

1 **As Amended by House Committee**

2
3 **As Amended by Senate Committee**

4 *Session of 2002*

5
6 **SENATE BILL No. 409**

7
8 By Committee on Ways and Means

9
10 1-22

11
12 AN ACT concerning school districts; relating to school finance; pay-
13 **ments by school districts**; amending K.S.A. **12-105b** and 72-6405
14 and K.S.A. 2001 Supp. 72-6426, ~~72-6430~~ and ~~72-6433~~ and **72-8201**
15 and repealing the existing sections.

16
17 *Be it enacted by the Legislature of the State of Kansas:*

18 **Section 1. K.S.A. 12-105b is hereby amended to read as fol-**
19 **lows: 12-105b. (a) All claims against a municipality must be pre-**
20 **sented in writing with a full account of the items, and no claim**
21 **shall be allowed except in accordance with the provisions of this**
22 **section. A claim may be the usual statement of account of the ven-**
23 **dor or party rendering a service or other written statement show-**
24 **ing the required information.**

25 (b) Claims for salaries or wages of officers or employees need
26 not be signed by the officer or employee if a payroll claim is cer-
27 tified to by the administrative head of a department or group of
28 officers or employees or an authorized representative that the sal-
29 aries or wages stated therein were contracted or incurred for the
30 municipality under authority of law, that the amounts claimed are
31 correct, due and unpaid and that the amounts are due as salaries
32 and wages for services performed by the person named.

33 (c) No costs shall be recovered against a municipality in any
34 action brought against it for any claims allowed in part unless the
35 recovery shall be for a greater sum than the amount allowed, with
36 the interest due. Subject to the terms of applicable insurance con-
37 tracts, judgments and settlements obtained for claims recoverable
38 pursuant to the Kansas tort claims act shall be presented for pay-
39 ment in accordance with this section or in such manner as the
40 governing body may designate.

41 (d) Any person having a claim against a municipality which
42 could give rise to an action brought under the Kansas tort claims
43 act shall file a written notice as provided in this subsection before

1 commencing such action. The notice shall be filed with the clerk
2 or governing body of the municipality and shall contain the follow-
3 ing: (1) The name and address of the claimant and the name and
4 address of the claimant's attorney, if any; (2) a concise statement
5 of the factual basis of the claim, including the date, time, place and
6 circumstances of the act, omission or event complained of; (3) the
7 name and address of any public officer or employee involved, if
8 known; (4) a concise statement of the nature and the extent of the
9 injury claimed to have been suffered; and (5) a statement of the
10 amount of monetary damages that is being requested. In the filing
11 of a notice of claim, substantial compliance with the provisions and
12 requirements of this subsection shall constitute valid filing of a
13 claim. The contents of such notice shall not be admissible in any
14 subsequent action arising out of the claim. Once notice of the claim
15 is filed, no action shall be commenced until after the claimant has
16 received notice from the municipality that it has denied the claim
17 or until after 120 days has passed following the filing of the notice
18 of claim, whichever occurs first. A claim is deemed denied if the
19 municipality fails to approve the claim in its entirety within 120
20 days unless the interested parties have reached a settlement be-
21 fore the expiration of that period. No person may initiate an action
22 against a municipality unless the claim has been denied in whole
23 or part. Any action brought pursuant to the Kansas tort claims act
24 shall be commenced within the time period provided for in the
25 code of civil procedure or it shall be forever barred, except that,
26 if compliance with the provisions of this subsection would other-
27 wise result in the barring of an action, such time period shall be
28 extended by the time period required for compliance with the pro-
29 visions of this subsection.

30 (e) Claims against a municipality which provide for a discount
31 for early payment ~~or, provide for the assessment of a penalty for~~
32 ~~late payment or require action prior to the next board meeting~~ may be
33 authorized to be paid in advance of approval thereof by the gov-
34 erning body in accordance with the provisions of this subsection.
35 The governing body may designate and authorize one or more of
36 its officers or employees to pay any such claim made against the
37 municipality in advance of its presentation to and approval by the
38 governing body if payment of the amount of such claim is required
39 before the next scheduled regular meeting of the governing body
40 ~~in order for the municipality to benefit from the discount provided for~~
41 ~~early payment or to avoid assessment of the penalty for late payment.~~
42 Any officer or employee authorized to pay claims under this sub-
43 section shall keep an accurate record of all moneys paid and the

1 purpose for which expended, and shall submit the record to the
2 governing body at the next meeting thereof. Payments of claims
3 by an officer or employee of the municipality under authority of
4 this subsection are valid to the same extent as if the claims had
5 been approved and ordered to be paid by the governing body.

6 (f) When an employee is required to travel on behalf of a mu-
7 nicipality, the employee shall be entitled, upon complying with the
8 provisions of the municipality's policies and regulations on em-
9 ployee travel, to timely payment of subsistence allowances and re-
10 imbursement for transportation and other related travel expenses
11 incurred by the employee while on an approved travel status.
12 When reimbursement through the regular claims approval process
13 of the municipality will require more than 15 days from the date
14 the reimbursement claim is filed, the claim may be authorized to
15 be paid in advance of approval thereof by the governing body in
16 accordance with the provisions of this subsection. The governing
17 body may designate and authorize one or more of its officers or
18 employees to pay any such claim made against the municipality in
19 advance of its presentation to and approval by the governing body
20 if payment of the amount of such claim is required before the next
21 scheduled regular meeting of the governing body. Any officer or
22 employee authorized to pay claims under this subsection shall
23 keep an accurate record of all moneys paid and the purpose for
24 which expended, and shall submit the record to the governing
25 body at the next meeting thereof. Payments of claims by an officer
26 or employee of the municipality under authority of this subsection
27 are valid to the same extent as if the claims had been approved
28 and ordered to be paid by the governing body.

29 (g) Claims submitted by members of a municipality's self-in-
30 sured health plan may be authorized to be paid in advance of ap-
31 proval thereof by the governing body. Such claims shall be sub-
32 mitted to the administrative officer of such insurance plan.

33 (h) Claims against a school district for the purchase of food or
34 gasoline while students are on a co-curricular or extra-curricular
35 activity outside of the school boundaries may be paid in advance
36 of approval thereof by the governing body in accordance with the
37 provisions of this subsection. The governing body may designate
38 and authorize one or more of its officers or employees to pay any
39 such claim made against the school district in advance of its pres-
40 entation to and approval by the governing body.

41 (i) Except as otherwise provided, before any claim is presented
42 to the governing body or before any claim is paid by any officer
43 or employee of the municipality under subsection (e) or (f), it shall

1 **be audited by the clerk, secretary, manager, superintendent, fi-**
2 **nance committee or finance department or other officer or officers**
3 **charged by law to approve claims affecting the area of government**
4 **concerned in the claim, and thereby approved in whole or in part**
5 **as correct, due and unpaid.**

6 ~~Section 1.~~ **Sec. 2.** K.S.A. 72-6405 is hereby amended to read as fol-
7 lows: 72-6405. ~~(a)~~ K.S.A. 72-6405 through 72-6440, *K.S.A. 2001 Supp.*
8 *72-6441 through 72-6446, sections 5 and 6,* and amendments thereto,
9 shall be known and may be cited as the school district finance and quality
10 performance act.

11 ~~(b) The provisions of this section shall take effect and be in force~~
12 ~~from and after July 1, 1992.~~

13 **Sec. 2.** ~~3.~~ K.S.A. 2001 Supp. 72-6426 is hereby amended to read as
14 follows: 72-6426. (a) There is hereby established in every district a fund
15 which shall be called the contingency reserve fund, ~~which.~~ *Such* fund
16 shall consist of all moneys deposited therein or transferred thereto ac-
17 cording to law. The fund shall be maintained for payment of expenses of
18 a district attributable to financial contingencies ~~which were not antici-~~
19 ~~ipated at the time of adoption of the general fund budget as determined~~
20 ~~by the board.~~ Except as otherwise provided in subsection (b), at no time
21 in any school year shall the amount maintained in the fund exceed an
22 amount equal to 4% of the general fund budget of the district for the
23 school year.

24 (b) In any school year, if the amount in the contingency reserve fund
25 of a district is in excess of the amount authorized under subsection (a) to
26 be maintained in the fund, and if such excess amount is the result of a
27 reduction in the general fund budget of the district for the school year
28 because of a decrease in enrollment, the district may maintain the excess
29 amount in the fund until depletion of such excess amount by expenditure
30 from the fund for the purposes thereof.

31 **Sec. 4.** **K.S.A. 2001 Supp. 72-8201 is hereby amended to read**
32 **as follows: 72-8201. Each unified school district shall be designated**
33 **by the name and style of “unified school district No. _____ (the**
34 **number designated by the state board of education), _____**
35 **county (naming the home county of the unified school district),**
36 **state of Kansas,” and by such name may sue and be sued, execute**
37 **contracts and hold such real and personal property as it may ac-**
38 **quire. Every unified school district shall possess the usual powers**
39 **of a corporation for public purposes. The board of education of**
40 **every unified school district may delegate to the superintendent**
41 **of schools, or other employees of the district, the power to execute**
42 **contracts on behalf of the district for the purchase of goods and**
43 **services if the value of such goods or services is less than \$10,000.**

1 ~~Sec. 3.—K.S.A. 2001 Supp. 72-6430 is hereby amended to read as~~
2 ~~follows: 72-6430. Expenditures of a district for the following purposes are~~
3 ~~not operating expenses:~~

4 ~~—(a) Payments to another district in an adjustment of rights as provided~~
5 ~~in K.S.A. 72-6776, and amendments thereto, or upon transfer of territory~~
6 ~~as provided in K.S.A. 72-7105, 72-7106 or 72-7107, and amendments to~~
7 ~~such sections *thereto*, if paid from any fund other than the general fund.~~

8 ~~—(b) Payments to another district under K.S.A. 72-7105a, and amend-~~
9 ~~ments thereto.~~

10 ~~—(c) The maintenance of student activities which are reimbursed.~~

11 ~~—(d) Expenditures from any lawfully authorized fund of a district other~~
12 ~~than its general fund.~~

13 ~~—(e) The provision of educational services for pupils residing at the~~
14 ~~Flint Hills job corps center or for pupils confined in a juvenile detention~~
15 ~~facility for which the district is reimbursed by a grant of state moneys as~~
16 ~~provided in K.S.A. 2001 Supp. 72-8187, and amendments thereto. As~~
17 ~~used in this subsection, the term juvenile detention facility means any~~
18 ~~community juvenile corrections center or facility, the Forbes Juvenile~~
19 ~~Attention Facility, the Sappa Valley Youth Ranch of Oberlin, Salvation~~
20 ~~Army/Koch Center Youth Services, the Clarence M. Kelley Youth Center,~~
21 ~~the Clarence M. Kelley Transitional Living Center, Trego County Secure~~
22 ~~Care Center, St. Francis Academy at Atehison, St. Francis Academy at~~
23 ~~Ellsworth, St. Francis Academy at Salina, St. Francis Center at Salina,~~
24 ~~King's Achievement Center, and Liberty Juvenile Services and~~
25 ~~Treatment.~~

26 ~~—(f) Programs financed in part or in whole by federal funds which may~~
27 ~~be expended although not included in the budget of the district, excepting~~
28 ~~funds received under the provisions of title I of public law 874 (but not~~
29 ~~including in such exception amounts received for assistance in cases of~~
30 ~~major disaster and amounts received under the low-rent housing pro-~~
31 ~~gram), to the extent of the federal funds to be provided.~~

32 ~~—(g) Payments to redeem no-fund warrants issued pursuant to section~~
33 ~~5, and amendments thereto.~~

34 ~~Sec. 4.—K.S.A. 2001 Supp. 72-6433 is hereby amended to read as~~
35 ~~follows: 72-6433. (a) (1) The board of any district may adopt a local option~~
36 ~~budget in each school year, commencing with the 1997-98 school year,~~
37 ~~in an amount not to exceed an amount equal to the district prescribed~~
38 ~~percentage of the amount of state financial aid determined for the district~~
39 ~~in the school year. As used in this provision the term district prescribed~~
40 ~~percentage means:~~

41 ~~—(A) For any district that was authorized to adopt and that adopted a~~
42 ~~local option budget in the 1996-97 school year and to which the provisions~~
43 ~~of K.S.A. 2001 Supp. 72-6444, and amendments thereto, do not apply in~~

1 the current school year, a percentage in the 1997-98 school year that is
2 equal to the percentage specified in the resolution under which the dis-
3 trict was authorized to adopt a local option budget in the 1996-97 school
4 year, in the 1998-99 school year, a percentage that is equal to 95% of the
5 percentage specified in the resolution under which the district was au-
6 thorized to adopt a local option budget in the 1996-97 school year, in the
7 1999-2000 school year, a percentage that is equal to 90% of the percent-
8 age specified in the resolution under which the district was authorized to
9 adopt a local option budget in the 1996-97 school year, in the 2000-01
10 school year, a percentage that is equal to 85% of the percentage specified
11 in the resolution under which the district was authorized to adopt a local
12 option budget in the 1996-97 school year, in the 2001-02 school year and
13 in each school year thereafter, a percentage that is equal to 80% of the
14 percentage specified in the resolution under which the district was au-
15 thorized to adopt a local option budget in the 1996-97 school year;

16 —(B)— for any district that was authorized to adopt and that adopted a
17 local option budget in the 1996-97 school year and to which the provisions
18 of K.S.A. 2001 Supp. 72-6444, and amendments thereto, apply in the
19 current school year, a percentage in the 1997-98 school year that is equal
20 to the sum of the percentage of the amount of state financial aid the
21 district was authorized to budget in the preceding school year and 20%
22 of the percentage computed for the district by the state board under the
23 provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a
24 percentage in the 1998-99 school year that is equal to the sum of the
25 percentage of the amount of state financial aid the district was authorized
26 to budget in the preceding school year and 40% of the percentage com-
27 puted for the district by the state board under the provisions of K.S.A.
28 2001 Supp. 72-6444, and amendments thereto, a percentage in the 1999-
29 2000 school year that is equal to the sum of the percentage of the amount
30 of state financial aid the district was authorized to budget in the preceding
31 school year and 60% of the percentage computed for the district by the
32 state board under the provisions of K.S.A. 2001 Supp. 72-6444, and
33 amendments thereto, a percentage in the 2000-01 school year that is
34 equal to the sum of the percentage of the amount of state financial aid
35 the district was authorized to budget in the preceding school year and
36 80% of the percentage computed for the district by the state board under
37 the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto,
38 a percentage in the 2001-02 school year and each school year thereafter
39 that is equal to the sum of the percentage of the amount of state financial
40 aid the district was authorized to budget in the preceding school year and
41 the percentage computed for the district by the state board under the
42 provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto;

43 —(C)— for any district that was not authorized to adopt a local option

1 budget in the 1996-97 school year and to which the provisions of K.S.A.
2 2001 Supp. 72-6444, and amendments thereto, apply in the current
3 school year, a percentage in the 1997-98 school year that is equal to 20%
4 of the percentage computed for the district by the state board under the
5 provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a
6 percentage in the 1998-99 school year that is equal to the sum of the
7 percentage of the amount of state financial aid the district was authorized
8 to budget in the preceding school year and 40% of the percentage com-
9 puted for the district by the state board under the provisions of K.S.A.
10 2001 Supp. 72-6444, and amendments thereto, a percentage in the 1999-
11 2000 school year that is equal to the sum of the percentage of the amount
12 of state financial aid the district was authorized to budget in the preceding
13 school year and 60% of the percentage computed for the district by the
14 state board under the provisions of K.S.A. 2001 Supp. 72-6444, and
15 amendments thereto, a percentage in the 2000-01 school year that is
16 equal to the sum of the percentage of the amount of state financial aid
17 the district was authorized to budget in the preceding school year and
18 80% of the percentage computed for the district by the state board under
19 the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto,
20 a percentage in the 2001-02 school year and each school year thereafter
21 that is equal to the sum of the percentage of the amount of state financial
22 aid the district was authorized to budget in the preceding school year and
23 the percentage computed for the district by the state board under the
24 provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto;
25 —(D)— for any district to which the provisions of K.S.A. 2001 Supp. 72-
26 6444, and amendments thereto, applied in the 1997-98 school year and
27 to which the provisions of K.S.A. 2001 Supp. 72-6444, and amendments
28 thereto, do not apply in the current school year, commencing with the
29 1998-99 school year, because an increase in the amount budgeted by the
30 district in its local option budget as authorized by a resolution adopted
31 under the provisions of subsection (b) causes the actual amount per pupil
32 budgeted by the district in the preceding school year as determined for
33 the district under provision (1) of subsection (a) of K.S.A. 2001 Supp. 72-
34 6444, and amendments thereto, to equal or exceed the average amount
35 per pupil of general fund budgets and local option budgets computed by
36 the state board under whichever of the provisions (7) through (10) of
37 subsection (a) of K.S.A. 2001 Supp. 72-6444, and amendments thereto,
38 is applicable to the district's enrollment group, a percentage that is equal
39 to the percentage of the amount of state financial aid the district was
40 authorized to budget in the preceding school year if the resolution au-
41 thorized the district to increase its local option budget on a continuous
42 and permanent basis. If the resolution that authorized the district to in-
43 crease its local option budget specified a definite period of time for which

1 the district would retain its authority to increase the local option budget
 2 and such authority lapses at the conclusion of such period and is not
 3 renewed, the term district prescribed percentage means a percentage that
 4 is equal to the percentage of the amount of state financial aid the district
 5 was authorized to budget in the preceding school year less the percentage
 6 of increase that was authorized by the resolution unless the loss of the
 7 percentage of increase that was authorized by the resolution would cause
 8 the actual amount per pupil budgeted by the district to be less than the
 9 average amount per pupil of general fund budgets and local option bud-
 10 gets computed by the state board under whichever of the provisions (7)
 11 through (10) of subsection (a) of K.S.A. 2001 Supp. 72-6444, and amend-
 12 ments thereto, is applicable to the district's enrollment group, in which
 13 case, the term district prescribed percentage means a percentage that is
 14 equal to the percentage of the amount of state financial aid the district
 15 was authorized to budget in the preceding school year less the percentage
 16 of increase that was authorized by the resolution plus a percentage which
 17 shall be computed for the district by the state board in accordance with
 18 the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto,
 19 except that, in making the determination of the actual amount per pupil
 20 budgeted by the district in the preceding school year, the state board shall
 21 exclude the percentage of increase that was authorized by the resolution.

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

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

31 Unified School District No. _____,

32 _____ County, Kansas.

33 **RESOLUTION**

34 **Be It Resolved that:**

35 —The board of education of the above-named school district shall be
 36 authorized to adopt a local option budget in each school year for a period
 37 of time not to exceed _____ years in an amount not to exceed _____%
 38 of the amount of state financial aid determined for the current school
 39 year. The local option budget authorized by this resolution may be
 40 adopted, unless a petition in opposition to the same, signed by not less
 41 than 5% of the qualified electors of the school district, is filed with the
 42 county election officer of the home county of the school district within
 43 30 days after publication of this resolution. In the event a petition is filed,

1 the county election officer shall submit the question of whether adoption
2 of the local option budget shall be authorized to the electors of the school
3 district at an election called for the purpose or at the next general election,
4 as is specified by the board of education of the school district.

5 **CERTIFICATE**

6 —This is to certify that the above resolution was duly adopted by the
7 board of education of Unified School District No. _____,
8 County, Kansas, on the _____ day of _____, 19 20_____.

9 _____
10 Clerk of the board of education.

11 —All of the blanks in the resolution shall be appropriately filled. The
12 blank preceding the word “years” shall be filled with a specific number,
13 and the blank preceding the percentage symbol shall be filled with a
14 specific number. No word shall be inserted in either of the blanks. The
15 percentage specified in the resolution shall not exceed the district pre-
16 scribed percentage. The resolution shall be published once in a news-
17 paper having general circulation in the school district. If no petition as
18 specified above is filed in accordance with the provisions of the resolution,
19 the board may adopt a local option budget. If a petition is filed as provided
20 in the resolution, the board may notify the county election officer of the
21 date of an election to be held to submit the question of whether adoption
22 of a local option budget shall be authorized. If the board fails to notify
23 the county election officer within 30 days after a petition is filed, the
24 resolution shall be deemed abandoned and no like resolution shall be
25 adopted by the board within the nine months following publication of the
26 resolution. If any district is authorized to adopt a local option budget
27 under this subpart, but the board of such district chooses, in any school
28 year, not to adopt such a budget or chooses, in any school year, to adopt
29 such budget in an amount less than the amount of the district prescribed
30 percentage of the amount of state financial aid in any school year, such
31 board of education may so choose. If the board of any district refrains
32 from adopting a local option budget in any one or more school years or
33 refrains from budgeting the total amount authorized for any one or more
34 school years, the authority of such district to adopt a local option budget
35 shall not be extended by such refrainment beyond the period specified
36 in the resolution authorizing adoption of such budget, nor shall the
37 amount authorized to be budgeted in any succeeding school year be in-
38 creased by such refrainment. Whenever an initial resolution has been
39 adopted under this subpart, and such resolution specified a lesser per-
40 centage than the district prescribed percentage, the board of the district
41 may adopt one or more subsequent resolutions under the same procedure
42 as provided for the initial resolution and subject to the same conditions,
43 and shall be authorized to increase the percentage as specified in any

1 such subsequent resolution for the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent
2 resolution or in subsequent resolutions shall be limited so that the sum
3 of the percentage authorized in the initial resolution and the percentage
4 authorized in the subsequent resolution or in subsequent resolutions is
5 not in excess of the district prescribed percentage in any school year. The
6 board of any district that has been authorized to adopt a local option
7 budget under this subpart and levied a tax under authority of K.S.A. 72-
8 6435, and amendments thereto, may initiate, at any time after the final
9 levy is certified to the county clerk under any current authorization, pro-
10 ceedures to renew its authority to adopt a local option budget in the man-
11 ner specified in this subpart or may utilize the authority granted by sub-
12 part (A). As used in this subpart, the term “authorized to adopt a local
13 option budget” means that a district has adopted a resolution under this
14 subpart, has published the same, and either that the resolution was not
15 protested or that it was protested and an election was held by which the
16 adoption of a local option budget was approved.

17
18 —(3)—The provisions of this subsection are subject to the provisions of
19 subsections (b) and (c).

20 —(b)—*The provisions of this subsection (b) shall be subject to the pro-*
21 *visions of section 6, and amendments thereto.*

22 —(1)—The board of any district that adopts a local option budget under
23 subsection (a) may increase the amount of such budget in each school
24 year, commencing with the 1997-98 school year, in an amount which
25 together with the percentage of the amount of state financial aid budgeted
26 under subsection (a) does not exceed the state prescribed percentage of
27 the amount of state financial aid determined for the district in the school
28 year if the board of the district determines that an increase in such budget
29 would be in the best interests of the district.

30 —(2)—No district may increase a local option budget under authority of
31 this subsection until: (A) A resolution authorizing such an increase is
32 passed by the board and published once in a newspaper having general
33 circulation in the district; or (B) the question of whether the board shall
34 be authorized to increase the local option budget has been submitted to
35 and approved by the qualified electors of the district at a special election
36 called for the purpose. Any such election shall be noticed, called and held
37 in the manner provided by K.S.A. 10-120, and amendments thereto, for
38 the noticing, calling and holding of elections upon the question of issuing
39 bonds under the general bond law. The notice of such election shall state
40 the purpose for and time of the election, and the ballot shall be designed
41 with the question of whether the board of education of the district shall
42 be continuously and permanently authorized to increase the local option
43 budget of the district in each school year by a percentage which together

1 with the percentage of the amount of state financial aid budgeted under
2 subsection (a) does not exceed the state prescribed percentage in any
3 school year. If a majority of the qualified electors voting at the election
4 approve authorization of the board to increase the local option budget,
5 the board shall have such authority. If a majority of the qualified electors
6 voting at the election are opposed to authorization of the board to increase
7 the local option budget, the board shall not have such authority and no
8 like question shall be submitted to the qualified electors of the district
9 within the nine months following the election.

10 —(3) (A) Subject to the provisions of subpart (B), a resolution author-
11 izing an increase in the local option budget of a district shall state that
12 the board of education of the district shall be authorized to increase the
13 local option budget of the district in each school year in an amount not
14 to exceed _____% of the amount of state financial aid determined for
15 the current school year and that the percentage of increase may be re-
16 duced so that the sum of the percentage of the amount of state financial
17 aid budgeted under subsection (a) and the percentage of increase spec-
18 ified in the resolution does not exceed the state prescribed percentage in
19 any school year. The blank preceding the percentage symbol shall be filled
20 with a specific number. No word shall be inserted in the blank. The
21 resolution shall specify a definite period of time for which the board shall
22 be authorized to increase the local option budget and such period of time
23 shall be expressed by the specific number of school years for which the
24 board shall retain its authority to increase the local option budget. No
25 word shall be used to express the number of years for which the board
26 shall be authorized to increase the local option budget.

27 —(B) In lieu of the requirements of subpart (A) and at the discretion
28 of the board, a resolution authorizing an increase in the local option
29 budget of a district may state that the board of education of the district
30 shall be continuously and permanently authorized to increase the local
31 option budget of the district in each school year by a percentage which
32 together with the percentage of the amount of state financial aid budgeted
33 under subsection (a) does not exceed the state prescribed percentage in
34 any school year.

35 —(4) A resolution authorizing an increase in the local option budget of
36 a district shall state that the amount of the local option budget may be
37 increased as authorized by the resolution unless a petition in opposition
38 to such increase, signed by not less than 5% of the qualified electors of
39 the school district, is filed with the county election officer of the home
40 county of the school district within 30 days after publication. If no petition
41 is filed in accordance with the provisions of the resolution, the board is
42 authorized to increase the local option budget of the district. If a petition
43 is filed as provided in the resolution, the board may notify the county

1 election officer of the date of an election to be held to submit the question
2 of whether the board shall be authorized to increase the local option
3 budget of the district. If the board fails to notify the county election officer
4 within 30 days after a petition is filed, the resolution shall be deemed
5 abandoned and no like resolution shall be adopted by the board within
6 the nine months following publication of the resolution.

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

12 —(6)—If any district is authorized to increase a local option budget, but
13 the board of such district chooses, in any school year, not to adopt or
14 increase such budget or chooses, in any school year, to adopt or increase
15 such budget in an amount less than the amount authorized, such board
16 of education may so choose. If the board of any district refrains from
17 adopting or increasing a local option budget in any one or more school
18 years or refrains from budgeting the total amount authorized for any one
19 or more school years, the amount authorized to be budgeted in any suc-
20 ceeding school year shall not be increased by such refrainment, nor shall
21 the authority of the district to increase its local option budget be extended
22 by such refrainment beyond the period of time specified in the resolution
23 authorizing an increase in the local option budget if the resolution spec-
24 ified such a period of time.

25 —(7)—Whenever an initial resolution has been adopted under this sub-
26 section, and such resolution specified a percentage which together with
27 the percentage of the amount of state financial aid budgeted under sub-
28 section (a) is less than the state prescribed percentage, the board of the
29 district may adopt one or more subsequent resolutions under the same
30 procedure as provided for the initial resolution and shall be authorized
31 to increase the percentage as specified in any such subsequent resolution.
32 If the initial resolution specified a definite period of time for which the
33 district is authorized to increase its local option budget, the authority to
34 increase such budget by the percentage specified in any subsequent res-
35 olution shall be limited to the remainder of the period of time specified
36 in the initial resolution. Any percentage specified in a subsequent reso-
37 lution or in subsequent resolutions shall be limited so that the sum of the
38 percentage authorized in the initial resolution and the percentage au-
39 thorized in the subsequent resolution or in subsequent resolutions to-
40 gether with the percentage of the amount of state financial aid budgeted
41 under subsection (a) is not in excess of the state prescribed percentage
42 in any school year.

43 —(8) (A) Subject to the provisions of subpart (B), the board of any

1 district that has adopted a local option budget under subsection (a), has
2 been authorized to increase such budget under a resolution which spec-
3 ified a definite period of time for retention of such authorization, and has
4 levied a tax under authority of K.S.A. 72-6435, and amendments thereto,
5 may initiate, at any time after the final levy is certified to the county clerk
6 under any current authorization, procedures to renew the authority to
7 increase the local option budget subject to the conditions and in the
8 manner specified in provisions (2) and (3) of this subsection.

9 —(B)—The provisions of subpart (A) do not apply to the board of any
10 district that is continuously and permanently authorized to increase the
11 local option budget of the district.

12 —(9)—As used in this subsection:

13 —(A)—“Authorized to increase a local option budget” means either that
14 a district has held a special election under provision (2)(B) by which au-
15 thority of the board to increase a local option budget was approved, or
16 that a district has adopted a resolution under provision (2) (A), has pub-
17 lished the same, and either that the resolution was not protested or that
18 it was protested and an election was held by which the authority of the
19 board to increase a local option budget was approved.

20 —(B)—“State prescribed percentage” means 25%.

21 —(c)—To the extent the provisions of the foregoing subsections conflict
22 with this subsection, this subsection shall control. Any district that is au-
23 thorized to adopt a local option budget in the 1997-98 school year under
24 a resolution which authorized the adoption of such budget in accordance
25 with the provisions of this section prior to its amendment by this act may
26 continue to operate under such resolution for the period of time specified
27 in the resolution or may abandon the resolution and operate under the
28 provisions of this section as amended by this act. Any such district shall
29 operate under the provisions of this section as amended by this act after
30 the period of time specified in the resolution has expired.

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

35 —(2)—Subject to the limitation imposed under provision (3), amounts in
36 the supplemental general fund may be expended for any purpose for
37 which expenditures from the general fund are authorized or may be trans-
38 ferred to the general fund of the district or to any program weighted fund
39 or categorical fund of the district.

40 —(3)—Amounts in the supplemental general fund may not be expended
41 nor transferred to the general fund of the district for the purpose of
42 making payments under any lease-purchase agreement involving the ac-
43 quisition of land or buildings which is entered into pursuant to the pro-

1 visions of K.S.A. 72-8225, and amendments thereto.

2 ~~—(4) Any unexpended and unencumbered cash balance remaining in~~
3 ~~the supplemental general fund of a district at the conclusion of any school~~
4 ~~year in which a local option budget is adopted shall be disposed of as~~
5 ~~provided in this subsection. If the district did not receive supplemental~~
6 ~~general state aid in the school year and the board of the district deter-~~
7 ~~mines that it will be necessary to adopt a local option budget in the en-~~
8 ~~suuing school year, the total amount of the cash balance remaining in the~~
9 ~~supplemental general fund shall be maintained in such fund or trans-~~
10 ~~ferred to the general fund of the district. If the board of such a district~~
11 ~~determines that it will not be necessary to adopt a local option budget in~~
12 ~~the ensuing school year, the total amount of the cash balance remaining~~
13 ~~in the supplemental general fund shall be transferred to the general fund~~
14 ~~of the district. If the district received supplemental general state aid in~~
15 ~~the school year, transferred or expended the entire amount budgeted in~~
16 ~~the local option budget for the school year, and determines that it will be~~
17 ~~necessary to adopt a local option budget in the ensuing school year, the~~
18 ~~total amount of the cash balance remaining in the supplemental general~~
19 ~~fund shall be maintained in such fund or transferred to the general fund~~
20 ~~of the district. If such a district determines that it will not be necessary~~
21 ~~to adopt a local option budget in the ensuing school year, the total amount~~
22 ~~of the cash balance remaining in the supplemental general fund shall be~~
23 ~~transferred to the general fund of the district. If the district received~~
24 ~~supplemental general state aid in the school year, did not transfer or~~
25 ~~expend the entire amount budgeted in the local option budget for the~~
26 ~~school year, and determines that it will not be necessary to adopt a local~~
27 ~~option budget in the ensuing school year, the total amount of the cash~~
28 ~~balance remaining in the supplemental general fund shall be transferred~~
29 ~~to the general fund of the district. If the district received supplemental~~
30 ~~general state aid in the school year, did not transfer or expend the entire~~
31 ~~amount budgeted in the local option budget for the school year, and~~
32 ~~determines that it will be necessary to adopt a local option budget in the~~
33 ~~ensuing school year, the state board shall determine the ratio of the~~
34 ~~amount of supplemental general state aid received to the amount of the~~
35 ~~local option budget of the district for the school year and multiply the~~
36 ~~total amount of the cash balance remaining in the supplemental general~~
37 ~~fund by such ratio. An amount equal to the amount of the product shall~~
38 ~~be transferred to the general fund of the district. The amount remaining~~
39 ~~in the supplemental general fund may be maintained in such fund or~~
40 ~~transferred to the general fund of the district.~~

41 ~~— New Sec. 5.—(a) If base state aid per pupil is reduced during the 2001-~~
42 ~~2002 school year and if there are insufficient moneys in the contingency~~
43 ~~reserve fund of the district, the board of any school district may issue no-~~

1 fund warrants of the district during such school year. The amount of the
2 warrants shall not exceed the difference between the amount of the base
3 state aid per pupil if there had been no reduction, less the amount in the
4 contingency reserve fund, and the amount actually received. The sum of
5 the amount of no-fund warrants and moneys in the contingency reserve
6 fund may not exceed the amount prescribed in K.S.A. 72-6426, and
7 amendments thereto. Such no-fund warrants shall be issued in the man-
8 ner and form, bear interest and be redeemed as prescribed by K.S.A. 79-
9 2940, and amendments thereto, except that they may be issued without
10 the approval of the state board of tax appeals.

11 —Whenever no-fund warrants are issued under the authority of this sec-
12 tion, the board shall make a tax levy at the first tax levying period after
13 such warrants are issued, sufficient to pay such warrants and the interest
14 thereon. Such levy shall be in addition to all other levies authorized or
15 limited by law.

16 —(b) Moneys derived from the issuance of such no-fund warrants
17 which are not immediately needed shall be deposited in the general fund
18 of the district.

19 —(c) Moneys which are not immediately needed in any fund of the
20 district may be invested in such no-fund warrants.

21 —New Sec. 6. The board of any school district which has adopted a
22 local option budget pursuant to K.S.A. 72-6433, and amendments thereto,
23 for a school year during which the amount of the base state aid per pupil
24 is reduced pursuant to law, may expend all moneys as budgeted as if no
25 reduction in the amount of the base state aid per pupil had occurred in
26 that year.

27 —Sec. 7. K.S.A. 72-6405 and K.S.A. 2001 Supp. 72-6426, 72-6430 and
28 72-6433 are hereby repealed.

29 —Sec. 8. This act shall take effect and be in force from and after its
30 publication in the Kansas register.

31 ***Sec. 3. 5. K.S.A. 12-105b and 72-6405 and K.S.A. 2001 Supp.***
32 ***72-6426 and 72-8201 are hereby repealed.***

33 ***Sec. 4. 6. This act shall take effect and be in force from and***
34 ***after its publication in the statute book.***

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