

[As Amended by House Committee of the Whole]

Session of 2010

HOUSE Substitute for SENATE BILL No. 313

By Committee on Appropriations

3-17

10 AN ACT ~~concerning the state general fund, relating to certain state and~~
11 ~~school district contractual bond obligations;~~ imposing a limitation on
12 the issuance of certain bonds issued by the Kansas development fi-
13 nance authority; establishing a maximum on state general fund bonded
14 debt; ~~limiting transfers to the school district capital improvements~~
15 ~~fund;~~ prescribing certain powers, duties and functions with respect
16 thereto; ~~amending K.S.A. 2000 Supp. 75-2310 and repealing the ex-~~
17 ~~isting section.~~

18
19 *Be it enacted by the Legislature of the State of Kansas:*

20 New Section 1. (a) For any fiscal year, the maximum amount of the
21 outstanding principal balance of state general fund bonded debt issued
22 by the Kansas development finance authority is hereby fixed so that the
23 proportion that the estimated outstanding principal balance of state gen-
24 eral fund bonded debt for the fiscal year bears to the estimated state
25 general fund revenue for the fiscal year, expressed as a percentage, does
26 not exceed 25%.

27 (b) The Kansas development finance authority shall not issue any
28 bonds during a fiscal year that would cause or otherwise result in the
29 outstanding principal balance of state general fund bonded debt for such
30 fiscal year to exceed the maximum amount of the outstanding principal
31 balance of state general fund bonded debt determined pursuant to this
32 section for such fiscal year.

33 (c) On or before December 4 of each year, the Kansas development
34 finance authority shall consult with the director of the budget and shall
35 certify to the secretary of administration and the director of legislative
36 research the estimated outstanding principal balance of state general fund
37 bonded debt as of June 30 of the fiscal year commencing on the next
38 ensuing July 1. The governor shall publish the estimated outstanding prin-
39 cipal balance of state general fund bonded debt as of June 30 of the
40 ensuing fiscal year in the governor's budget report for such ensuing fiscal
41 year.

42 ~~(d) Upon receipt of the certification by the Kansas development fi-~~
43 ~~nance authority pursuant to subsection (c), the secretary of administration~~

1 ~~shall consult with the director of the budget and the director of legislative~~
2 ~~research and shall determine the maximum amount of state general fund~~
3 ~~bonded debt for the fiscal year commencing on the next ensuing July 1.~~
4 ~~The secretary of administration shall determine whether the amount of~~
5 ~~the estimated outstanding principal balance of state general fund bonded~~
6 ~~debt certified for such fiscal year equals or exceeds the maximum amount~~
7 ~~of state general fund bonded debt for such fiscal year imposed by this~~
8 ~~section and shall certify such determination to the secretary of state. Upon~~
9 ~~receipt of such certification, the secretary of state shall publish such cer-~~
10 ~~tification in the next issue of the Kansas register published after receiving~~
11 ~~such certification. At the same time the certification is transmitted to the~~
12 ~~secretary of state, a copy shall be transmitted to the governor, department~~
13 ~~of education, director of the budget and the director of legislative~~
14 ~~research.~~

15 ~~(c)~~ [(d)] As used in this section:

16 (1) “Estimated outstanding principal balance of state general fund
17 bonded debt” means the estimated outstanding principal balance of
18 bonded debt for a fiscal year payable from appropriations from the state
19 general fund as of June 30 of the fiscal year which is certified by the
20 Kansas development finance authority pursuant to this section; and

21 (2) “estimated state general fund revenue for the fiscal year” means
22 the most recent joint estimate of revenue to the state general fund for
23 such fiscal year determined under K.S.A. 75-6701, and amendments
24 thereto.

25 ~~Sec. 2. K.S.A. 2009 Supp. 75-2319 is hereby amended to read as~~
26 ~~follows: 75-2319. (a) There is hereby established in the state treasury the~~
27 ~~school district capital improvements fund. The fund shall consist of all~~
28 ~~amounts transferred thereto under the provisions of subsection (c);~~
29 ~~—(b)— Subject to the provisions of subsection (f), in each school year,~~
30 ~~each school district which is obligated to make payments from its capital~~
31 ~~improvements fund shall be entitled to receive payment from the school~~
32 ~~district capital improvements fund in an amount determined by the state~~
33 ~~board of education as provided in this subsection. The state board of~~
34 ~~education shall:~~

35 ~~—(1)— Determine the amount of the assessed valuation per pupil (AVPP)~~
36 ~~of each school district in the state and round such amount to the nearest~~
37 ~~\$1,000. The rounded amount is the AVPP of a school district for the~~
38 ~~purposes of this section;~~

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

40 ~~—(3)— prepare a schedule of dollar amounts using the amount of the~~
41 ~~median AVPP of all school districts as the point of beginning. The sched-~~
42 ~~ule of dollar amounts shall range upward in equal \$1,000 intervals from~~
43 ~~the point of beginning to and including an amount that is equal to the~~

1 ~~amount of the AVPP of the school district with the highest AVPP of all~~
2 ~~school districts and shall range downward in equal \$1,000 intervals from~~
3 ~~the point of beginning to and including an amount that is equal to the~~
4 ~~amount of the AVPP of the school district with the lowest AVPP of all~~
5 ~~school districts;~~
6 ~~—(4)—determine a state aid percentage factor for each school district by~~
7 ~~assigning a state aid computation percentage to the amount of the median~~
8 ~~AVPP shown on the schedule, decreasing the state aid computation per-~~
9 ~~centage assigned to the amount of the median AVPP by one percentage~~
10 ~~point for each \$1,000 interval above the amount of the median AVPP,~~
11 ~~and increasing the state aid computation percentage assigned to the~~
12 ~~amount of the median AVPP by one percentage point for each \$1,000~~
13 ~~interval below the amount of the median AVPP. Except as provided by~~
14 ~~K.S.A. 2009 Supp. 75-2319e, and amendments thereto, the state aid per-~~
15 ~~centage factor of a school district is the percentage assigned to the sched-~~
16 ~~ule amount that is equal to the amount of the AVPP of the school district.~~
17 ~~The state aid percentage factor of a school district shall not exceed 100%.~~
18 ~~The state aid computation percentage is 5% for contractual bond oblig-~~
19 ~~ations incurred by a school district prior to the effective date of this act~~
20 ~~July 1, 1992, and 25% for contractual bond obligations incurred by a~~
21 ~~school district on or after the effective date of this act July 1, 1992, except~~
22 ~~that the state aid computational percentage is 0% for contractual bond~~
23 ~~obligations incurred by a school district during any period described in~~
24 ~~subsection (c)(2);~~
25 ~~—(5)—determine the amount of payments in the aggregate that a school~~
26 ~~district is obligated to make from its bond and interest fund and, of such~~
27 ~~amount, compute the amount attributable to contractual bond obligations~~
28 ~~incurred by the school district prior to the effective date of this act and~~
29 ~~the amount attributable to contractual bond obligations incurred by the~~
30 ~~school district on or after the effective date of this act;~~
31 ~~—(6)—multiply each of the amounts computed under (5) by the appli-~~
32 ~~able state aid percentage factor; and~~
33 ~~—(7)—add the products obtained under (6). The amount of the sum is~~
34 ~~the amount of payment the school district is entitled to receive from the~~
35 ~~school district capital improvements fund in the school year;~~
36 ~~—(c)—The state board of education shall certify to the director of ac-~~
37 ~~counts and reports the entitlements of school districts determined under~~
38 ~~the provisions of subsection (b), and an amount equal thereto shall be~~
39 ~~transferred by the director from the state general fund to the school~~
40 ~~district capital improvements fund for distribution to school districts. All~~
41 ~~transfers made in accordance with the provisions of this subsection shall~~
42 ~~be considered to be demand transfers from the state general fund except~~
43 ~~that all such transfers during the fiscal year ending June 30, 2007, shall~~

1 be considered to be revenue transfers from the state general fund.
2 ~~—(d)— Payments from the school district capital improvements fund shall~~
3 ~~be distributed to school districts at times determined by the state board~~
4 ~~of education to be necessary to assist school districts in making scheduled~~
5 ~~payments pursuant to contractual bond obligations. The state board of~~
6 ~~education shall certify to the director of accounts and reports the amount~~
7 ~~due each school district entitled to payment from the fund, and the di-~~
8 ~~rector of accounts and reports shall draw a warrant on the state treasurer~~
9 ~~payable to the treasurer of the school district. Upon receipt of the warrant,~~
10 ~~the treasurer of the school district shall credit the amount thereof to the~~
11 ~~bond and interest fund of the school district to be used for the purposes~~
12 ~~of such fund.~~
13 ~~—(e) (1) The provisions of this section apply only to contractual obli-~~
14 ~~gations incurred by school districts pursuant to general obligation bonds~~
15 ~~issued upon approval of a majority of the qualified electors of the school~~
16 ~~district voting at an election upon the question of the issuance of such~~
17 ~~bonds.~~
18 ~~—(2) The provisions of this section shall not apply to and school districts~~
19 ~~are not entitled to receive payments from the school district capital im-~~
20 ~~provements fund for any contractual obligations incurred by school dis-~~
21 ~~tricts pursuant to general obligation bonds issued during any period com-~~
22 ~~mencing on the date of publication of an issue of the Kansas register~~
23 ~~containing a determination by the secretary of administration pursuant~~
24 ~~to section 1, and amendments thereto, that the amount of the estimated~~
25 ~~outstanding principal balance of state general fund bonded debt certified~~
26 ~~for such fiscal year equals or exceeds the maximum amount of state general~~
27 ~~fund bonded debt determined for the state fiscal year and ending on the~~
28 ~~last day of such state fiscal year.~~
29 ~~—(f) Amounts transferred to the capital improvements fund of a school~~
30 ~~district as authorized by K.S.A. 72-6433, and amendments thereto, shall~~
31 ~~not be included in the computation when determining the amount of state~~
32 ~~aid to which a district is entitled to receive under this section.~~
33 ~~—Sec. 3. K.S.A. 2009 Supp. 75-2913 is hereby repealed.~~
34 Sec. 4 [2]. This act shall take effect and be in force from and after
35 its publication in the Kansas register.