

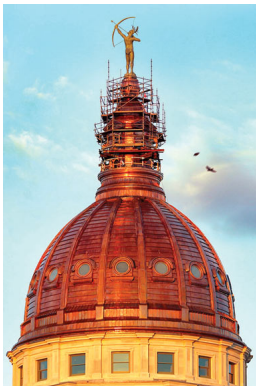
## **If bond passes April 8, state will still pay \$63.5 million for next 25 years**

L&T staff report

To help alleviate the cost of constructing schools in Kansas, K.S.A. 75-2319 has allowed for state matching funds to be used based on a formula that determines need.

Liberal is currently at a rate of 49 percent, and that number could rise to as high as 55 percent, making it attractive to pass a bond when locals receive around half of the funding from the state.

But a current bill in the Kansas Senate is seeking to change that.



SB305 is currently in the Ways and Means Committee, and if the Kansas Legislature passes it, the state will no longer offer assistance to school bond projects that are passed after June 30, 2014.

That could cost local taxpayers the loss of \$63.5 million.

The current bond proposal for school improvements is \$127.8 million, but \$63.5 million of that will be paid by the state of Kansas. Another \$28.1 million would be paid with a half cent sales tax, and the remaining \$36.1 million, or 29 percent of the project, would be paid for by property taxes.

By law, the state of Kansas is currently obligated to match any bond issues that are passed prior to June 30, 2014.

But the proposed change to the law states, "Payments from the school district capital improvements fund shall only be distributed to those school districts that have incurred contractual obligations pursuant to general obligation bonds issued upon approval of a majority of the qualified electors of the school district voting at an election upon the question of the issuance of such bonds held on or before June 30, 2014."

For Liberal to receive the funding, they would have to pass a bond issue prior to June 30.

Currently, an election is scheduled for April 8, and the State of Kansas would be obligated to pay its portion for the life of the bond, which is planned for 25 years.

According to USD No. 480 Finance Director Jerry Clay, the current proposal will receive funding from the State of Kansas if the voters approve the bond.

"It is currently required by state law," Clay said. "They have upheld their end."

Clay said the district received matching funds for the bond that was passed 15 years ago.

"They have paid their share for the last 15 years," he said.

The calculation to decide state aid is based on property valuation and the number of students. As the number of students rise, but valuation remains constant, the district can receive a higher percentage of funding.

“When we passed (a bond) in 1999, we were somewhere around 33 percent,” Clay said. “Now we get 49 percent. Assessed valuation has decreased over time.”

The state aid increase helps offset mill levy increases on property owners in helping pay bonds.

But if the Legislature opts to remove that form of funding for bond projects passed after June, Liberal could be one of the last communities to receive the state benefit should the April 8 bond pass.