

HOUSE BILL No. 2410

By Committee on Appropriations

3-22

1 AN ACT concerning education; relating to the instruction and financing
2 thereof; making and concerning appropriations for the fiscal years
3 ending June 30, 2018, and June 30, 2019, for the department of
4 education; creating the Kansas school equity and enhancement act;
5 amending K.S.A. 2016 Supp. 10-1116a, 12-1677, 12-1770a, 12-1775a,
6 12-1776a, 72-978, 72-1046b, 72-1398, 72-1414, 72-1923, 72-3712, 72-
7 3715, 72-5333b, 72-64b01, 72-64c03, 72-64c05, 72-6622, 72-6624, 72-
8 6625, 72-6757, 72-67,115, 72-7535, 72-8187, 72-8190, 72-8230, 72-
9 8233, 72-8236, 72-8249, 72-8250, 72-8251, 72-8302, 72-8309, 72-
10 8316, 72-8415b, 72-8801, 72-8804, 72-8908, 72-9509, 72-9609, 72-
11 99a02, 72-99a02, as amended by section 87 of this act, 74-4939a, 74-
12 8925, 74-99b43, 75-2319, 79-201x, 79-213, 79-2001 and 79-2925b and
13 repealing the existing sections; also repealing K.S.A. 2016 Supp. 46-
14 1133 and 72-6482.

15
16 *Be it enacted by the Legislature of the State of Kansas:*
17 Section 1.

DEPARTMENT OF EDUCATION

18
19 (a) There is appropriated for the above agency from the state general
20 fund for the fiscal year ending June 30, 2018, the following:

21 Operating expenditures (including official
22 hospitality) (652-00-1000-0053).....\$12,515,606
23 *Provided*, That any unencumbered balance in the operating expenditures
24 (including official hospitality) account in excess of \$100 as of June 30,
25 2017, is hereby reappropriated for fiscal year 2018.
26 Special education services

27 aid (652-00-1000-0700).....\$437,680,455

28 *Provided*, That any unencumbered balance in the special education
29 services aid account in excess of \$100 as of June 30, 2017, is hereby
30 reappropriated for fiscal year 2018: *Provided further*, That expenditures
31 shall not be made from the special education services aid account for the
32 provision of instruction for any homebound or hospitalized child unless
33 the categorization of such child as exceptional is conjoined with the
34 categorization of the child within one or more of the other categories of
35 exceptionality: *And provided further*, That expenditures shall be made from
36 this account for grants to school districts in amounts determined pursuant

Proposed Amendments to HB 2410 #41
House Committee on K-12 Budget
Prepared by Jason Long
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1 and enhancement act, section 3 et seq., and amendments thereto, shall be
2 null and void.

3 New Sec. 47. (a) There is hereby established in the state treasury the
4 school district capital outlay state aid fund. Such fund shall consist of all
5 moneys transferred thereto under the provisions of subsection (d).

6 (b) Each school district that levies a tax pursuant to K.S.A. 72-8801
7 et seq., and amendments thereto, shall receive payment from the school
8 district capital outlay state aid fund in an amount determined by the state
9 board of education as provided in this section.

10 (c) The state board shall:

11 (1) Determine the amount of the assessed valuation per student of
12 each school district in the state for the preceding school year and round
13 such amount to the nearest \$1,000. The rounded amount is the assessed
14 valuation per student of a school district for the purposes of this
15 subsection;

16 (2) determine the median assessed valuation per student of all school
17 districts;

18 (3) prepare a schedule of dollar amounts using the amount of the
19 median assessed valuation per student of all school districts as the point of
20 beginning. The schedule of dollar amounts shall range upward in equal
21 \$1,000 intervals from the point of beginning to and including an amount
22 that is equal to the amount of the assessed valuation per student of the
23 school district with the highest assessed valuation per student of all school
24 districts and shall range downward in equal \$1,000 intervals from the point
25 of beginning to and including an amount that is equal to the amount of the
26 assessed valuation per student of the school district with the lowest
27 assessed valuation per student of all school districts;

28 (4) determine a state aid percentage factor for each school district by
29 assigning a state aid computation percentage to the amount of the median
30 assessed valuation per student shown on the schedule, decreasing the state
31 aid computation percentage assigned to the amount of the median assessed
32 valuation per student by one percentage point for each \$1,000 interval
33 above the amount of the median assessed valuation per student, and
34 increasing the state aid computation percentage assigned to the amount of
35 the median assessed valuation per student by one percentage point for each
36 \$1,000 interval below the amount of the median assessed valuation per
37 student. The state aid percentage factor of a school district is the
38 percentage assigned to the schedule amount that is equal to the amount of
39 the assessed valuation per student of the school district, except that the
40 state aid percentage factor of a school district shall not exceed 100%. The
41 state aid computation percentage is 25%;

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

1 (6) multiply the amount computed under subsection (c)(5), but not to
 2 exceed 8 mills, by the applicable state aid percentage factor. The resulting
 3 product is the amount of payment the school district is to receive from the
 4 school district capital outlay state aid fund in the school year.

5 (d) The state board shall certify to the director of accounts and reports
 6 the amount of school district capital outlay state aid determined under the
 7 provisions of subsection (c), and an amount equal thereto shall be
 8 transferred by the director from the state general fund to the school district
 9 capital outlay state aid fund for distribution to school districts. All transfers
 10 made in accordance with the provisions of this subsection shall be
 11 considered to be demand transfers from the state general fund.

12 (e) Payments from the school district capital outlay state aid fund
 13 shall be distributed to school districts at times determined by the state
 14 board of education. The state board of education shall certify to the
 15 director of accounts and reports the amount due each school district, and
 16 the director of accounts and reports shall draw a warrant on the state
 17 treasury payable to the treasurer of the school district. Upon receipt of the
 18 warrant, the treasurer of the school district shall credit the amount thereof
 19 to the capital outlay fund of the school district to be used for the purposes
 20 of such fund.

21 Sec. 48. K.S.A. 2016 Supp. 10-1116a is hereby amended to read as
 22 follows: 10-1116a. The limitations on expenditures imposed under the
 23 cash-basis law shall not apply to:

24 (a) Expenditures in excess of current revenues made for municipally
 25 owned and operated utilities out of the fund of such utilities caused by, or
 26 resulting from the meeting of, extraordinary emergencies including
 27 drought emergencies. In such cases expenditures in excess of current
 28 revenues may be made by declaring an extraordinary emergency by
 29 resolution adopted by the governing body and such resolution shall be
 30 published at least once in a newspaper of general circulation in such city.
 31 Thereupon, such governing body may issue interest bearing no-fund
 32 warrants on such utility fund in an amount, including outstanding
 33 previously issued no-fund warrants, not to exceed 25% of the revenues
 34 from sales of service of such utility for the preceding year. Such warrants
 35 shall be redeemed within three years from date of issuance and shall bear
 36 interest at a rate of not to exceed the maximum rate of interest prescribed
 37 by K.S.A. 10-1009, and amendments thereto. Upon the declaration of a
 38 drought emergency, the governing body may issue such warrants for water
 39 system improvement purposes in an amount not to exceed 50% of the
 40 revenue received from the sale of water for the preceding year. Such
 41 warrants shall be redeemed within five years from the date of issuance and
 42 shall bear interest at a rate not to exceed the maximum rate of interest
 43 prescribed by K.S.A. 10-1009, and amendments thereto.

(f) For the purposes of this section, the determination of the assessed valuation per student of a school district shall exclude those students enrolled in a virtual school, or virtual education program, offered by such school district, but who are not residents of such school district.

1 and amendments thereto, on property located within such bioscience
2 development district constituting a separate taxing unit under the
3 provisions of this section, shall be divided as follows:

4 (1) From the taxes levied each year subject to the provisions of this
5 act by or for each of the taxing subdivisions upon property located within a
6 bioscience development district constituting a separate taxing unit under
7 the provisions of this act, the county treasurer first shall allocate and pay to
8 each such taxing subdivision all of the real property taxes collected which
9 are produced from the base year assessed valuation.

10 (2) Any real property taxes, except for property taxes levied for
11 schools pursuant to ~~K.S.A. 2016 Supp. 72-6470~~ section 13, and
12 amendments thereto, produced from that portion of the current assessed
13 valuation of real property within the bioscience development district
14 constituting a separate taxing unit under the provisions of this section in
15 excess of the base year assessed valuation shall be allocated and paid by
16 the county treasurer to the bioscience development bond fund to pay the
17 bioscience development project costs including the payment of principal
18 and interest on any special obligation bonds to finance, in whole or in part,
19 such bioscience development projects.

20 (d) The authority may pledge the bioscience development bond fund
21 or other available revenue to the repayment of such special obligation
22 bonds prior to, simultaneously with, or subsequent to the issuance of such
23 special obligation bonds.

24 (e) Any bonds issued under the provisions of this act and the interest
25 paid thereon, unless specifically declared to be taxable in the authorizing
26 resolution of the Kansas development finance authority, shall be exempt
27 from all state, county and municipal taxes, and the exemption shall include
28 income, estate and property taxes.

29 Sec. 92. K.S.A. 2016 Supp. 75-2319 is hereby amended to read as
30 follows: 75-2319. (a) There is hereby established in the state treasury the
31 school district capital improvements fund. The fund shall consist of all
32 amounts transferred thereto under the provisions of subsection (c).

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

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

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

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

2 (C) prepare a schedule of dollar amounts using the amount of the
3 median AVPP of all school districts as the point of beginning. The
4 schedule of dollar amounts shall range upward in equal \$1,000 intervals
5 from 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 highest AVPP of all
7 school districts and shall range downward in equal \$1,000 intervals from
8 the point of beginning to and including an amount that is equal to the
9 amount of the AVPP of the school district with the lowest AVPP of all
10 school districts;

11 (D) determine a state aid percentage factor for each school district by
12 assigning a state aid computation percentage to the amount of the median
13 AVPP shown on the schedule, decreasing the state aid computation
14 percentage assigned to the amount of the median AVPP by one percentage
15 point for each \$1,000 interval above the amount of the median AVPP, and
16 increasing the state aid computation percentage assigned to the amount of
17 the median AVPP by one percentage point for each \$1,000 interval below
18 the amount of the median AVPP. Except as provided by K.S.A. 2016 Supp.
19 75-2319c, and amendments thereto, the state aid percentage factor of a
20 school district is the percentage assigned to the schedule amount that is
21 equal to the amount of the AVPP of the school district. The state aid
22 percentage factor of a school district shall not exceed 100%. The state aid
23 computation percentage is 25%;

24 (E) determine the amount of payments that a school district is
25 obligated to make from its bond and interest fund attributable to general
26 obligation bonds approved for issuance at an election held prior to July 1,
27 2015; and

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

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

32 (A) Determine the amount of the AVPP of each school district in the
33 state for the preceding school year and round such amount to the nearest
34 \$1,000. The rounded amount is the AVPP of a school district for the
35 purposes of this subsection (b)(2);

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

42 (C) determine a state aid percentage factor for each school district by
43 assigning a state aid computation percentage to the amount of the lowest

1 AVPP shown on the schedule and decreasing the state aid computation
2 percentage assigned to the amount of the lowest AVPP by one percentage
3 point for each \$1,000 interval above the amount of the lowest AVPP.
4 Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments
5 thereto, the state aid percentage factor of a school district is the percentage
6 assigned to the schedule amount that is equal to the amount of the AVPP of
7 the school district. The state aid computation percentage is 75%;

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

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

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

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

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

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

36 (a) Safety of the current facility and disability access to such facility
37 as 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 (b) enrollment growth and imminent overcrowding as demonstrated
41 by successive increases in enrollment of the school district in the
42 immediately preceding three school years;

43 (c) impact on the delivery of educational services as demonstrated by

1 restrictive inflexible design or limitations on installation of technology;
2 and

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

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

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

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

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

31 (c) The state board of education shall certify to the director of
32 accounts and reports the entitlements of school districts determined under
33 the provisions of subsection (b), and an amount equal thereto shall be
34 transferred by the director from the state general fund to the school district
35 capital improvements fund for distribution to school districts. All transfers
36 made in accordance with the provisions of this subsection shall be
37 considered to be demand transfers from the state general fund, except that
38 all such transfers during the fiscal years ending June 30, 2013, June 30,
39 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue
40 transfers from the state general fund.

41 (d) Payments from the school district capital improvements fund shall
42 be distributed to school districts at times determined by the state board of
43 education to be necessary to assist school districts in making scheduled

1 payments pursuant to contractual bond obligations. The state board of
 2 education shall certify to the director of accounts and reports the amount
 3 due each school district entitled to payment from the fund, and the director
 4 of accounts and reports shall draw a warrant on the state treasurer payable
 5 to the treasurer of the school district. Upon receipt of the warrant, the
 6 treasurer of the school district shall credit the amount thereof to the bond
 7 and interest fund of the school district to be used for the purposes of such
 8 fund.

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

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

21 Sec. 93. K.S.A. 2016 Supp. 79-201x is hereby amended to read as
 22 follows: 79-201x. For taxable years ~~2015 and 2016~~ 2017 and 2018, the
 23 following described property, to the extent herein specified, shall be and is
 24 hereby exempt from the property tax levied pursuant to the provisions of
 25 K.S.A. ~~2016 Supp. 72-6470~~ section 13, and amendments thereto: Property
 26 used for residential purposes to the extent of \$20,000 of its appraised
 27 valuation.

28 Sec. 94. K.S.A. 2016 Supp. 79-213 is hereby amended to read as
 29 follows: 79-213. (a) Any property owner requesting an exemption from the
 30 payment of ad valorem property taxes assessed, or to be assessed, against
 31 their property shall be required to file an initial request for exemption, on
 32 forms approved by the state board of tax appeals and provided by the
 33 county appraiser.

34 (b) The initial exemption request shall identify the property for which
 35 the exemption is requested and state, in detail, the legal and factual basis
 36 for the exemption claimed.

37 (c) The request for exemption shall be filed with the county appraiser
 38 of the county where such property is principally located.

39 (d) After a review of the exemption request, and after a preliminary
 40 examination of the facts as alleged, the county appraiser shall recommend
 41 that the exemption request either be granted or denied, and, if necessary,
 42 that a hearing be held. If a denial is recommended, a statement of the
 43 controlling facts and law relied upon shall be included on the form.

(g) For the purposes of this section, the determination of the assessed valuation per pupil of a school district shall exclude those pupils enrolled in a virtual school, or virtual education program, offered by such school district, but who are not residents of such school district.