

HOUSE BILL No. 2240

By Committee on K-12 Education Budget

2-4

1 AN ACT concerning education; relating to school district capital
2 improvements state aid determination; excluding U.S.D. No. 207, Fort
3 Leavenworth, from the state aid schedule; amending K.S.A. 2020 Supp.
4 72-5462 and repealing the existing section.
5

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

7 Section 1. K.S.A. 2020 Supp. 72-5462 is hereby amended to read as
8 follows: 72-5462. (a) There is hereby established in the state treasury the
9 school district capital improvements fund. The fund shall consist of all
10 amounts transferred thereto under the provisions of subsection (c).

11 (b) In each school year, each school district which is obligated to
12 make payments from its capital improvements fund shall be entitled to
13 receive payment from the school district capital improvements fund in an
14 amount determined by the state board of education as provided in this
15 subsection.

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

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

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

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

32 (D) determine a state aid percentage factor for each school district by
33 assigning a state aid computation percentage to the amount of the median
34 AVPP shown on the schedule, decreasing the state aid computation
35 percentage assigned to the amount of the median AVPP by one percentage
36 point for each \$1,000 interval above the amount of the median AVPP, and

1 increasing the state aid computation percentage assigned to the amount of
2 the median AVPP by one percentage point for each \$1,000 interval below
3 the amount of the median AVPP. Except as provided by K.S.A. 72-5463,
4 and amendments thereto, the state aid percentage factor of a school district
5 is the percentage assigned to the schedule amount that is equal to the
6 amount of the AVPP of the school district. The state aid percentage factor
7 of a school district shall not exceed 100%. The state aid computation
8 percentage is 25%;

9 (E) determine the amount of payments that a school district is
10 obligated to make from its bond and interest fund attributable to general
11 obligation bonds approved for issuance at an election held prior to July 1,
12 2015; and

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

15 (2) For general obligation bonds approved for issuance at an election
16 held on or after July 1, 2015, the state board of education shall:

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

21 (B) *except as provided in subsection (b)(8)*, prepare a schedule of
22 dollar amounts using the amount of the AVPP of the school district with
23 the lowest 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;

28 (C) determine a state aid percentage factor for each school district by
29 assigning a state aid computation percentage to the amount of the lowest
30 AVPP shown on the schedule and decreasing the state aid computation
31 percentage assigned to the amount of the lowest AVPP by one percentage
32 point for each \$1,000 interval above the amount of the lowest AVPP.
33 Except as provided by K.S.A. 72-5463, and amendments thereto, the state
34 aid percentage factor of a school district is the percentage assigned to the
35 schedule amount that is equal to the amount of the AVPP of the school
36 district. The state aid computation percentage is 75%;

37 (D) determine the amount of payments that a school district is
38 obligated to make from its bond and interest fund attributable to general
39 obligation bonds approved for issuance at an election held on or after July
40 1, 2015; and

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

43 (3) For general obligation bonds approved for issuance at an election

1 held on or before June 30, 2016, the sum of the amount determined under
2 subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E)
3 is the amount of payment the school district is entitled to receive from the
4 school district capital improvements fund in the school year.

5 (4) (A) For general obligation bonds approved for issuance at an
6 election held on or after July 1, 2016, the amount determined under
7 subsection (b)(2)(E) is the amount of payment the school district shall
8 receive from the school district capital improvements fund in the school
9 year, except the total amount of payments school districts receive from the
10 school district capital improvements fund in the school year for such bonds
11 shall not exceed the six-year average amount of capital improvement state
12 aid as determined by the state board of education.

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

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

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

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

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

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

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

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

1 (5) Except as provided in subsections (b)(6) ~~and (b)(7)~~ *through (b)(8)*,
2 the sum of the amounts determined under subsection (b)(3) and the amount
3 determined or allocated to the district by the state board of education
4 pursuant to subsection (b)(4), is the amount of payment the school district
5 is entitled to receive from the school district capital improvements fund in
6 the school year.

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

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

28 (8) *For general obligation bonds approved for issuance at an*
29 *election held on or after July 1, 2021, in preparing the schedule of dollar*
30 *amounts under subsection (b)(2)(B), the state board shall exclude unified*
31 *school district No. 207, Fort Leavenworth, from such schedule, and the*
32 *amount of the AVPP of the school district with the lowest AVPP of all*
33 *remaining school districts shall be the point of beginning.*

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

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

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

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

24 Sec. 2. K.S.A. 2020 Supp. 72-5462 is hereby repealed.

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