

## SENATE BILL No. 145

By Senators Allen, Adkins and Vratil

1-26

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AN ACT concerning school district finance; relating to local option budgets; revising the definition of state prescribed percentage; amending K.S.A. 2000 Supp. 72-6433 and repealing the existing section.

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

Section 1. K.S.A. 2000 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a) (1) The board of any district may adopt a local option budget in each school year, ~~commencing with the 1997-98 school year,~~ in an amount not to exceed an amount equal to the district prescribed percentage of the amount of state financial aid determined for the district in the school year. As used in this provision the term district prescribed percentage means:

(A) For any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, do not apply in the current school year, a percentage in the ~~1997-98 school year that is equal to the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year,~~ in the 1998-99 school year, a percentage that is equal to 95% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year, in the 1999-2000 school year, a percentage that is equal to 90% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year, in the 2000-01 school year, a percentage that is equal to 85% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year, in the 2001-02 school year, and in each school year thereafter, a percentage that is equal to 80% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year;

(B) for any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, apply in the current school year, a percentage in the ~~1997-98 school year that is equal to the sum of the percentage of the amount of state financial aid the~~

1 district was authorized to budget in the preceding school year and 20%  
2 of the percentage computed for the district by the state board under the  
3 provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, a  
4 percentage in the 1998-99 school year that is equal to the sum of the  
5 percentage of the amount of state financial aid the district was authorized  
6 to budget in the preceding school year and 40% of the percentage com-  
7 puted for the district by the state board under the provisions of K.S.A.  
8 2000 Supp. 72-6444, and amendments thereto, a percentage in the 1999-  
9 2000 school year that is equal to the sum of the percentage of the amount  
10 of state financial aid the district was authorized to budget in the preceding  
11 school year and 60% of the percentage computed for the district by the  
12 state board under the provisions of K.S.A. 2000 Supp. 72-6444, and  
13 amendments thereto, a percentage in the 2000-01 school year that is  
14 equal to the sum of the percentage of the amount of state financial aid  
15 the district was authorized to budget in the preceding school year and  
16 80% of the percentage computed for the district by the state board under  
17 the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto,  
18 a percentage in the 2001-02 school year, and each school year thereafter,  
19 that is equal to the sum of the percentage of the amount of state financial  
20 aid the district was authorized to budget in the preceding school year and  
21 the percentage computed for the district by the state board under the  
22 provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto;

23 (C) for any district that was not authorized to adopt a local option  
24 budget in the 1996-97 school year and to which the provisions of K.S.A.  
25 2000 Supp. 72-6444, and amendments thereto, apply in the current  
26 school year, a percentage in the 1997-98 school year that is equal to 20%  
27 of the percentage computed for the district by the state board under the  
28 provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, a  
29 percentage in the 1998-99 school year that is equal to the sum of the  
30 percentage of the amount of state financial aid the district was authorized  
31 to budget in the preceding school year and 40% of the percentage com-  
32 puted for the district by the state board under the provisions of K.S.A.  
33 2000 Supp. 72-6444, and amendments thereto, a percentage in the 1999-  
34 2000 school year that is equal to the sum of the percentage of the amount  
35 of state financial aid the district was authorized to budget in the preceding  
36 school year and 60% of the percentage computed for the district by the  
37 state board under the provisions of K.S.A. 2000 Supp. 72-6444, and  
38 amendments thereto, a percentage in the 2000-01 school year that is  
39 equal to the sum of the percentage of the amount of state financial aid  
40 the district was authorized to budget in the preceding school year and  
41 80% of the percentage computed for the district by the state board under  
42 the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto,  
43 a percentage in the 2001-02 school year, and each school year thereafter,

1 that is equal to the sum of the percentage of the amount of state financial  
2 aid the district was authorized to budget in the preceding school year and  
3 the percentage computed for the district by the state board under the  
4 provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto;

5 (D) for any district to which the provisions of K.S.A. 2000 Supp. 72-  
6 6444, and amendments thereto, applied in the 1997-98 school year and  
7 to which the provisions of K.S.A. 2000 Supp. 72-6444, and amendments  
8 thereto, do not apply in the current school year, ~~commencing with the~~  
9 ~~1998-99 school year~~, because an increase in the amount budgeted by the  
10 district in its local option budget as authorized by a resolution adopted  
11 under the provisions of subsection (b) causes the actual amount per pupil  
12 budgeted by the district in the preceding school year as determined for  
13 the district under provision (1) of subsection (a) of K.S.A. 2000 Supp. 72-  
14 6444, and amendments thereto, to equal or exceed the average amount  
15 per pupil of general fund budgets and local option budgets computed by  
16 the state board under whichever of the provisions (7) through (10) of  
17 subsection (a) of K.S.A. 2000 Supp. 72-6444, and amendments thereto,  
18 is applicable to the district's enrollment group, a percentage that is equal  
19 to the percentage of the amount of state financial aid the district was  
20 authorized to budget in the preceding school year if the resolution au-  
21 thorized the district to increase its local option budget on a continuous  
22 and permanent basis. If the resolution that authorized the district to in-  
23 crease its local option budget specified a definite period of time for which  
24 the district would retain its authority to increase the local option budget  
25 and such authority lapses at the conclusion of such period and is not  
26 renewed, the term district prescribed percentage means a percentage that  
27 is equal to the percentage of the amount of state financial aid the district  
28 was authorized to budget in the preceding school year less the percentage  
29 of increase that was authorized by the resolution unless the loss of the  
30 percentage of increase that was authorized by the resolution would cause  
31 the actual amount per pupil budgeted by the district to be less than the  
32 average amount per pupil of general fund budgets and local option bud-  
33 gets computed by the state board under whichever of the provisions (7)  
34 through (10) of subsection (a) of K.S.A. 2000 Supp. 72-6444, and amend-  
35 ments thereto, is applicable to the district's enrollment group, in which  
36 case, the term district prescribed percentage means a percentage that is  
37 equal to the percentage of the amount of state financial aid the district  
38 was authorized to budget in the preceding school year less the percentage  
39 of increase that was authorized by the resolution plus a percentage which  
40 shall be computed for the district by the state board in accordance with  
41 the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto,  
42 except that, in making the determination of the actual amount per pupil  
43 budgeted by the district in the preceding school year, the state board shall

1 exclude the percentage of increase that was authorized by the resolution.

2 (2) (A) Subject to the provisions of subpart (B), the adoption of a  
3 local option budget under authority of this subsection shall require a  
4 majority vote of the members of the board and shall require no other  
5 procedure, authorization or approval.

6 (B) In lieu of utilizing the authority granted by subpart (A) for adop-  
7 tion of a local option budget, the board of a district may pass a resolution  
8 authorizing adoption of such a budget and publish such resolution once  
9 in a newspaper having general circulation in the district. The resolution  
10 shall be published in substantial compliance with the following form:

11 Unified School District No. \_\_\_\_\_,

\_\_\_\_\_ County, Kansas.

13 RESOLUTION

14 Be It Resolved that:

15 The board of education of the above-named school district shall be authorized to adopt  
16 a local option budget in each school year for a period of time not to exceed \_\_\_\_\_ years  
17 in an amount not to exceed \_\_\_\_\_% of the amount of state financial aid determined for  
18 the current school year. The local option budget authorized by this resolution may be  
19 adopted, unless a petition in opposition to the same, signed by not less than 5% of the  
20 qualified electors of the school district, is filed with the county election officer of the home  
21 county of the school district within 30 days after publication of this resolution. In the event  
22 a petition is filed, the county election officer shall submit the question of whether adoption  
23 of the local option budget shall be authorized to the electors of the school district at an  
24 election called for the purpose or at the next general election, as is specified by the board  
25 of education of the school district.

26 CERTIFICATE

27 This is to certify that the above resolution was duly adopted by the board of education of  
28 Unified School District No. \_\_\_\_\_, \_\_\_\_\_ County, Kansas, on the \_\_\_\_\_  
29 day of \_\_\_\_\_, ~~19~~ \_\_\_\_\_.

30 \_\_\_\_\_  
31 Clerk of the board of education.

32 All of the blanks in the resolution shall be appropriately filled. The  
33 blank preceding the word "years" shall be filled with a specific number,  
34 and the blank preceding the percentage symbol shall be filled with a  
35 specific number. No word shall be inserted in either of the blanks. The  
36 percentage specified in the resolution shall not exceed the district pre-  
37 scribed percentage. The resolution shall be published once in a news-  
38 paper having general circulation in the school district. If no petition as  
39 specified above is filed in accordance with the provisions of the resolution,  
40 the board may adopt a local option budget. If a petition is filed as provided  
41 in the resolution, the board may notify the county election officer of the  
42 date of an election to be held to submit the question of whether adoption  
43 of a local option budget shall be authorized. If the board fails to notify

1 the county election officer within 30 days after a petition is filed, the  
2 resolution shall be deemed abandoned and no like resolution shall be  
3 adopted by the board within the nine months following publication of the  
4 resolution. If any district is authorized to adopt a local option budget  
5 under this subpart, but the board of such district chooses, in any school  
6 year, not to adopt such a budget or chooses, in any school year, to adopt  
7 such budget in an amount less than the amount of the district prescribed  
8 percentage of the amount of state financial aid in any school year, such  
9 board of education may so choose. If the board of any district refrains  
10 from adopting a local option budget in any one or more school years or  
11 refrains from budgeting the total amount authorized for any one or more  
12 school years, the authority of such district to adopt a local option budget  
13 shall not be extended by such refrainment beyond the period specified  
14 in the resolution authorizing adoption of such budget, nor shall the  
15 amount authorized to be budgeted in any succeeding school year be in-  
16 creased by such refrainment. Whenever an initial resolution has been  
17 adopted under this subpart, and such resolution specified a lesser per-  
18 centage than the district prescribed percentage, the board of the district  
19 may adopt one or more subsequent resolutions under the same procedure  
20 as provided for the initial resolution and subject to the same conditions,  
21 and shall be authorized to increase the percentage as specified in any  
22 such subsequent resolution for the remainder of the period of time spec-  
23 ified in the initial resolution. Any percentage specified in a subsequent  
24 resolution or in subsequent resolutions shall be limited so that the sum  
25 of the percentage authorized in the initial resolution and the percentage  
26 authorized in the subsequent resolution or in subsequent resolutions is  
27 not in excess of the district prescribed percentage in any school year. The  
28 board of any district that has been authorized to adopt a local option  
29 budget under this subpart and levied a tax under authority of K.S.A. 72-  
30 6435, and amendments thereto, may initiate, at any time after the final  
31 levy is certified to the county clerk under any current authorization, pro-  
32 cedures to renew its authority to adopt a local option budget in the man-  
33 ner specified in this subpart or may utilize the authority granted by sub-  
34 part (A). As used in this subpart, the term “authorized to adopt a local  
35 option budget” means that a district has adopted a resolution under this  
36 subpart, has published the same, and either that the resolution was not  
37 protested or that it was protested and an election was held by which the  
38 adoption of a local option budget was approved.

39 (3) The provisions of this subsection are subject to the provisions of  
40 subsections (b) and (c).

41 (b) (1) The board of any district that adopts a local option budget  
42 under subsection (a) may increase the amount of such budget in each  
43 school year, ~~commencing with the 1997-98 school year,~~ in an amount

1 which together with the percentage of the amount of state financial aid  
2 budgeted under subsection (a) does not exceed the state prescribed per-  
3 centage of the amount of state financial aid determined for the district in  
4 the school year if the board of the district determines that an increase in  
5 such budget would be in the best interests of the district.

6 (2) No district may increase a local option budget under authority of  
7 this subsection until: (A) A resolution authorizing such an increase is  
8 passed by the board and published once in a newspaper having general  
9 circulation in the district; or (B) the question of whether the board shall  
10 be authorized to increase the local option budget has been submitted to  
11 and approved by the qualified electors of the district at a special election  
12 called for the purpose. Any such election shall be noticed, called and held  
13 in the manner provided by K.S.A. 10-120, and amendments thereto, for  
14 the noticing, calling and holding of elections upon the question of issuing  
15 bonds under the general bond law. The notice of such election shall state  
16 the purpose for and time of the election, and the ballot shall be designed  
17 with the question of whether the board of education of the district shall  
18 be continuously and permanently authorized to increase the local option  
19 budget of the district in each school year by a percentage which together  
20 with the percentage of the amount of state financial aid budgeted under  
21 subsection (a) does not exceed the state prescribed percentage in any  
22 school year. If a majority of the qualified electors voting at the election  
23 approve authorization of the board to increase the local option budget,  
24 the board shall have such authority. If a majority of the qualified electors  
25 voting at the election are opposed to authorization of the board to increase  
26 the local option budget, the board shall not have such authority and no  
27 like question shall be submitted to the qualified electors of the district  
28 within the nine months following the election.

29 (3) (A) Subject to the provisions of subpart (B), a resolution author-  
30 izing an increase in the local option budget of a district shall state that  
31 the board of education of the district shall be authorized to increase the  
32 local option budget of the district in each school year in an amount not  
33 to exceed \_\_\_\_\_% of the amount of state financial aid determined for  
34 the current school year and that the percentage of increase may be re-  
35 duced so that the sum of the percentage of the amount of state financial  
36 aid budgeted under subsection (a) and the percentage of increase spec-  
37 ified in the resolution does not exceed the state prescribed percentage in  
38 any school year. The blank preceding the percentage symbol shall be filled  
39 with a specific number. No word shall be inserted in the blank. The  
40 resolution shall specify a definite period of time for which the board shall  
41 be authorized to increase the local option budget and such period of time  
42 shall be expressed by the specific number of school years for which the  
43 board shall retain its authority to increase the local option budget. No

1 word shall be used to express the number of years for which the board  
2 shall be authorized to increase the local option budget.

3 (B) In lieu of the requirements of subpart (A) and at the discretion  
4 of the board, a resolution authorizing an increase in the local option  
5 budget of a district may state that the board of education of the district  
6 shall be continuously and permanently authorized to increase the local  
7 option budget of the district in each school year by a percentage which  
8 together with the percentage of the amount of state financial aid budgeted  
9 under subsection (a) does not exceed the state prescribed percentage in  
10 any school year.

11 (4) A resolution authorizing an increase in the local option budget of  
12 a district shall state that the amount of the local option budget may be  
13 increased as authorized by the resolution unless a petition in opposition  
14 to such increase, signed by not less than 5% of the qualified electors of  
15 the school district, is filed with the county election officer of the home  
16 county of the school district within 30 days after publication. If no petition  
17 is filed in accordance with the provisions of the resolution, the board is  
18 authorized to increase the local option budget of the district. If a petition  
19 is filed as provided in the resolution, the board may notify the county  
20 election officer of the date of an election to be held to submit the question  
21 of whether the board shall be authorized to increase the local option  
22 budget of the district. If the board fails to notify the county election officer  
23 within 30 days after a petition is filed, the resolution shall be deemed  
24 abandoned and no like resolution shall be adopted by the board within  
25 the nine months following publication of the resolution.

26 (5) The requirements of provision (2) do not apply to any district that  
27 is continuously and permanently authorized to increase the local option  
28 budget of the district. An increase in the amount of a local option budget  
29 by such a district shall require a majority vote of the members of the  
30 board and shall require no other procedure, authorization or approval.

31 (6) If any district is authorized to increase a local option budget, but  
32 the board of such district chooses, in any school year, not to adopt or  
33 increase such budget or chooses, in any school year, to adopt or increase  
34 such budget in an amount less than the amount authorized, such board  
35 of education may so choose. If the board of any district refrains from  
36 adopting or increasing a local option budget in any one or more school  
37 years or refrains from budgeting the total amount authorized for any one  
38 or more school years, the amount authorized to be budgeted in any suc-  
39 ceeding school year shall not be increased by such refrainment, nor shall  
40 the authority of the district to increase its local option budget be extended  
41 by such refrainment beyond the period of time specified in the resolution  
42 authorizing an increase in the local option budget if the resolution spec-  
43 ified such a period of time.

1 (7) Whenever an initial resolution has been adopted under this sub-  
2 section, and such resolution specified a percentage which together with  
3 the percentage of the amount of state financial aid budgeted under sub-  
4 section (a) is less than the state prescribed percentage, the board of the  
5 district may adopt one or more subsequent resolutions under the same  
6 procedure as provided for the initial resolution and shall be authorized  
7 to increase the percentage as specified in any such subsequent resolution.  
8 If the initial resolution specified a definite period of time for which the  
9 district is authorized to increase its local option budget, the authority to  
10 increase such budget by the percentage specified in any subsequent res-  
11 olution shall be limited to the remainder of the period of time specified  
12 in the initial resolution. Any percentage specified in a subsequent reso-  
13 lution or in subsequent resolutions shall be limited so that the sum of the  
14 percentage authorized in the initial resolution and the percentage au-  
15 thorized in the subsequent resolution or in subsequent resolutions to-  
16 gether with the percentage of the amount of state financial aid budgeted  
17 under subsection (a) is not in excess of the state prescribed percentage  
18 in any school year.

19 (8) (A) Subject to the provisions of subpart (B), the board of any  
20 district that has adopted a local option budget under subsection (a), has  
21 been authorized to increase such budget under a resolution which spec-  
22 ified a definite period of time for retention of such authorization, and has  
23 levied a tax under authority of K.S.A. 72-6435, and amendments thereto,  
24 may initiate, at any time after the final levy is certified to the county clerk  
25 under any current authorization, procedures to renew the authority to  
26 increase the local option budget subject to the conditions and in the  
27 manner specified in provisions (2) and (3) of this subsection.

28 (B) The provisions of subpart (A) do not apply to the board of any  
29 district that is continuously and permanently authorized to increase the  
30 local option budget of the district.

31 (9) As used in this subsection:

32 (A) "Authorized to increase a local option budget" means either that  
33 a district has held a special election under provision (2)(B) by which au-  
34 thority of the board to increase a local option budget was approved, or  
35 that a district has adopted a resolution under provision (2) (A), has pub-  
36 lished the same, and either that the resolution was not protested or that  
37 it was protested and an election was held by which the authority of the  
38 board to increase a local option budget was approved.

39 (B) "State prescribed percentage" means ~~25%~~ 30%.

40 (c) To the extent the provisions of the foregoing subsections conflict  
41 with this subsection, this subsection shall control. Any district that is au-  
42 thorized to adopt a local option budget in the 1997-98 school year under  
43 a resolution which authorized the adoption of such budget in accordance



1 with the provisions of this section prior to its amendment by this act may  
2 continue to operate under such resolution for the period of time specified  
3 in the resolution or may abandon the resolution and operate under the  
4 provisions of this section as amended by this act. Any such district shall  
5 operate under the provisions of this section as amended by this act after  
6 the period of time specified in the resolution has expired.

7 (d) (1) There is hereby established in every district that adopts a local  
8 option budget a fund which shall be called the supplemental general fund.  
9 The fund shall consist of all amounts deposited therein or credited thereto  
10 according to law.

11 (2) Subject to the limitation imposed under provision (3), amounts in  
12 the supplemental general fund may be expended for any purpose for  
13 which expenditures from the general fund are authorized or may be trans-  
14 ferred to the general fund of the district or to any program weighted fund  
15 or categorical fund of the district.

16 (3) Amounts in the supplemental general fund may not be expended  
17 nor transferred to the general fund of the district for the purpose of  
18 making payments under any lease-purchase agreement involving the ac-  
19 quisition of land or buildings which is entered into pursuant to the pro-  
20 visions of K.S.A. 72-8225, and amendments thereto.

21 (4) Any unexpended and unencumbered cash balance remaining in  
22 the supplemental general fund of a district at the conclusion of any school  
23 year in which a local option budget is adopted shall be disposed of as  
24 provided in this subsection. If the district did not receive supplemental  
25 general state aid in the school year and the board of the district deter-  
26 mines that it will be necessary to adopt a local option budget in the en-  
27 suing school year, the total amount of the cash balance remaining in the  
28 supplemental general fund shall be maintained in such fund or trans-  
29 ferred to the general fund of the district. If the board of such a district  
30 determines that it will not be necessary to adopt a local option budget in  
31 the ensuing school year, the total amount of the cash balance remaining  
32 in the supplemental general fund shall be transferred to the general fund  
33 of the district. If the district received supplemental general state aid in  
34 the school year, transferred or expended the entire amount budgeted in  
35 the local option budget for the school year, and determines that it will be  
36 necessary to adopt a local option budget in the ensuing school year, the  
37 total amount of the cash balance remaining in the supplemental general  
38 fund shall be maintained in such fund or transferred to the general fund  
39 of the district. If such a district determines that it will not be necessary  
40 to adopt a local option budget in the ensuing school year, the total amount  
41 of the cash balance remaining in the supplemental general fund shall be  
42 transferred to the general fund of the district. If the district received  
43 supplemental general state aid in the school year, did not transfer or

1 expend the entire amount budgeted in the local option budget for the  
2 school year, and determines that it will not be necessary to adopt a local  
3 option budget in the ensuing school year, the total amount of the cash  
4 balance remaining in the supplemental general fund shall be transferred  
5 to the general fund of the district. If the district received supplemental  
6 general state aid in the school year, did not transfer or expend the entire  
7 amount budgeted in the local option budget for the school year, and  
8 determines that it will be necessary to adopt a local option budget in the  
9 ensuing school year, the state board shall determine the ratio of the  
10 amount of supplemental general state aid received to the amount of the  
11 local option budget of the district for the school year and multiply the  
12 total amount of the cash balance remaining in the supplemental general  
13 fund by such ratio. An amount equal to the amount of the product shall  
14 be transferred to the general fund of the district. The amount remaining  
15 in the supplemental general fund may be maintained in such fund or  
16 transferred to the general fund of the district.

17 Sec. 2. K.S.A. 2000 Supp. 72-6433 is hereby repealed.

18 Sec. 3. This act shall take effect and be in force from and after its  
19 publication in the statute book.

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