

[As Amended by House Committee of the Whole]

As Amended by House Committee

Session of 2009

## HOUSE BILL No. 2280

By Committee on Appropriations

2-5

12 AN ACT concerning school districts; relating to state aid for capital im-  
13 provements and capital outlay; amending [K.S.A. 72-8804 and]  
14 K.S.A. 2008 Supp. 72-8814 and 75-2319 2009 Supp. 72-8814 and  
15 75-2319 and repealing the existing sections.  
16

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

18 ~~Section 1.—K.S.A. 2008 Supp. 72-8814 is hereby amended to read as~~  
19 ~~follows: 72-8814. (a) There is hereby established in the state treasury the~~  
20 ~~school district capital outlay state aid fund. Such fund shall consist of all~~  
21 ~~amounts transferred thereto under the provisions of subsection (c).~~

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

27 ~~—(1)—Determine the amount of the assessed valuation per pupil (AVPP)~~  
28 ~~of each school district in the state and round such amount to the nearest~~  
29 ~~\$1,000. The rounded amount is the AVPP of a school district for the~~  
30 ~~purposes of this section;~~

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

32 ~~—(3)—prepare a schedule of dollar amounts using the amount of the~~  
33 ~~median AVPP of all school districts as the point of beginning. The sched-~~  
34 ~~ule of dollar amounts shall range upward in equal \$1,000 intervals from~~  
35 ~~the point of beginning to and including an amount that is equal to the~~  
36 ~~amount of the AVPP of the school district with the highest AVPP of all~~  
37 ~~school districts and shall range downward in equal \$1,000 intervals from~~  
38 ~~the point of beginning to and including an amount that is equal to the~~  
39 ~~amount of the AVPP of the school district with the lowest AVPP of all~~  
40 ~~school districts;~~

41 ~~—(4)—determine a state aid percentage factor for each school district by~~  
42 ~~assigning a state aid computation percentage to the amount of the median~~  
43 ~~AVPP shown on the schedule, decreasing the state aid computation per-~~

1 percentage assigned to the amount of the median AVPP by one percentage  
2 point for each \$1,000 interval above the amount of the median AVPP,  
3 and increasing the state aid computation percentage assigned to the  
4 amount of the median AVPP by one percentage point for each \$1,000  
5 interval below the amount of the median AVPP. Except as provided by  
6 K.S.A. 2008 Supp. 72-8814b, and amendments thereto, the state aid per-  
7 centage factor of a school district is the percentage assigned to the sched-  
8 ule amount that is equal to the amount of the AVPP of the school district,  
9 except that the state aid percentage factor of a school district shall not  
10 exceed 100%. The state aid computation percentage is 25% for levies  
11 imposed by a school district pursuant to a resolution adopted and pub-  
12 lished under this section prior to the effective date of this act and such  
13 resolution either was not protested or that it was protested and an election  
14 has been held prior to the effective date of this act;

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

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

21 ~~—(c)—~~ The state board shall certify to the director of accounts and reports  
22 the entitlements of school districts determined under the provisions of  
23 subsection (b), and an amount equal thereto shall be transferred by the  
24 director from the state general fund to the school district capital outlay  
25 state aid fund for distribution to school districts. All transfers made in  
26 accordance with the provisions of this subsection shall be considered to  
27 be demand transfers from the state general fund.

28 ~~—(d)—~~ Payments from the school district capital outlay state aid fund  
29 shall be distributed to school districts at times determined by the state  
30 board of education. The state board of education shall certify to the di-  
31 rector of accounts and reports the amount due each school district enti-  
32 tled to payment from the fund, and the director of accounts and reports  
33 shall draw a warrant on the state treasurer payable to the treasurer of the  
34 school district. Upon receipt of the warrant, the treasurer of the school  
35 district shall credit the amount thereof to the capital outlay fund of the  
36 school district to be used for the purposes of such fund.

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

41 ~~—Sec. 2.—~~ K.S.A. 2008 Supp. 75-2319 is hereby amended to read as  
42 follows: 75-2319. (a) There is hereby established in the state treasury the  
43 school district capital improvements fund. The fund shall consist of all

1 amounts transferred thereto under the provisions of subsection (c).  
2 ~~—(b)—~~ Subject to the provisions of subsection (f), in each school year,  
3 each school district which is obligated to make payments from its capital  
4 improvements fund shall be entitled to receive payment from the school  
5 district capital improvements fund in an amount determined by the state  
6 board of education as provided in this subsection. The state board of  
7 education shall:  
8 ~~—(1)—~~ Determine the amount of the assessed valuation per pupil (AVPP)  
9 of each school district in the state and round such amount to the nearest  
10 \$1,000. The rounded amount is the AVPP of a school district for the  
11 purposes of this section;  
12 ~~—(2)—~~ determine the median AVPP of all school districts;  
13 ~~—(3)—~~ prepare a schedule of dollar amounts using the amount of the  
14 median AVPP of all school districts as the point of beginning. The sched-  
15 ule of dollar amounts shall range upward in equal \$1,000 intervals from  
16 the point of beginning to and including an amount that is equal to the  
17 amount of the AVPP of the school district with the highest AVPP of all  
18 school districts and shall range downward in equal \$1,000 intervals from  
19 the point of beginning to and including an amount that is equal to the  
20 amount of the AVPP of the school district with the lowest AVPP of all  
21 school districts;  
22 ~~—(4)—~~ determine a state aid percentage factor for each school district by  
23 assigning a state aid computation percentage to the amount of the median  
24 AVPP shown on the schedule, decreasing the state aid computation per-  
25 centage assigned to the amount of the median AVPP by one percentage  
26 point for each \$1,000 interval above the amount of the median AVPP,  
27 and increasing the state aid computation percentage assigned to the  
28 amount of the median AVPP by one percentage point for each \$1,000  
29 interval below the amount of the median AVPP. Except as provided by  
30 K.S.A. 2008 Supp. 75-2319e, and amendments thereto, the state aid per-  
31 centage factor of a school district is the percentage assigned to the sched-  
32 ule amount that is equal to the amount of the AVPP of the school district.  
33 The state aid percentage factor of a school district shall not exceed 100%.  
34 The state aid computation percentage is 5%: *Five percent* for contractual  
35 bond obligations incurred by a school district prior to the effective date  
36 of this act, and *July 1, 1992, and 25%* for contractual bond obligations  
37 incurred by a school district on or after the effective date of this act *July*  
38 *1, 1992, and prior to the effective date of this act*;  
39 ~~—(5)—~~ determine the amount of payments in the aggregate that a school  
40 district is obligated to make from its bond and interest fund and, of such  
41 amount, compute the amount attributable to contractual bond obligations  
42 incurred by the school district prior to the effective date of this act and  
43 *July 1, 1992, and* the amount attributable to contractual bond obligations

1 incurred by the school district on or after the effective date of this act  
2 *July 1, 1992, and prior to the effective date of this act,*

3 ~~—(6)—multiply each of the amounts computed under (5) by the appli-~~  
4 ~~icable state aid percentage factor; and~~

5 ~~—(7)—add the products obtained under (6). The amount of the sum is~~  
6 ~~the amount of payment the school district is entitled to receive from the~~  
7 ~~school district capital improvements fund in the school year.~~

8 ~~—(c)—The state board of education shall certify to the director of ac-~~  
9 ~~counts and reports the entitlements of school districts determined under~~  
10 ~~the provisions of subsection (b), and an amount equal thereto shall be~~  
11 ~~transferred by the director from the state general fund to the school~~  
12 ~~district capital improvements fund for distribution to school districts. All~~  
13 ~~transfers made in accordance with the provisions of this subsection shall~~  
14 ~~be considered to be demand transfers from the state general fund except~~  
15 ~~that all such transfers during the fiscal year ending June 30, 2007, shall~~  
16 ~~be considered to be revenue transfers from the state general fund.~~

17 ~~—(d)—Payments from the school district capital improvements fund shall~~  
18 ~~be distributed to school districts at times determined by the state board~~  
19 ~~of education to be necessary to assist school districts in making scheduled~~  
20 ~~payments pursuant to contractual bond obligations. The state board of~~  
21 ~~education shall certify to the director of accounts and reports the amount~~  
22 ~~due each school district entitled to payment from the fund, and the di-~~  
23 ~~rector of accounts and reports shall draw a warrant on the state treasurer~~  
24 ~~payable to the treasurer of the school district. Upon receipt of the warrant,~~  
25 ~~the treasurer of the school district shall credit the amount thereof to the~~  
26 ~~bond and interest fund of the school district to be used for the purposes~~  
27 ~~of such fund.~~

28 ~~—(e)—The provisions of this section apply only to contractual obligations~~  
29 ~~incurred by school districts pursuant to general obligation bonds issued~~  
30 ~~upon approval of a majority of the qualified electors of the school district~~  
31 ~~voting at an election upon the question of the issuance of such bonds.~~

32 ~~—(f)—Amounts transferred to the capital improvements fund of a school~~  
33 ~~district as authorized by K.S.A. 72-6433, and amendments thereto, shall~~  
34 ~~not be included in the computation when determining the amount of~~  
35 ~~state aid to which a district is entitled to receive under this section.~~

36 ~~—Sec. 3.—K.S.A. 2008 Supp. 72-8814 and 75-2319 are hereby repealed.~~

37 **Section 1. K.S.A. 2009 Supp. 72-8814 is hereby amended to**  
38 **read as follows: 72-8814. (a) There is hereby established in the**  
39 **state treasury the school district capital outlay state aid fund. Such**  
40 **fund shall consist of all amounts transferred thereto under the pro-**  
41 **visions of subsection (c).**

42 **(b) In each school year, each school district which levies a tax**  
43 **pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall**

1 **be entitled to receive payment from the school district capital out-**  
2 **lay state aid fund in an amount determined by the state board of**  
3 **education as provided in this subsection. The state board of edu-**  
4 **cation shall:**

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

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

10 **(3) prepare a schedule of dollar amounts using the amount of**  
11 **the median AVPP of all school districts as the point of beginning.**  
12 **The schedule of dollar amounts shall range upward in equal \$1,000**  
13 **intervals from the point of beginning to and including an amount**  
14 **that is equal to the amount of the AVPP of the school district with**  
15 **the highest AVPP of all school districts and shall range downward**  
16 **in equal \$1,000 intervals from the point of beginning to and in-**  
17 **cluding an amount that is equal to the amount of the AVPP of the**  
18 **school district with the lowest AVPP of all school districts;**

19 **(4) (A) determine a state aid percentage factor for each school**  
20 **district by assigning a state aid computation percentage to the**  
21 **amount of the median AVPP shown on the schedule, decreasing**  
22 **the state aid computation percentage assigned to the amount of**  
23 **the median AVPP by one percentage point for each \$1,000 interval**  
24 **above the amount of the median AVPP, and increasing the state**  
25 **aid computation percentage assigned to the amount of the median**  
26 **AVPP by one percentage point for each \$1,000 interval below the**  
27 **amount of the median AVPP. Except as provided by K.S.A. 2009**  
28 **Supp. 72-8814b, and amendments thereto, the state aid percent-**  
29 **age factor of a school district is the percentage assigned to the**  
30 **schedule amount that is equal to the amount of the AVPP of the**  
31 **school district, except that the state aid percentage factor of a**  
32 **school district shall not exceed 100%. ~~The state aid computation per-~~**  
33 **~~centage is 25%;~~**

34 **(B) (i) *For levies imposed by a school district pursuant to a resolution***  
35 ***adopted and published under this section prior to July 1, 2010, and such***  
36 ***resolution either was not protested or that it was protested and an election***  
37 ***has been held prior to July 1, 2010, the state aid computation percentage***  
38 ***is 25%.***

39 **(ii) *For levies imposed by a school district pursuant to a resolution***  
40 ***adopted and published under this section prior to July 1, 2010, and the***  
41 ***protest period had not expired prior to July 1, 2010, or such resolution***  
42 ***was protested and the election was not held prior to July 1, 2010, the state***  
43 ***aid computation percentage is 15%.***

1       (iii) *For levies imposed by a school district pursuant to a resolution*  
2 *adopted on or after July 1, 2010, the state aid computation percentage is*  
3 *15%;*

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

6       (6) **multiply the amount computed under (5), but not to exceed**  
7 **8 mills, by the applicable state aid percentage factor. The product**  
8 **is the amount of payment the school district is entitled to receive**  
9 **from the school district capital outlay state aid fund in the school**  
10 **year.**

11       (c) **The state board shall certify to the director of accounts and**  
12 **reports the entitlements of school districts determined under the**  
13 **provisions of subsection (b), and an amount equal thereto shall be**  
14 **transferred by the director from the state general fund to the**  
15 **school district capital outlay state aid fund for distribution to**  
16 **school districts. All transfers made in accordance with the provi-**  
17 **sions of this subsection shall be considered to be demand transfers**  
18 **from the state general fund.**

19       (d) **Payments from the school district capital outlay state aid**  
20 **fund shall be distributed to school districts at times determined by**  
21 **the state board of education. The state board of education shall**  
22 **certify to the director of accounts and reports the amount due each**  
23 **school district entitled to payment from the fund, and the director**  
24 **of accounts and reports shall draw a warrant on the state treasurer**  
25 **payable to the treasurer of the school district. Upon receipt of the**  
26 **warrant, the treasurer of the school district shall credit the amount**  
27 **thereof to the capital outlay fund of the school district to be used**  
28 **for the purposes of such fund.**

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

34       **Sec. 2. K.S.A. 2009 Supp. 75-2319 is hereby amended to read**  
35 **as follows: 75-2319. (a) There is hereby established in the state**  
36 **treasury the school district capital improvements fund. The fund**  
37 **shall consist of all amounts transferred thereto under the provi-**  
38 **sions of subsection (c).**

39       **(b) Subject to the provisions of subsection (f), in each school**  
40 **year, each school district which is obligated to make payments**  
41 **from its capital improvements fund shall be entitled to receive pay-**  
42 **ment from the school district capital improvements fund in an**  
43 **amount determined by the state board of education as provided**

- 1 **in this subsection. The state board of education shall:**
- 2 **(1) Determine the amount of the assessed valuation per pupil**  
3 **(AVPP) of each school district in the state and round such amount**  
4 **to the nearest \$1,000. The rounded amount is the AVPP of a school**  
5 **district for the purposes of this section;**
- 6 **(2) determine the median AVPP of all school districts;**
- 7 **(3) prepare a schedule of dollar amounts using the amount of**  
8 **the median AVPP of all school districts as the point of beginning.**  
9 **The schedule of dollar amounts shall range upward in equal \$1,000**  
10 **intervals from the point of beginning to and including an amount**  
11 **that is equal to the amount of the AVPP of the school district with**  
12 **the highest AVPP of all school districts and shall range downward**  
13 **in equal \$1,000 intervals from the point of beginning to and in-**  
14 **cluding an amount that is equal to the amount of the AVPP of the**  
15 **school district with the lowest AVPP of all school districts;**
- 16 **(4) (A) determine a state aid percentage factor for each school**  
17 **district by assigning a state aid computation percentage to the**  
18 **amount of the median AVPP shown on the schedule, decreasing**  
19 **the state aid computation percentage assigned to the amount of**  
20 **the median AVPP by one percentage point for each \$1,000 interval**  
21 **above the amount of the median AVPP, and increasing the state**  
22 **aid computation percentage assigned to the amount of the median**  
23 **AVPP by one percentage point for each \$1,000 interval below the**  
24 **amount of the median AVPP. Except as provided by K.S.A. 2009**  
25 **Supp. 75-2319c, and amendments thereto, the state aid percentage**  
26 **factor of a school district is the percentage assigned to the schedule**  
27 **amount that is equal to the amount of the AVPP of the school dis-**  
28 **trict. The state aid percentage factor of a school district shall not**  
29 **exceed 100%. ~~The state aid computation percentage is 5% for contrac-~~**  
30 **~~tual bond obligations incurred by a school district prior to the effective~~**  
31 **~~date of this act, and 25% for contractual bond obligations incurred by a~~**  
32 **~~school district on or after the effective date of this act;~~**
- 33 **(B) (i) *For contractual bond obligations incurred by a school district***  
34 ***prior to July 1, 1992, the state aid computation percentage is 5%.***
- 35 **(ii) *For contractual bond obligations incurred by a school district on***  
36 ***or after July 1, 1992, if the issuance of such bonds has been approved by***  
37 ***the electors of the school district at an election held prior to July 1, 2010,***  
38 ***the state aid computation percentage is 25%.***
- 39 **(iii) *For contractual bond obligations incurred by a school district the***  
40 ***issuance of which was approved by the electors of the district at an elec-***  
41 ***tion held on or after July 1, 2010, the state aid computation percentage***  
42 ***is 15%;***
- 43 **[(iv) For contractual bond obligations incurred by a school dis-**

1 trict on or after July 1, 1992, if 10 years has lapsed since the time  
2 the qualified electors of a school district last approved the issuance  
3 of bonds pursuant to K.S.A. 72-6761, and amendments thereto, the  
4 state aid computation percentage is 25%;

5 (5) determine the amount of payments in the aggregate that a  
6 school district is obligated to make from its bond and interest fund  
7 and, of such amount, compute the amount attributable to contrac-  
8 tual bond obligations incurred by the school district prior to the  
9 effective date of this act and the amount attributable to contractual bond  
10 obligations incurred by the school district on or after the effective date  
11 of this act under paragraphs (4)(B)(i), (4)(B)(ii) and ~~(4)(B)(iii)~~, (4)(B)(iii)  
12 and (4)(B)(iv) of this subsection (b);

13 (6) multiply each of the amounts computed under (5) by the  
14 applicable state aid percentage factor; and

15 (7) add the products obtained under (6). The amount of the  
16 sum is the amount of payment the school district is entitled to  
17 receive from the school district capital improvements fund in the  
18 school year.

19 (c) The state board of education shall certify to the director of  
20 accounts and reports the entitlements of school districts deter-  
21 mined under the provisions of subsection (b), and an amount equal  
22 thereto shall be transferred by the director from the state general  
23 fund to the school district capital improvements fund for distri-  
24 bution to school districts. All transfers made in accordance with  
25 the provisions of this subsection shall be considered to be demand  
26 transfers from the state general fund except that all such transfers  
27 during the fiscal year ending June 30, 2007, shall be considered to be  
28 revenue transfers from the state general fund.

29 (d) Payments from the school district capital improvements  
30 fund shall be distributed to school districts at times determined by  
31 the state board of education to be necessary to assist school dis-  
32 tricts in making scheduled payments pursuant to contractual bond  
33 obligations. The state board of education shall certify to the direc-  
34 tor of accounts and reports the amount due each school district  
35 entitled to payment from the fund, and the director of accounts  
36 and reports shall draw a warrant on the state treasurer payable to  
37 the treasurer of the school district. Upon receipt of the warrant,  
38 the treasurer of the school district shall credit the amount thereof  
39 to the bond and interest fund of the school district to be used for  
40 the purposes of such fund.

41 (e) The provisions of this section apply only to contractual ob-  
42 ligations incurred by school districts pursuant to general obliga-  
43 tion bonds issued upon approval of a majority of the qualified elec-

1 tors of the school district voting at an election upon the question  
2 of the issuance of such bonds.

3 (f) Amounts transferred to the capital improvements fund of a  
4 school district as authorized by K.S.A. 72-6433, and amendments  
5 thereto, shall not be included in the computation when determin-  
6 ing the amount of state aid to which a district is entitled to receive  
7 under this section.

8 New Sec. 3. (a) As used in this section:

9 (1) “School district” or “district” means a school district having  
10 less than 200 square miles in area and an enrollment of less than  
11 400.

12 (2) “Joint committee” means the joint committee on state  
13 building construction.

14 (b) The board of education of any school district shall not au-  
15 thorize the issuance of any bonds for the construction of a new  
16 building without having first advised and consulted with the joint  
17 committee. Prior to the date of the hearing of the joint committee  
18 at which the board is scheduled to appear, the board shall submit  
19 any information requested by the joint committee. Following such  
20 hearing, the committee shall make a recommendation on the ad-  
21 visability of the proposed issuance of bonds. A copy of the com-  
22 mittee’s recommendation shall be provided to the school district  
23 and to the state board of education within 15 days of the date of  
24 the hearing.

25 (c) If the joint committee recommends against the issuance of  
26 any bonds for the construction of a new building and the district  
27 issues bonds for such construction, the district shall not be entitled  
28 to, and shall not receive, state aid for such bonds under K.S.A. 75-  
29 2319, and amendments thereto.

30 (d) The provisions of this section shall not apply to any district  
31 which is not entitled to state aid under K.S.A. 75-2319, and amend-  
32 ments thereto.

33 [Sec. 4. K.S.A. 72-8804 is hereby amended to read as follows:  
34 72-8804. (a) *Except as provided in subsection (b), any moneys in the*  
35 *capital outlay fund of any school district and any moneys received*  
36 *from issuance of bonds under K.S.A. 72-8805 or 72-8810, and*  
37 *amendments thereto, may be used for the purpose of the acqui-*  
38 *sition, construction, reconstruction, repair, remodeling, additions*  
39 *to, furnishing and equipping of buildings necessary for school dis-*  
40 *trict purposes, including housing and boarding pupils enrolled in*  
41 *an area vocational school operated under the board of education,*  
42 *architectural expenses incidental thereto, the acquisition of build-*  
43 *ing sites, the undertaking and maintenance of asbestos control pro-*

1 **jects, the acquisition of school buses and the acquisition of other**  
2 **equipment. The board of education of any school district is hereby**  
3 **authorized to invest any portion of the capital outlay fund of the**  
4 **school district which is not currently needed in investments au-**  
5 **thorized by K.S.A. 12-1675, and amendments thereto, in the man-**  
6 **ner prescribed therein or may invest the same in direct obligations**  
7 **of the United States government maturing or redeemable at par**  
8 **and accrued interest within three years from date of purchase, the**  
9 **principal and interest whereof is guaranteed by the government**  
10 **of the United States. All interest received on any such investment**  
11 **shall upon receipt thereof be credited to the capital outlay fund.**

12 *[(b) Moneys in the capital outlay fund which are attributable to trans-*  
13 *fers of moneys from the general fund of a school district in school year*  
14 *2008-2009 may be transferred to the contingency reserve fund of the*  
15 *district in school year 2009-2010.]*

16 **Sec. ~~4~~ [5.] [K.S.A. 72-8804 and] K.S.A. 2009 Supp 72-8814 and**  
17 **75-2319 are hereby repealed.**

18 **Sec. ~~4~~ ~~5~~ [6.]** This act shall take effect and be in force from and after  
19 its publication in the ~~Kansas register~~ ~~statute book~~ **[Kansas register].**