

SENATE BILL No. 84

By Committee on Federal and State Affairs

1-28

AN ACT concerning school districts; relating to school finance; amend-
ing K.S.A. 72-6433 and repealing the existing section.

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

Section 1. K.S.A. 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 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 section, "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. 72-6444, and amendments thereto, do not apply in the current 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. 72-6444, and amendments thereto, apply in the current school year, a percentage ~~in the 2001-02 school year and each school year there-~~
~~after~~ that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

(C) for any district that was not authorized to adopt a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage ~~in the 2001-02 school year and each school year thereafter~~ that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

(D) for any district to which the provisions of K.S.A. 72-6444, and amendments thereto, applied in the 1997-98 school year and to which

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

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

42 (B) In lieu of utilizing the authority granted by subpart (A) for adop-
43 tion of a local option budget, the board of a district may pass a resolution

1 authorizing adoption of such a budget and publish such resolution once
2 in a newspaper having general circulation in the district. The resolution
3 shall be published in substantial compliance with the following form:

4 Unified School District No. _____,
5 _____ County, Kansas.

6 RESOLUTION

7 Be It Resolved that:

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

19 CERTIFICATE

20 This is to certify that the above resolution was duly adopted by the board of education of
21 Unified School District No. _____, _____ County, Kansas, on the _____ day of
22 _____, _____.

23 _____
24 Clerk of the board of education.

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

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

34 (b) The provisions of this subsection (b) shall be subject to the pro-
35 visions of K.S.A. ~~72-6433a~~ 72-6433b, and amendments thereto.

36 (1) The board of any district that adopts a local option budget under
37 subsection (a) may increase the amount of such budget in each school
38 year in an amount which together with the percentage of the amount of
39 state financial aid budgeted under subsection (a) does not exceed the state
40 prescribed percentage of the amount of state financial aid determined for
41 the district in the school year if the board of the district determines that
42 an increase in such budget would be in the best interests of the district.

43 (2) No district may increase a local option budget under authority of

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

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

40 (B) In lieu of the requirements of subpart (A) and at the discretion
41 of the board, a resolution authorizing an increase in the local option
42 budget of a district may state that the board of education of the district
43 shall be continuously and permanently authorized to increase the local

1 option budget of the district in each school year by a percentage which
2 together with the percentage of the amount of state financial aid budgeted
3 under subsection (a) does not exceed the state prescribed percentage in
4 any school year.

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

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

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

38 (7) Whenever an initial resolution has been adopted under this sub-
39 section, and such resolution specified a percentage which together with
40 the percentage of the amount of state financial aid budgeted under sub-
41 section (a) is less than the state prescribed percentage, the board of the
42 district may adopt one or more subsequent resolutions under the same
43 procedure as provided for the initial resolution and shall be authorized

1 to increase the percentage as specified in any such subsequent resolution.
2 If the initial resolution specified a definite period of time for which the
3 district is authorized to increase its local option budget, the authority to
4 increase such budget by the percentage specified in any subsequent res-
5 olution shall be limited to the remainder of the period of time specified
6 in the initial resolution. Any percentage specified in a subsequent reso-
7 lution or in subsequent resolutions shall be limited so that the sum of the
8 percentage authorized in the initial resolution and the percentage au-
9 thorized in the subsequent resolution or in subsequent resolutions to-
10 gether with the percentage of the amount of state financial aid budgeted
11 under subsection (a) is not in excess of the state prescribed percentage
12 in any school year.

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

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

25 (9) As used in this subsection:

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

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

34 (c) To the extent the provisions of the foregoing subsections conflict
35 with this subsection, this subsection shall control. Any district that is au-
36 thorized to adopt a local option budget in the 1997-98 school year under
37 a resolution which authorized the adoption of such budget in accordance
38 with the provisions of this section prior to its amendment by this act may
39 continue to operate under such resolution for the period of time specified
40 in the resolution or may abandon the resolution and operate under the
41 provisions of this section as amended by this act. Any such district shall
42 operate under the provisions of this section as amended by this act after
43 the period of time specified in the resolution has expired.

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

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

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

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

1 amount budgeted in the local option budget for the school year, and
2 determines that it will be necessary to adopt a local option budget in the
3 ensuing school year, the state board shall determine the ratio of the
4 amount of supplemental general state aid received to the amount of the
5 local option budget of the district for the school year and multiply the
6 total amount of the cash balance remaining in the supplemental general
7 fund by such ratio. An amount equal to the amount of the product shall
8 be transferred to the general fund of the district. The amount remaining
9 in the supplemental general fund may be maintained in such fund or
10 transferred to the general fund of the district.

11 New Sec. 2. (a) As used in this section:

12 (1) "School district" or "district" means a school district which has
13 adopted a local option budget in an amount which equals the state pre-
14 scribed percentage under K.S.A. 72-6433, and amendments thereto.

15 (2) "Supplemental general state aid" means state aid received under
16 K.S.A. 72-6434, and amendments thereto.

17 (b) The board of education of each school district may levy annually
18 an ad valorem tax on the taxable tangible property of the district for the
19 purpose of providing revenue for the enrichment fund of the district and
20 for the purpose of paying a portion of the principal and interest on bonds
21 issued by cities under authority of K.S.A. 12-1774, and amendments
22 thereto, for the financing of redevelopment projects upon property lo-
23 cated within the district. The revenue derived from the levy authorized
24 by this subsection shall not exceed 5% of the general fund budget of the
25 school district.

26 (c) The proceeds from the tax levied by a district under authority of
27 this section, except the proceeds of such tax levied for the purpose of
28 paying a portion of the principal and interest on bonds issued by cities
29 under authority of K.S.A. 12-1774, and amendments thereto, for the fi-
30 nancing of redevelopment projects upon property located within the dis-
31 trict, shall be deposited in the enrichment fund of the district.

32 (d) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
33 1964b, and amendments thereto.

34 (e) (1) There is hereby created in every school district an enrichment
35 fund. The fund shall consist of amounts deposited therein or credited
36 thereto according to law.

37 (2) Subject to the limitation imposed under provision (3), amounts in
38 the enrichment fund may be expended for any purpose for which ex-
39 penditures from the general fund are authorized or may be transferred
40 to the general fund of the district or to any program weighted fund or
41 categorical fund of the district.

42 (3) Amounts in the enrichment fund may not be expended nor trans-
43 ferred to the general fund of the district for the purpose of making pay-

1 ments under any lease-purchase agreement involving the acquisition of
2 land or buildings which is entered into pursuant to the provisions of
3 K.S.A. 72-8225, and amendments thereto.

4 (4) Any balance remaining in the enrichment fund at the end of the
5 budget year shall be carried forward into that fund for succeeding budget
6 years. Such fund shall not be subject to the provisions of K.S.A. 79-2925
7 through 79-2937, and amendments thereto. In preparing the budget of
8 such school district, the amounts credited to and the amount on hand in
9 the enrichment fund, and the amount expended therefrom shall be in-
10 cluded in the annual budget for the information of the residents of the
11 school district. Interest earned on the investment of moneys in any such
12 fund shall be credited to that fund.

13 Sec. 3. K.S.A. 72-6433 is hereby repealed.

14 Sec. 4. This act shall take effect and be in force from and after its
15 publication in the statute book.

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