submit to the electors of the unified school district the question of issuing general obligation bonds in order to make such improvements.

NOW, THEREFORE, BE IT RESOLVED by the board of education of the aforementioned school district to make improvements and issue bonds as hereinafter set out in the election proposition, and to request the election officer of the county to hold a school district bond election on the _____ day of _____, _____, in the manner prescribed in K.S.A. 25-2018(f) and in accordance with the provision of the general bond law.

BE IT FURTHER RESOLVED that the said election officer submit the following proposition to the electors of said school district:

"Shall the following be adopted?

Shall Unified School District No. _____, _____ County, State of Kansas, issue school district general obligation bonds in an amount not exceeding \$ _____ for the purpose of

_____ pursuant to the provisions of K.S.A. 25-2018(f) and 72-6761?"

Dated this _____ day of _____, _____

(SEAL)

Attested by:

Clerk

Board of Education
Unified School District No. _____
_____, County, Kansas

By: _____
President

ASSESSED VALUATION OF SCHOOL DISTRICT

STATE OF KANSAS)
) SS
COUNTY OF _____)

I, the undersigned, County Clerk of _____ County, Kansas, hereby certify that the current equalized assessed valuation of tangible taxable property of Unified School District No. ____ is:

Assessed valuation, except motor vehicles	\$ _____
Assessed valuation, motor vehicles	\$ _____
Total Assessed Valuation	\$ _____

WITNESS my hand and seal this _____ day of _____, _____.

County Clerk, _____ County

BOND ELECTION QUESTIONNAIRE

APPLICATION FOR CAPITAL IMPROVEMENT (BOND & INTEREST) STATE AID

Questions to be completed by USDs applying for approval under 2016 House Substitute for Senate Bill 323 requesting capital improvement (bond & interest) state aid.

1. What is the specific purpose and the amount of the bonds proposed to be issued? (By project and cost)
2. Why does your board of education believe that this project meets the criteria for capital improvement state aid (bond & interest)?
3. Explain how the proposed building project will facilitate, and be coordinated with, the school improvement plan of the district.
4. Explain why the Board of Education believes the proposed construction project which is presented in this application is the most effective and efficient way in which education can be provided for the students in this district?

Questions to be completed by USDs

5. Did you use an advisory committee(s) to determine the need for new facilities? Yes ___ No ___ If yes, please submit the committee's report or any relevant documents.
6. Briefly explain the amount and type of information that has been provided to the school district electors concerning the proposed bond issue.
- A. What is the need? B. How will the bonds meet this need?

7. a. What is the estimated average mill levy required for the retirement of the proposed bond issue? _____
(Submit a schedule of the principal and interest payments)

b. What is the number of years the bond issue will run? _____

c. What was the total mill levy for the last five years?

<u>Year</u>	<u>Total Levy</u>	<u>Bond & Interest Levy</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

d. What year will the present bond indebtedness be retired? _____

Questions to be completed by USDs

8. a. What is the estimated enrollment K-12 (FTE) for the next five years?

September, 20__ _____
 September, 20__ _____
 September, 20__ _____
 September, 20__ _____
 September, 20__ _____

b. Please explain why, in your estimation, your enrollment will increase or decrease?

9. a. What has your enrollment been for the last five years (FTE) by grade?

	Sept., 20__	Sept., 20__	Sept., 20__	Sept., 20__	Sept., 20__
K	_____	_____	_____	_____	_____
1	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____
5	_____	_____	_____	_____	_____
6	_____	_____	_____	_____	_____
7	_____	_____	_____	_____	_____
8	_____	_____	_____	_____	_____
9	_____	_____	_____	_____	_____
10	_____	_____	_____	_____	_____
11	_____	_____	_____	_____	_____
12	_____	_____	_____	_____	_____
Spec Ed.	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____

b. Explain why, in your estimation, your enrollment has increased or decreased?

10. Do you anticipate any new school building construction in the near future other than what is being proposed in the application?

Yes ___ No ___ If yes, please explain.

Questions to be completed by USDs

- 11. a. What is the student capacity of the current facility(ies)? _____
- b. What is the student capacity of the proposed facility(ies)? _____
- c. How many square feet are in the proposed facility(ies)? _____
- d. Have you obtained a professional opinion on your current facility(ies)? Yes ___ No ___

If so, please submit a copy.

- 12. If the proposed new facility(ies) is a replacement, what are your plans for disposition or use of the old building(s)?

- 13. Has this proposition been previously submitted? Yes ___ No ___
When? _____ In what amount? _____
Why did it fail, in your opinion?

- 14. When was the last bond election held? Month _____ Year _____
Vote: For _____ Against _____

- 15. What was the district's assessed valuation during the last five years?

<u>Year</u>	<u>Assessed Valuation</u>
20__	_____
20__	_____
20__	_____
20__	_____
20__	_____

- 16. Does this bond issue include any facilities that are non-instructional-related such as a separate building for administration, a bus barn, athletic facilities, etc.? If yes, what is the facility and cost?
Yes ___ No ___

###

