

HOUSE BILL No. 2941

By Representatives DiVita, Benlon, Cook, Cox, Lightner, Merrick, Judy Morrison, Newton, Owens, Patterson, Ray, Tomlinson and Toplikar

2-13

AN ACT concerning school district finance; relating to local option budgets; revising the definition of state prescribed percentage; amending K.S.A. 2001 Supp. 72-6433 and repealing the existing section; also repealing K.S.A. 2000 Supp. 72-6444.

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

New Section 1. Each school district shall report financial data, including the district budget, on a standard form established by the state board of education.

Sec. 2. K.S.A. 2001 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. 2001 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;

1 (B) for any district that was authorized to adopt and that adopted a
2 local option budget in the 1996-97 school year and to which the provisions
3 of K.S.A. 2001 Supp. 72-6444, and amendments thereto, apply in the
4 current school year, a percentage in the ~~1997-98 school year that is equal~~
5 ~~to the sum of the percentage of the amount of state financial aid the~~
6 ~~district was authorized to budget in the preceding school year and 20%~~
7 ~~of the percentage computed for the district by the state board under the~~
8 ~~provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a~~
9 ~~percentage in the 1998-99 school year that is equal to the sum of the~~
10 ~~percentage of the amount of state financial aid the district was authorized~~
11 ~~to budget in the preceding school year and 40% of the percentage com-~~
12 ~~puted for the district by the state board under the provisions of K.S.A.~~
13 ~~2001 Supp. 72-6444, and amendments thereto, a percentage in the 1999-~~
14 ~~2000 school year that is equal to the sum of the percentage of the amount~~
15 ~~of state financial aid the district was authorized to budget in the preceding~~
16 ~~school year and 60% of the percentage computed for the district by the~~
17 ~~state board under the provisions of K.S.A. 2001 Supp. 72-6444, and~~
18 ~~amendments thereto, a percentage in the 2000-01 school year that is~~
19 ~~equal to the sum of the percentage of the amount of state financial aid~~
20 ~~the district was authorized to budget in the preceding school year and~~
21 ~~80% of the percentage computed for the district by the state board under~~
22 ~~the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto,~~
23 ~~a percentage in the 2001-02 school year and each school year thereafter~~
24 ~~that is equal to the sum of the percentage of the amount of state financial~~
25 ~~aid the district was authorized to budget in the preceding school year and~~
26 ~~the percentage computed for the district by the state board under the~~
27 ~~provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto;~~

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

1 equal to the sum of the percentage of the amount of state financial aid
2 the district was authorized to budget in the preceding school year and
3 80% of the percentage computed for the district by the state board under
4 the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto,
5 a percentage in the 2001-02 school year and each school year thereafter
6 that is equal to the sum of the percentage of the amount of state financial
7 aid the district was authorized to budget in the preceding school year and
8 the percentage computed for the district by the state board under the
9 provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto;

10 (D) for any district to which the provisions of K.S.A. 2001 Supp. 72-
11 6444, and amendments thereto, applied in the 1997-98 school year and
12 to which the provisions of K.S.A. 2001 Supp. 72-6444, and amendments
13 thereto, do not apply in the current school year, ~~commencing with the~~
14 ~~1998-99 school year~~, because an increase in the amount budgeted by the
15 district in its local option budget as authorized by a resolution adopted
16 under the provisions of subsection (b) causes the actual amount per pupil
17 budgeted by the district in the preceding school year as determined for
18 the district under provision (1) of subsection (a) of K.S.A. 2001 Supp. 72-
19 6444, and amendments thereto, to equal or exceed the average amount
20 per pupil of general fund budgets and local option budgets computed by
21 the state board under whichever of the provisions (7) through (10) of
22 subsection (a) of K.S.A. 2001 Supp. 72-6444, and amendments thereto,
23 is applicable to the district's enrollment group, a percentage that is equal
24 to the percentage of the amount of state financial aid the district was
25 authorized to budget in the preceding school year if the resolution au-
26 thorized the district to increase its local option budget on a continuous
27 and permanent basis. If the resolution that authorized the district to in-
28 crease its local option budget specified a definite period of time for which
29 the district would retain its authority to increase the local option budget
30 and such authority lapses at the conclusion of such period and is not
31 renewed, the term district prescribed percentage means a percentage that
32 is equal to the percentage of the amount of state financial aid the district
33 was authorized to budget in the preceding school year less the percentage
34 of increase that was authorized by the resolution unless the loss of the
35 percentage of increase that was authorized by the resolution would cause
36 the actual amount per pupil budgeted by the district to be less than the
37 average amount per pupil of general fund budgets and local option budg-
38 ets computed by the state board under whichever of the provisions (7)
39 through (10) of subsection (a) of K.S.A. 2001 Supp. 72-6444, and amend-
40 ments thereto, is applicable to the district's enrollment group, in which
41 case, the term district prescribed percentage means a percentage that is
42 equal to the percentage of the amount of state financial aid the district
43 was authorized to budget in the preceding school year less the percentage

1 of increase that was authorized by the resolution plus a percentage which
2 shall be computed for the district by the state board in accordance with
3 the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto,
4 except that, in making the determination of the actual amount per pupil
5 budgeted by the district in the preceding school year, the state board shall
6 exclude the percentage of increase that was authorized by the resolution.

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

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

16 Unified School District No. _____,
17 _____ County, Kansas.

18 RESOLUTION

19 Be It Resolved that:

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

31 CERTIFICATE

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

35 _____
36 Clerk of the board of education.

37 All of the blanks in the resolution shall be appropriately filled. The
38 blank preceding the word "years" shall be filled with a specific number,
39 and the blank preceding the percentage symbol shall be filled with a
40 specific number. No word shall be inserted in either of the blanks. The
41 percentage specified in the resolution shall not exceed the district pre-
42 scribed percentage. The resolution shall be published once in a news-
43 paper having general circulation in the school district. If no petition as

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

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

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

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

34 (3) (A) Subject to the provisions of subpart (B), a resolution author-
35 izing an increase in the local option budget of a district shall state that
36 the board of education of the district shall be authorized to increase the
37 local option budget of the district in each school year in an amount not
38 to exceed _____% of the amount of state financial aid deter-
39 mined or the current school year and that the percentage of increase may
40 be reduced so that the sum of the percentage of the amount of state
41 financial aid budgeted under subsection (a) and the percentage of in-
42 crease specified in the resolution does not exceed the state prescribed
43 percentage in any school year. The blank preceding the percentage sym-

1 bol shall be filled with a specific number. No word shall be inserted in
2 the blank. The resolution shall specify a definite period of time for which
3 the board shall be authorized to increase the local option budget and such
4 period of time shall be expressed by the specific number of school years
5 for which the board shall retain its authority to increase the local option
6 budget. No word shall be used to express the number of years for which
7 the board shall be authorized to increase the local option budget.

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

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

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

36 (6) If any district is authorized to increase a local option budget, but
37 the board of such district chooses, in any school year, not to adopt or
38 increase such budget or chooses, in any school year, to adopt or increase
39 such budget in an amount less than the amount authorized, such board
40 of education may so choose. If the board of any district refrains from
41 adopting or increasing a local option budget in any one or more school
42 years or refrains from budgeting the total amount authorized for any one
43 or more school years, the amount authorized to be budgeted in any suc-

1 ceeding school year shall not be increased by such refrainment, nor shall
2 the authority of the district to increase its local option budget be extended
3 by such refrainment beyond the period of time specified in the resolution
4 authorizing an increase in the local option budget if the resolution spec-
5 ified such a period of time.

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

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

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

36 (9) As used in this subsection:

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

1 (B) "State prescribed percentage" means ~~25%~~ 30% in the 2002-03
2 school year, 33% in the 2003-04 school year, and 35% in the 2004-05
3 school year.

4 (c) To the extent the provisions of the foregoing subsections conflict
5 with this subsection, this subsection shall control. Any district that is au-
6 thorized to adopt a local option budget in the 1997-98 school year under
7 a resolution which authorized the adoption of such budget in accordance
8 with the provisions of this section prior to its amendment by this act may
9 continue to operate under such resolution for the period of time specified
10 in the resolution or may abandon the resolution and operate under the
11 provisions of this section as amended by this act. Any such district shall
12 operate under the provisions of this section as amended by this act after
13 the period of time specified in the resolution has expired.

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

18 (2) Subject to the limitation imposed under provision (3), amounts in
19 the supplemental general fund may be expended for any purpose for
20 which expenditures from the general fund are authorized or may be trans-
21 ferred to the general fund of the district or to any program weighted fund
22 or categorical fund of the district.

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

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

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

24 *(e) The provisions of this section shall expire on June 30, 2005*

25 Sec. 3. K.S.A. 2001 Supp. 72-6433 is hereby repealed.

26 Sec. 4. On June 30, 2005, K.S.A. 2001 Supp. 72-6444 shall be and is
27 hereby repealed.

28 Sec. 5. This act shall take effect and be in force from and after its
29 publication in the statute book.

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