

SENATE BILL No. 234

By Senator Vratil

2-5

AN ACT concerning school district finance; relating to local option budgets; affecting the definitions of state prescribed percentage and district 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~~

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

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

1 a percentage in the 2001-02 school year, and each school year thereafter,
2 that is equal to the sum of the percentage of the amount of state financial
3 aid the district was authorized to budget in the preceding school year and
4 the percentage computed for the district by the state board under the
5 provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto;

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

1 budgeted by the district in the preceding school year, the state board shall
2 exclude the percentage of increase that was authorized by the resolution.

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

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

12 Unified School District No. _____,
13 _____ County, Kansas.

14 RESOLUTION

15 Be It Resolved that:

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

27 CERTIFICATE

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

31 _____
32 Clerk of the board of education.

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

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

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

43 (b) (1) The board of any district that adopts a local option budget

1 under subsection (a) may increase the amount of such budget in each
2 school year, ~~commencing with the 1997-98 school year~~, in an amount
3 which together with the percentage of the amount of state financial aid
4 budgeted under subsection (a) does not exceed the state prescribed per-
5 centage of the amount of state financial aid determined for the district in
6 the school year if the board of the district determines that an increase in
7 such budget would be in the best interests of the district.

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

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

1 shall be expressed by the specific number of school years for which the
2 board shall retain its authority to increase the local option budget. No
3 word shall be used to express the number of years for which the board
4 shall be authorized to increase the local option budget.

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

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

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

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

1 authorizing an increase in the local option budget if the resolution spec-
2 ified such a period of time.

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

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

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

33 (9) As used in this subsection:

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

41 (B) "State prescribed percentage" means 25%.

42 (c) To the extent the provisions of the foregoing subsections conflict
43 with this subsection, this subsection shall control. Any district that is au-

1 thorized to adopt a local option budget in the 1997-98 school year under
2 a resolution which authorized the adoption of such budget in accordance
3 with the provisions of this section prior to its amendment by this act may
4 continue to operate under such resolution for the period of time specified
5 in the resolution or may abandon the resolution and operate under the
6 provisions of this section as amended by this act. Any such district shall
7 operate under the provisions of this section as amended by this act after
8 the period of time specified in the resolution has expired.

9 *(d) (1) To the extent the provisions of the foregoing subsections con-*
10 *lict with this subsection, this subsection shall control.*

11 *(2) In each school year for which the amount of the appropriation*
12 *from the state general fund for general state aid is insufficient to provide*
13 *for an increase in base state aid per pupil by a percentage equal to the*
14 *percentage increase in the CPI (Urban) from the calendar year in which*
15 *the second preceding school year ended to the calendar year in which the*
16 *preceding school year commenced, the terms "state prescribed percent-*
17 *age" and "district prescribed percentage" mean a percentage determined*
18 *by the state board under provision (3) for each district to which the pro-*
19 *visions of this subsection apply. The provisions of this subsection apply*
20 *to (A) any district that has adopted a local option budget, is authorized*
21 *to budget therein an amount equal to the state prescribed percentage of*
22 *the amount of state financial aid determined for the district in the school*
23 *year, and has budgeted the total amount authorized, and (B) any district*
24 *that has adopted a local option budget, is authorized to budget therein an*
25 *amount equal to a district prescribed percentage that is less than the state*
26 *prescribed percentage of the amount of state financial aid determined for*
27 *the district in the school year, and has budgeted the total amount au-*
28 *thorized.*

29 *(3) For the purpose of determining the state prescribed percentage or*
30 *the district prescribed percentage, as applicable, for any district to which*
31 *the provisions of this subsection apply, the state board shall (A) determine*
32 *the amount of increase in base state aid per pupil for the school year, (B)*
33 *determine the amount of base state aid per pupil for the school year if*
34 *such amount had been increased by a percentage equal to the percentage*
35 *increase in the CPI (Urban) from the calendar year in which the second*
36 *preceding school year ended to the calendar year in which the preceding*
37 *school year commenced, (C) subtract the amount determined under (A)*
38 *from the amount determined under (B) and multiply the remainder by*
39 *enrollment of the district for the school year, (D) compute a percentage*
40 *of increase in the local option budget of the district which is necessary to*
41 *produce an amount equal to the product obtained under (C). The state*
42 *prescribed percentage for any district to which provision (2)(A) applies*
43 *is 25% increased by the percentage computed under this subpart. The*

1 *district prescribed percentage for any district to which provision (2)(B)*
2 *applies is the percentage the district is authorized to budget in its local*
3 *option budget for the school year increased by the percentage computed*
4 *under this subpart.*

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

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

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

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

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

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

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

18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43