

Senate Substitute for HOUSE BILL No. 2567

By Committee on Ways and Means

3-11

1 AN ACT concerning education; relating to state aid; removing federal
2 impact aid from the determination of local foundation aid; excluding
3 Fort Leavenworth school district and virtual school students from the
4 capital improvement state aid determination; extending the general
5 obligation bond limitation; amending K.S.A. 72-5135 and 72-5461 and
6 K.S.A. 2021 Supp. 72-5132 and 72-5462 and repealing the existing
7 sections.

8
9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 2021 Supp. 72-5132 is hereby amended to read as
11 follows: 72-5132. As used in the Kansas school equity and enhancement
12 act, K.S.A. 72-5131 et seq., and amendments thereto:

13 (a) "Adjusted enrollment" means the enrollment of a school district,
14 excluding the remote enrollment determined pursuant to K.S.A. 2021
15 Supp. 72-5180, and amendments thereto, adjusted by adding the following
16 weightings, if any, to the enrollment of a school district: At-risk student
17 weighting; bilingual weighting; career technical education weighting;
18 high-density at-risk student weighting; high enrollment weighting; low
19 enrollment weighting; school facilities weighting; ancillary school
20 facilities weighting; cost-of-living weighting; special education and related
21 services weighting; and transportation weighting.

22 (b) "Ancillary school facilities weighting" means an addend
23 component assigned to the enrollment of school districts pursuant to
24 K.S.A. 72-5158, and amendments thereto, on the basis of costs attributable
25 to commencing operation of one or more new school facilities by such
26 school districts.

27 (c) (1) "At-risk student" means a student who is eligible for free
28 meals under the national school lunch act, and who is enrolled in a school
29 district that maintains an approved at-risk student assistance program.

30 (2) ~~The term "At-risk student" shall~~ *does* not include any student
31 enrolled in any of the grades one through 12 who is in attendance less than
32 full time, or any student who is over 19 years of age. The provisions of this
33 paragraph shall not apply to any student who has an individualized
34 education program.

35 (d) "At-risk student weighting" means an addend component assigned
36 to the enrollment of school districts pursuant to K.S.A. 72-5151(a), and

1 amendments thereto, on the basis of costs attributable to the maintenance
2 of at-risk educational programs by such school districts.

3 (e) "Base aid for student excellence" or "BASE aid" means an amount
4 appropriated by the legislature in a fiscal year for the designated year. The
5 amount of BASE aid shall be as follows:

6 (1) For school year 2018-2019, \$4,165;

7 (2) for school year 2019-2020, \$4,436;

8 (3) for school year 2020-2021, \$4,569;

9 (4) for school year 2021-2022, \$4,706;

10 (5) for school year 2022-2023, \$4,846; and

11 (6) for school year 2023-2024, and each school year thereafter, the

12 BASE aid shall be the BASE aid amount for the immediately preceding
13 school year plus an amount equal to the average percentage increase in the
14 consumer price index for all urban consumers in the midwest region as
15 published by the bureau of labor statistics of the United States department
16 of labor during the three immediately preceding school years rounded to
17 the nearest whole dollar amount.

18 (f) "Bilingual weighting" means an addend component assigned to
19 the enrollment of school districts pursuant to K.S.A. 72-5150, and
20 amendments thereto, on the basis of costs attributable to the maintenance
21 of bilingual educational programs by such school districts.

22 (g) "Board" means the board of education of a school district.

23 (h) "Budget per student" means the general fund budget of a school
24 district divided by the enrollment of the school district.

25 (i) "Categorical fund" means and includes the following funds of a
26 school district: Adult education fund; adult supplementary education fund;
27 at-risk education fund; bilingual education fund; career and postsecondary
28 education fund; driver training fund; educational excellence grant program
29 fund; extraordinary school program fund; food service fund; parent
30 education program fund; preschool-aged at-risk education fund;
31 professional development fund; special education fund; and summer
32 program fund.

33 (j) "Cost-of-living weighting" means an addend component assigned
34 to the enrollment of school districts pursuant to K.S.A. 72-5159, and
35 amendments thereto, on the basis of costs attributable to the cost of living
36 in such school districts.

37 (k) "Current school year" means the school year during which state
38 foundation aid is determined by the state board under K.S.A. 72-5134, and
39 amendments thereto.

40 (l) "Enrollment" means, except as provided in K.S.A. 2021 Supp. 72-
41 5180, and amendments thereto:

42 (1) The number of students regularly enrolled in kindergarten and
43 grades one through 12 in the school district on September 20 of the

1 preceding school year plus the number of preschool-aged at-risk students
2 regularly enrolled in the school district on September 20 of the current
3 school year, except a student who is a foreign exchange student shall not
4 be counted unless such student is regularly enrolled in the school district
5 on September 20 and attending kindergarten or any of the grades one
6 through 12 maintained by the school district for at least one semester or
7 two quarters, or the equivalent thereof.

8 (2) If the enrollment in a school district in the preceding school year
9 has decreased from enrollment in the second preceding school year, the
10 enrollment of the school district in the current school year means the sum
11 of:

12 (A) The enrollment in the second preceding school year, excluding
13 students under paragraph (2)(B), minus enrollment in the preceding school
14 year of preschool-aged at-risk students, if any, plus enrollment in the
15 current school year of preschool-aged at-risk students, if any; and

16 (B) the adjusted enrollment in the second preceding school year of
17 any students participating in the tax credit for low income students
18 scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments
19 thereto, in the preceding school year, if any, plus the adjusted enrollment in
20 the preceding school year of preschool-aged at-risk students who are
21 participating in the tax credit for low income students scholarship program
22 pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the current
23 school year, if any.

24 (3) For any school district that has a military student, as that term is
25 defined in K.S.A. 72-5139, and amendments thereto, enrolled in such
26 district, and that received federal impact aid for the preceding school year,
27 if the enrollment in such school district in the preceding school year has
28 decreased from enrollment in the second preceding school year, the
29 enrollment of the school district in the current school year means
30 whichever is the greater of:

31 (A) The enrollment determined under paragraph (2); or

32 (B) the sum of the enrollment in the preceding school year of
33 preschool-aged at-risk students, if any, and the arithmetic mean of the sum
34 of:

35 (i) The enrollment of the school district in the preceding school year
36 minus the enrollment in such school year of preschool-aged at-risk
37 students, if any;

38 (ii) the enrollment in the second preceding school year minus the
39 enrollment in such school year of preschool-aged at-risk students, if any;
40 and

41 (iii) the enrollment in the third preceding school year minus the
42 enrollment in such school year of preschool-aged at-risk students, if any.

43 (4) The enrollment determined under paragraph (1), (2) or (3), except

1 if the school district begins to offer kindergarten on a full-time basis in
2 such school year, students regularly enrolled in kindergarten in the school
3 district in the preceding school year shall be counted as one student
4 regardless of actual attendance during such preceding school year.

5 (m) "February 20" has its usual meaning, except that in any year in
6 which February 20 is not a day on which school is maintained, it means
7 the first day after February 20 on which school is maintained.

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

17 (o) "General fund" means the fund of a school district from which
18 operating expenses are paid and in which is deposited all amounts of state
19 foundation aid provided under this act, payments under K.S.A. 72-528,
20 and amendments thereto, payments of federal funds made available under
21 the provisions of title I of public law 874, except amounts received for
22 assistance in cases of major disaster and amounts received under the low-
23 rent housing program and such other moneys as are provided by law.

24 (p) "General fund budget" means the amount budgeted for operating
25 expenses in the general fund of a school district.

26 (q) "High-density at-risk student weighting" means an addend
27 component assigned to the enrollment of school districts pursuant to
28 K.S.A. 72-5151(b), and amendments thereto, on the basis of costs
29 attributable to the maintenance of at-risk educational programs by such
30 school districts.

31 (r) "High enrollment weighting" means an addend component
32 assigned to the enrollment of school districts pursuant to K.S.A. 72-
33 5149(b), and amendments thereto, on the basis of costs attributable to
34 maintenance of educational programs by such school districts.

35 (s) "Juvenile detention facility" means the same as such term is
36 defined in K.S.A. 72-1173, and amendments thereto.

37 (t) "Local foundation aid" means the sum of the following amounts:

38 (1) An amount equal to any unexpended and unencumbered balance
39 remaining in the general fund of the school district, except moneys
40 received by the school district and authorized to be expended for the
41 purposes specified in K.S.A. 72-5168, and amendments thereto;

42 (2) an amount equal to any remaining proceeds from taxes levied
43 under authority of K.S.A. 72-7056 and 72-7072, prior to their repeal;

1 (3) an amount equal to the amount deposited in the general fund in
2 the current school year from moneys received in such school year by the
3 school district under the provisions of K.S.A. 72-3123(a), and amendments
4 thereto;

5 (4) an amount equal to the amount deposited in the general fund in
6 the current school year from moneys received in such school year by the
7 school district pursuant to contracts made and entered into under authority
8 of K.S.A. 72-3125, and amendments thereto;

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

15 (6) an amount equal to the amount of payments received by the
16 school district under the provisions of K.S.A. 72-3423, and amendments
17 thereto; *and*

18 (7) an amount equal to the amount of any grant received by the
19 school district under the provisions of K.S.A. 72-3425, and amendments
20 thereto; *and*

21 ~~(8) an amount equal to 70% of the federal impact aid of the school~~
22 ~~district.~~

23 (u) "Low enrollment weighting" means an addend component
24 assigned to the enrollment of school districts pursuant to K.S.A. 72-
25 5149(a), and amendments thereto, on the basis of costs attributable to
26 maintenance of educational programs by such school districts.

27 (v) "Operating expenses" means the total expenditures and lawful
28 transfers from the general fund of a school district during a school year for
29 all purposes, except expenditures for the purposes specified in K.S.A. 72-
30 5168, and amendments thereto.

31 (w) "Preceding school year" means the school year immediately
32 before the current school year.

33 (x) "Preschool-aged at-risk student" means an at-risk student who has
34 attained the age of three years, is under the age of eligibility for attendance
35 at kindergarten, and has been selected by the state board in accordance
36 with guidelines governing the selection of students for participation in
37 head start programs.

38 (y) "Preschool-aged exceptional children" means exceptional
39 children, except gifted children, who have attained the age of three years
40 but are under the age of eligibility for attendance at kindergarten. ~~The~~
41 ~~terms~~ "Exceptional children" and "gifted children" ~~have mean~~ *mean* the same
42 ~~meaning~~ as those terms are defined in K.S.A. 72-3404, and amendments
43 thereto.

1 (z) "Psychiatric residential treatment facility" means the same as such
2 term is defined in K.S.A. 72-1173, and amendments thereto.

3 (aa) (1) "Remote enrollment" means the number of students regularly
4 enrolled in kindergarten and grades one through 12 in the school district
5 who attended school through remote learning in excess of the remote
6 learning limitations provided in K.S.A. 2021 Supp. 72-5180, and
7 amendments thereto.

8 (2) This subsection shall not apply in any school year prior to the
9 2021-2022 school year.

10 (bb) (1) "Remote learning" means a method of providing education in
11 which the student, although regularly enrolled in a school district, does not
12 physically attend the attendance center such student would otherwise
13 attend in person on a full-time basis and curriculum and instruction are
14 prepared, provided and supervised by teachers and staff of such school
15 district to approximate the student learning experience that would take
16 place in the attendance center classroom.

17 (2) "Remote learning" does not include virtual school as such term is
18 defined in K.S.A. 72-3712, and amendments thereto.

19 (3) This subsection shall not apply in any school year prior to the
20 2021-2022 school year.

21 (cc) "School district" means a school district organized under the
22 laws of this state that is maintaining public school for a school term in
23 accordance with the provisions of K.S.A. 72-3115, and amendments
24 thereto.

25 (dd) "School facilities weighting" means an addend component
26 assigned to the enrollment of school districts pursuant to K.S.A. 72-5156,
27 and amendments thereto, on the basis of costs attributable to commencing
28 operation of one or more new school facilities by such school districts.

29 (ee) "School year" means the 12-month period ending June 30.

30 (ff) "September 20" has its usual meaning, except that in any year in
31 which September 20 is not a day on which school is maintained, it means
32 the first day after September 20 on which school is maintained.

33 (gg) "Special education and related services weighting" means an
34 addend component assigned to the enrollment of school districts pursuant
35 to K.S.A. 72-5157, and amendments thereto, on the basis of costs
36 attributable to the maintenance of special education and related services by
37 such school districts.

38 (hh) "State board" means the state board of education.

39 (ii) "State foundation aid" means the amount of aid distributed to a
40 school district as determined by the state board pursuant to K.S.A. 72-
41 5134, and amendments thereto.

42 (jj) (1) "Student" means any person who is regularly enrolled in a
43 school district and attending kindergarten or any of the grades one through

1 12 maintained by the school district or who is regularly enrolled in a
2 school district and attending kindergarten or any of the grades one through
3 12 in another school district in accordance with an agreement entered into
4 under authority of K.S.A. 72-13,101, and amendments thereto, or who is
5 regularly enrolled in a school district and attending special education
6 services provided for preschool-aged exceptional children by the school
7 district.

8 (2) (A) Except as otherwise provided in this subsection, the following
9 shall be counted as one student:

10 (i) A student in attendance full-time; and

11 (ii) a student enrolled in a school district and attending special
12 education and related services, provided for by the school district.

13 (B) The following shall be counted as $\frac{1}{2}$ student:

14 (i) A student enrolled in a school district and attending special
15 education and related services for preschool-aged exceptional children
16 provided for by the school district; and

17 (ii) a preschool-aged at-risk student enrolled in a school district and
18 receiving services under an approved at-risk student assistance plan
19 maintained by the school district.

20 (C) A student in attendance part-time shall be counted as that
21 proportion of one student, to the nearest $\frac{1}{10}$, that the student's attendance
22 bears to full-time attendance.

23 (D) A student enrolled in and attending an institution of
24 postsecondary education that is authorized under the laws of this state to
25 award academic degrees shall be counted as one student if the student's
26 postsecondary education enrollment and attendance together with the
27 student's attendance in either of the grades 11 or 12 is at least $\frac{5}{6}$ time,
28 otherwise the student shall be counted as that proportion of one student, to
29 the nearest $\frac{1}{10}$, that the total time of the student's postsecondary education
30 attendance and attendance in grades 11 or 12, as applicable, bears to full-
31 time attendance.

32 (E) A student enrolled in and attending a technical college, a career
33 technical education program of a community college or other approved
34 career technical education program shall be counted as one student, if the
35 student's career technical education attendance together with the student's
36 attendance in any of grades nine through 12 is at least $\frac{5}{6}$ time, otherwise
37 the student shall be counted as that proportion of one student, to the
38 nearest $\frac{1}{10}$, that the total time of the student's career technical education
39 attendance and attendance in any of grades nine through 12 bears to full-
40 time attendance.

41 (F) A student enrolled in a school district and attending a non-virtual
42 school and also attending a virtual school shall be counted as that
43 proportion of one student, to the nearest $\frac{1}{10}$, that the student's attendance at

1 the non-virtual school bears to full-time attendance.

2 (G) A student enrolled in a school district and attending special
3 education and related services provided for by the school district and also
4 attending a virtual school shall be counted as that proportion of one
5 student, to the nearest $\frac{1}{10}$, that the student's attendance at the non-virtual
6 school bears to full-time attendance.

7 (H) A student enrolled in a school district and attending school on a
8 part-time basis through remote learning and also attending school in
9 person on a part-time basis shall be counted as that proportion of one
10 student, to the nearest $\frac{1}{10}$, that the student's in-person attendance bears to
11 full-time attendance.

12 (I) ~~(i) Except as provided in clause (ii),~~ A student enrolled in a school
13 district who is not a resident of Kansas shall be counted as follows:

14 ~~(a) For school year 2018-2019, one student;~~

15 ~~(b) for school years 2019-2020 and 2020-2021, $\frac{3}{4}$ of a student; and~~

16 ~~(c) for school year 2021-2022 and each school year thereafter, $\frac{1}{2}$ of a~~
17 student.

18 ~~(ii) This subparagraph shall not apply to:~~

19 ~~(a)(i) A student whose parent or legal guardian is an employee of the~~
20 school district where such student is enrolled; or

21 ~~(b)(ii) a student who attended public school in Kansas during school~~
22 year 2016-2017 and who attended public school in Kansas during the
23 immediately preceding school year.

24 (3) The following shall not be counted as a student:

25 (A) An individual residing at the Flint Hills job corps center;

26 (B) except as provided in paragraph (2), an individual confined in and
27 receiving educational services provided for by a school district at a
28 juvenile detention facility; and

29 (C) an individual enrolled in a school district but housed, maintained
30 and receiving educational services at a state institution or a psychiatric
31 residential treatment facility.

32 (4) A student enrolled in virtual school pursuant to K.S.A. 72-3711 et
33 seq., and amendments thereto, shall be counted in accordance with the
34 provisions of K.S.A. 72-3715, and amendments thereto.

35 (5) A student enrolled in a school district who attends school through
36 remote learning shall be counted in accordance with the provisions of this
37 section and K.S.A. 2021 Supp. 72-5180, and amendments thereto.

38 (kk) "Total foundation aid" means an amount equal to the product
39 obtained by multiplying the BASE aid by the adjusted enrollment of a
40 school district.

41 (ll) "Transportation weighting" means an addend component assigned
42 to the enrollment of school districts pursuant to K.S.A. 72-5148, and
43 amendments thereto, on the basis of costs attributable to the provision or

1 furnishing of transportation.

2 (mm) "Virtual school" means the same as such term is defined in
3 K.S.A. 72-3712, and amendments thereto.

4 Sec. 2. K.S.A. 72-5135 is hereby amended to read as follows: 72-
5 5135. (a) The distribution of state foundation aid under this act shall be
6 made in accordance with appropriation acts each year as provided in this
7 section.

8 (b) (1) In the months of July through May of each school year, the
9 state board shall determine the amount of state foundation aid that will be
10 required by each school district to maintain operations in each such month.
11 In making such determination, the state board shall take into consideration
12 the school district's access to local foundation aid and the obligations of
13 the general fund that must be satisfied during the month. The amount
14 determined by the state board under this provision is the amount of state
15 foundation aid that will be distributed to the school district in the months
16 of July through May.

17 (2) In the month of June of each school year, payment shall be made
18 of the full amount of the state foundation aid determined for the school
19 year less the sum of the monthly payments made in the months of July
20 through May pursuant to subsection (b)(1).

21 (c) Payments of state foundation aid shall be distributed to school
22 districts once each month on the dates prescribed by the state board. The
23 state board shall certify to the director of accounts and reports the amount
24 due as state foundation aid to each school district in each of the months of
25 July through June. Such certification, and the amount of state foundation
26 aid payable from the state general fund, shall be approved by the director
27 of the budget. The director of accounts and reports shall draw warrants on
28 the state treasurer payable to the school district treasurer of each school
29 district, pursuant to vouchers approved by the state board. Upon receipt of
30 such warrant, each school district treasurer shall deposit the amount of
31 state foundation aid in the general fund of the school district, ~~except that~~
32 ~~an amount equal to the amount of federal impact aid not included in the~~
33 ~~local foundation aid of a school district may be disposed of as provided in~~
34 ~~K.S.A. 72-5166(a), and amendments thereto.~~

35 (d) If any amount of state foundation aid that is due to be paid during
36 the month of June of a school year pursuant to the other provisions of this
37 section is not paid on or before June 30 of such school year, then such
38 payment shall be paid on or after the ensuing July 1, as soon as moneys are
39 available therefor. Any payment of state foundation aid that is due to be
40 paid during the month of June of a school year and that is paid to school
41 districts on or after the ensuing July 1 shall be recorded and accounted for
42 by school districts as a receipt for the school year ending on the preceding
43 June 30.

1 Sec. 3. K.S.A. 72-5461 is hereby amended to read as follows: 72-
2 5461. (a) Upon receiving an application under K.S.A. 72-5460, and
3 amendments thereto, the state board of education shall review the
4 application and examine the evidence furnished in support of the
5 application.

6 (b) (1) ~~Commencing in school year 2017-2018,~~The state board of
7 education shall not approve any application submitted during the current
8 school year if such approval would result in the aggregate amount of all
9 general obligation bonds approved by the state board for such school year
10 exceeding the aggregate principal amount of all general obligation bonds
11 retired in the immediately preceding school year adjusted for inflation
12 pursuant to paragraph (4). For any application submitted during the current
13 school year in excess of \$175,000,000, the state board shall apply only an
14 amount of \$175,000,000 of such application when determining whether
15 the aggregate principal amount of all general obligation bonds retired in
16 the immediately preceding school year has been exceeded. In determining
17 whether to approve an application, the state board shall prioritize
18 applications in accordance with the priorities set forth as follows in order
19 of highest priority to lowest priority:

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

24 (B) enrollment growth and imminent overcrowding as demonstrated
25 by successive increases in enrollment of the school district in the
26 immediately preceding three school years;

27 (C) impact on the delivery of educational services as demonstrated by
28 restrictive inflexible design or limitations on installation of technology;
29 and

30 (D) energy usage and other operational inefficiencies as demonstrated
31 by a district-wide energy usage analysis, district-wide architectural
32 analysis or other similar evaluation.

33 (2) The state board shall not consider a school district's eligibility for
34 capital improvement state aid, or the amount of capital improvement state
35 aid a school district would be eligible to receive, in determining whether to
36 approve such district's application.

37 (3) The provisions of subsection (b)(1) shall not apply to school
38 districts that:

39 (A) Have not issued any general obligation bonds in the 25 years
40 prior to the current school year; *or*

41 (B) *do not receive capital improvement state aid because such school*
42 *district is not eligible to receive such aid or has opted out of receiving*
43 *such aid in the resolution adopted as provided in K.S.A. 72-5457, and*

1 *amendments thereto.*

2 (4) The state board shall adjust the aggregate principal amount of all
3 general obligation bonds retired in the immediately preceding school year
4 by adding an amount equal to the five-year compounded percentage
5 increase in the producer price index industry data for new school building
6 construction as published by the bureau of labor statistics of the United
7 States department of labor for the five immediately preceding school
8 years.

9 (c) After reviewing the application and examining the supportive
10 evidence, the state board of education shall issue an order either granting
11 or denying the application. If the application is approved, the applicant
12 board of education shall request the county election officer to hold an
13 election to vote upon the question of issuing the increased amount of
14 bonds in the manner provided by law.

15 (d) Any application that is denied pursuant to subsection (b) may be
16 tentatively approved by the state board of education for the immediately
17 succeeding school year. The amount of general obligation bonds approved
18 in any such application shall be counted first towards the aggregate
19 amount of all general obligation bonds approved by the state board for
20 such school year.

21 ~~(e) Commencing in school year 2017-2018,~~The state board of
22 education shall determine the aggregate principal amount of general
23 obligation bonds retired in the immediately preceding school year.

24 (f) The provisions of subsections (b), (d) and (e) shall expire on June
25 30, ~~2022~~ 2027.

26 Sec. 4. K.S.A. 2021 Supp. 72-5462 is hereby amended to read as
27 follows: 72-5462. (a) There is hereby established in the state treasury the
28 school district capital improvements fund. The fund shall consist of all
29 amounts transferred thereto under the provisions of subsection (c).

30 (b) In each school year, each school district ~~which~~ *that* is obligated to
31 make payments from its capital improvements fund shall be entitled to
32 receive payment from the school district capital improvements fund in an
33 amount determined by the state board of education as provided in this
34 subsection.

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

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

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

42 (C) prepare a schedule of dollar amounts using the amount of the
43 median AVPP of all school districts as the point of beginning. The

1 schedule of dollar amounts shall range upward in equal \$1,000 intervals
2 from the point of beginning to and including an amount that is equal to the
3 amount of the AVPP of the school district with the highest AVPP of all
4 school districts and shall range downward in equal \$1,000 intervals from
5 the point of beginning to and including an amount that is equal to the
6 amount of the AVPP of the school district with the lowest AVPP of all
7 school districts;

8 (D) determine a state aid percentage factor for each school district by
9 assigning a state aid computation percentage to the amount of the median
10 AVPP shown on the schedule, decreasing the state aid computation
11 percentage assigned to the amount of the median AVPP by one percentage
12 point for each \$1,000 interval above the amount of the median AVPP, and
13 increasing the state aid computation percentage assigned to the amount of
14 the median AVPP by one percentage point for each \$1,000 interval below
15 the amount of the median AVPP. Except as provided by K.S.A. 72-5463,
16 and amendments thereto, the state aid percentage factor of a school district
17 is the percentage assigned to the schedule amount that is equal to the
18 amount of the AVPP of the school district. The state aid percentage factor
19 of a school district shall not exceed 100%. The state aid computation
20 percentage is 25%;

21 (E) determine the amount of payments that a school district is
22 obligated to make from its bond and interest fund attributable to general
23 obligation bonds approved for issuance at an election held prior to July 1,
24 2015; and

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

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

29 (A) *Except as provided in subsection (b)(8)*, determine the amount of
30 the AVPP of each school district in the state for the preceding school year
31 and round such amount to the nearest \$1,000. The rounded amount is the
32 AVPP of a school district for the purposes of this subsection (b)(2);

33 (B) *except as provided in subsection (b)(8)*, prepare a schedule of
34 dollar amounts using the amount of the AVPP of the school district with
35 the lowest AVPP of all school districts as the point of beginning. The
36 schedule of dollar amounts shall range upward in equal \$1,000 intervals
37 from the point of beginning to and including an amount that is equal to the
38 amount of the AVPP of the school district with the highest AVPP of all
39 school districts;

40 (C) determine a state aid percentage factor for each school district by
41 assigning a state aid computation percentage to the amount of the lowest
42 AVPP shown on the schedule and decreasing the state aid computation
43 percentage assigned to the amount of the lowest AVPP by one percentage

1 point for each \$1,000 interval above the amount of the lowest AVPP.
2 Except as provided by K.S.A. 72-5463, and amendments thereto, the state
3 aid percentage factor of a school district is the percentage assigned to the
4 schedule amount that is equal to the amount of the AVPP of the school
5 district. The state aid computation percentage is ~~75%~~ 51%;

6 (D) determine the amount of payments that a school district is
7 obligated to make from its bond and interest fund attributable to general
8 obligation bonds approved for issuance at an election held on or after July
9 1, 2015; and

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

12 (3) For general obligation bonds approved for issuance at an election
13 held on or before June 30, 2016, the sum of the amount determined under
14 subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E)
15 is the amount of payment the school district is entitled to receive from the
16 school district capital improvements fund in the school year.

17 (4) (A) For general obligation bonds approved for issuance at an
18 election held on or after July 1, 2016, the amount determined under
19 subsection (b)(2)(E) is the amount of payment the school district shall
20 receive from the school district capital improvements fund in the school
21 year, except the total amount of payments school districts receive from the
22 school district capital improvements fund in the school year for such bonds
23 shall not exceed the six-year average amount of capital improvement state
24 aid as determined by the state board of education.

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

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

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

38 (b) enrollment growth and imminent overcrowding as demonstrated
39 by successive increases in enrollment of the school district in the
40 immediately preceding three school years;

41 (c) impact on the delivery of educational services as demonstrated by
42 restrictive inflexible design or limitations on installation of technology;
43 and

1 (d) energy usage and other operational inefficiencies as demonstrated
2 by a district-wide energy usage analysis, district-wide architectural
3 analysis or other similar evaluation.

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

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

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

19 (6) A school district that had an enrollment of less than 260 students
20 in the school year immediately preceding the school year in which an
21 election is held to approve the issuance of general obligation bonds shall
22 not be entitled to receive payments from the school district capital
23 improvements fund unless such school district applied for and received
24 approval from the state board of education to issue such bonds prior to
25 holding an election to approve such bond issuance. The provisions of this
26 paragraph shall apply to general obligation bonds approved for issuance at
27 an election held on or after July 1, 2017, that are issued for the purpose of
28 financing the construction of new school facilities.

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

40 (8) *For general obligation bonds approved for issuance at an*
41 *election held on or after July 1, 2022, the state board of education shall:*

42 (A) *In preparing the schedule of dollar amounts pursuant to*
43 *subsection (b)(2)(B), exclude unified school district No. 207, Fort*

1 *Leavenworth, from such schedule and determine the point of beginning*
2 *based on the amount of the AVPP of the school district with the lowest*
3 *AVPP of the remaining school districts; and*

4 *(B) in determining the amount of the AVPP of a school district,*
5 *exclude the number of students enrolled in a virtual school, as defined in*
6 *K.S.A. 72-3712, and amendments thereto, that is offered by such school*
7 *district from the determination of the AVPP of such school district.*

8 (c) The state board of education shall certify to the director of
9 accounts 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 district
12 capital improvements fund for distribution to school districts. All transfers
13 made in accordance with the provisions of this subsection shall be
14 considered to be demand transfers from the state general fund, except that
15 all such transfers during the fiscal years ending June 30, 2021, June 30,
16 2022, and June 30, 2023, shall be considered to be revenue transfers from
17 the state general fund.

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

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

34 ~~(f) On or before the first day of the legislative session in 2017, and~~
35 ~~Each year thereafter,~~ the state board of education shall prepare and submit
36 a report to the legislature that includes information on school district
37 elections held on or after July 1, 2016, to approve the issuance of general
38 obligation bonds and the amount of payments school districts were
39 approved to receive from the school district capital improvements fund
40 pursuant to subsection ~~(b)(4)(C)~~ (b)(4)(D).

41 Sec. 5. K.S.A. 72-5135 and 72-5461 and K.S.A. 2021 Supp. 72-5132
42 and 72-5462 are hereby repealed.

43 Sec. 6. This act shall take effect and be in force from and after its

- 1 publication in the statute book.