

As Amended by House Committee

Session of 2013

SENATE BILL No. 23

By Legislative Educational Planning Committee

1-15

1 AN ACT concerning school districts; relating to ~~the statewide levy for~~
2 ~~public schools and the exemption therefrom~~ school finance; amending
3 K.S.A. 72-6444 and K.S.A. 2012 Supp. 72-978, 72-6409, 72-6410, 72-
4 6415b, 72-6431, 72-6433, 72-6433d, 72-6434, 72-6435, 72-6441, 72-
5 6449, 72-6451, 72-6456 and 79-201x and repealing the existing
6 sections; also repealing K.S.A. 2012 Supp. 72-978a.

7
8 *Be it enacted by the Legislature of the State of Kansas:*

9 Section 1. K.S.A. 2012 Supp. 72-978 is hereby amended to read as
10 follows: 72-978. (a) Each year, the state board of education shall
11 determine the amount of state aid for the provision of special
12 education and related services each school district shall receive for the
13 ensuing school year. The amount of such state aid shall be computed
14 by the state board as provided in this section. The state board shall:

15 (1) Determine the total amount of general fund and local ~~option~~
16 operating budgets of all school districts;

17 (2) subtract from the amount determined in paragraph (1) the
18 total amount attributable to assignment of transportation weighting,
19 program weighting, special education weighting and at-risk pupil
20 weighting to enrollment of all school districts;

21 (3) divide the remainder obtained in paragraph (2) by the total
22 number of full-time equivalent pupils enrolled in all school districts on
23 September 20;

24 (4) determine the total full-time equivalent enrollment of
25 exceptional children receiving special education and related services
26 provided by all school districts;

27 (5) multiply the amount of the quotient obtained in paragraph (3)
28 by the full-time equivalent enrollment determined in paragraph (4);

29 (6) determine the amount of federal funds received by all school
30 districts for the provision of special education and related services;

31 (7) determine the amount of revenue received by all school
32 districts rendered under contracts with the state institutions for the
33 provisions of special education and related services by the state
34 institution;

35 (8) add the amounts determined under paragraphs (6) and (7) to
36 the amount of the product obtained under paragraph (5);

1 **(9) determine the total amount of expenditures of all school**
2 **districts for the provision of special education and related services;**

3 **(10) subtract the amount of the sum obtained under paragraph**
4 **(8) from the amount determined under paragraph (9); and**

5 **(11) multiply the remainder obtained under paragraph (10) by**
6 **92%.**

7 **The computed amount is the amount of state aid for the provision**
8 **of special education and related services aid a school district is entitled**
9 **to receive for the ensuing school year.**

10 **(b) Each school district shall be entitled to receive:**

11 **(1) Reimbursement for actual travel allowances paid to special**
12 **teachers at not to exceed the rate specified under K.S.A. 75-3203, and**
13 **amendments thereto, for each mile actually traveled during the school**
14 **year in connection with duties in providing special education or**
15 **related services for exceptional children; such reimbursement shall be**
16 **computed by the state board by ascertaining the actual travel**
17 **allowances paid to special teachers by the school district for the school**
18 **year and shall be in an amount equal to 80% of such actual travel**
19 **allowances;**

20 **(2) reimbursement in an amount equal to 80% of the actual**
21 **travel expenses incurred for providing transportation for exceptional**
22 **children to special education or related services; such reimbursement**
23 **shall not be paid if such child has been counted in determining the**
24 **transportation weighting of the district under the provisions of the**
25 **school district finance and quality performance act;**

26 **(3) reimbursement in an amount equal to 80% of the actual**
27 **expenses incurred for the maintenance of an exceptional child at some**
28 **place other than the residence of such child for the purpose of**
29 **providing special education or related services; such reimbursement**
30 **shall not exceed \$600 per exceptional child per school year; and**

31 **(4) (A) except for those school districts entitled to receive**
32 **reimbursement under subsection (c) or (d), after subtracting the**
33 **amounts of reimbursement under paragraphs (1), (2) and (3) of ~~this~~**
34 **subsection (a) from the total amount appropriated for special**
35 **education and related services under this act, an amount which bears**
36 **the same proportion to the remaining amount appropriated as the**
37 **number of full-time equivalent special teachers who are qualified to**
38 **provide special education or related services to exceptional children**
39 **and are employed by the school district for approved special education**
40 **or related services bears to the total number of such qualified full-time**
41 **equivalent special teachers employed by all school districts for**
42 **approved special education or related services.**

43 **(B) Each special teacher who is qualified to assist in the provision**

1 of special education or related services to exceptional children shall be
2 counted as $\frac{2}{5}$ full-time equivalent special teacher who is qualified to
3 provide special education or related services to exceptional children.

4 (C) *For purposes of this paragraph (4), a special teacher, qualified to*
5 *assist in the provision of special education and related services to*
6 *exceptional children, who assists in providing special education and*
7 *related services to exceptional children at either the state school for the*
8 *blind or the state school for the deaf and whose services are paid for by a*
9 *school district pursuant to K.S.A. 76-1006 or 76-1102, and amendments*
10 *thereto, shall be considered a special teacher of such school district.*

11 (c) Each school district which has paid amounts for the provision
12 of special education and related services under an interlocal
13 agreement shall be entitled to receive reimbursement under subsection
14 (b)(4). The amount of such reimbursement for the district shall be the
15 amount which bears the same relation to the aggregate amount
16 available for reimbursement for the provision of special education and
17 related services under the interlocal agreement, as the amount paid by
18 such district in the current school year for provision of such special
19 education and related services bears to the aggregate of all amounts
20 paid by all school districts in the current school year who have entered
21 into such interlocal agreement for provision of such special education
22 and related services.

23 (d) Each contracting school district which has paid amounts for
24 the provision of special education and related services as a member of
25 a cooperative shall be entitled to receive reimbursement under
26 subsection (b)(4). The amount of such reimbursement for the district
27 shall be the amount which bears the same relation to the aggregate
28 amount available for reimbursement for the provision of special
29 education and related services by the cooperative, as the amount paid
30 by such district in the current school year for provision of such special
31 education and related services bears to the aggregate of all amounts
32 paid by all contracting school districts in the current school year by
33 such cooperative for provision of such special education and related
34 services.

35 (e) No time spent by a special teacher in connection with duties
36 performed under a contract entered into by the Kansas juvenile
37 correctional complex, the Atchison juvenile correctional facility, the
38 Larned juvenile correctional facility, or the Topeka juvenile
39 correctional facility and a school district for the provision of special
40 education services by such state institution shall be counted in making
41 computations under this section.

42 Sec. 2. K.S.A. 2012 Supp. 72-6409 is hereby amended to read as
43 follows: 72-6409. (a) "General fund" means the fund of a district from

1 which operating expenses are paid and in which is deposited the
2 proceeds from the tax levied under K.S.A. 72-6431, and amendments
3 thereto, all amounts of general state aid under this act, payments
4 under K.S.A. 72-7105a, and amendments thereto, *amounts transferred*
5 *from the supplemental general fund to the general fund of a district in*
6 *accordance with subsection (j)(5) of K.S.A. 72-6433, and amendments*
7 *thereto*, -payments of federal funds made available under the provisions
8 of title I of public law 874, except amounts received for assistance in
9 cases of major disaster and amounts received under the low-rent
10 housing program, and such other moneys as are provided by law.

11 (b) "Operating expenses" means the total expenditures and
12 lawful transfers from the general fund of a district during a school
13 year for all purposes, except expenditures for the purposes specified in
14 K.S.A. 72-6430, and amendments thereto.

15 (c) "General fund budget" means the amount budgeted for
16 operating expenses in the general fund of a district.

17 (d) "Budget per pupil" means the general fund budget of a
18 district divided by the enrollment of the district.

19 (e) "Program weighted fund" means and includes the following
20 funds of a district: Vocational education fund, preschool-aged at-risk
21 education fund and bilingual education fund.

22 (f) "Categorical fund" means and includes the following funds of
23 a district: Special education fund, food service fund, driver training
24 fund, adult education fund, adult supplementary education fund, area
25 vocational school fund, professional development fund, parent
26 education program fund, summer program fund, extraordinary school
27 program fund, and educational excellence grant program fund.

28 Sec. 3. K.S.A. 2012 Supp. 72-6410 is hereby amended to read as
29 follows: 72-6410. (a) "State financial aid" means an amount equal to
30 the product obtained by multiplying base state aid per pupil by the
31 adjusted enrollment of a district.

32 (b) (1) "Base state aid per pupil" means an amount of state
33 financial aid per pupil. Subject to the other provisions of this
34 subsection, the amount of base state aid per pupil is ~~\$4,433~~ \$4,264 in
35 school year ~~2008-2009~~ 2013-2014 and school year 2014-2015 and \$4,492
36 in school year ~~2009-2010~~ 2015-2016 and each school year thereafter.

37 (2) The amount of base state aid per pupil is subject to reduction
38 commensurate with any reduction under K.S.A. 75-6704, and
39 amendments thereto, in the amount of the appropriation from the
40 state general fund for general state aid. If the amount of
41 appropriations for general state aid is insufficient to pay in full the
42 amount each district is entitled to receive for any school year, the
43 amount of base state aid per pupil for such school year is subject to

1 reduction commensurate with the amount of the insufficiency.

2 (c) "Local effort" means the sum of an amount equal to the
3 proceeds from the tax levied under authority of K.S.A. 72-6431, and
4 amendments thereto, *and an amount transferred from the supplemental*
5 *general fund to the general fund in accordance with subsection (j)(5) of*
6 *K.S.A. 72-6433, and amendments thereto, and an amount equal to any*
7 **unexpended and unencumbered balance remaining in the general**
8 **fund of the district, except amounts received by the district and**
9 **authorized to be expended for the purposes specified in K.S.A. 72-**
10 **6430, and amendments thereto, and an amount equal to any**
11 **unexpended and unencumbered balances remaining in the program**
12 **weighted funds of the district, except any amount in the vocational**
13 **education fund of the district if the district is operating an area**
14 **vocational school, and an amount equal to any remaining proceeds**
15 **from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and**
16 **amendments thereto, prior to the repeal of such statutory sections,**
17 **and an amount equal to the amount deposited in the general fund in**
18 **the current school year from amounts received in such year by the**
19 **district under the provisions of subsection (a) of K.S.A. 72-1046a, and**
20 **amendments thereto, and an amount equal to the amount deposited in**
21 **the general fund in the current school year from amounts received in**
22 **such year by the district pursuant to contracts made and entered into**
23 **under authority of K.S.A. 72-6757, and amendments thereto, and an**
24 **amount equal to the amount credited to the general fund in the**
25 **current school year from amounts distributed in such year to the**
26 **district under the provisions of articles 17 and 34 of chapter 12 of**
27 **Kansas Statutes Annotated, *and amendments thereto,* and under the**
28 **provisions of articles 42 and 51 of chapter 79 of Kansas Statutes**
29 **Annotated, *and amendments thereto,* and an amount equal to the**
30 **amount of payments received by the district under the provisions of**
31 **K.S.A. 72-979, and amendments thereto, and an amount equal to the**
32 **amount of a grant, if any, received by the district under the provisions**
33 **of K.S.A. 72-983, and amendments thereto, and an amount equal to**
34 **70% of the federal impact aid of the district.**

35 (d) "Federal impact aid" means an amount equal to the federally
36 qualified percentage of the amount of moneys a district receives in the
37 current school year under the provisions of title I of public law 874
38 and congressional appropriations therefor, excluding amounts
39 received for assistance in cases of major disaster and amounts received
40 under the low-rent housing program. The amount of federal impact
41 aid defined herein as an amount equal to the federally qualified
42 percentage of the amount of moneys provided for the district under
43 title I of public law 874 shall be determined by the state board in

1 accordance with terms and conditions imposed under the provisions of
2 the public law and rules and regulations thereunder.

3 **Sec. 4. K.S.A. 2012 Supp. 72-6415b is hereby amended to read as**
4 **follows: 72-6415b. School facilities weighting may be assigned to**
5 **enrollment of a district only if the district has adopted a local-option**
6 **operating budget in an amount equal to at least ~~25%~~ 22.5% for school**
7 **year 2013-2014 and school year 2014-2015 and 25% for school year**
8 **2015-2016 and each school year thereafter of the amount of the state**
9 **financial aid determined for the district in the current school year.**
10 **School facilities weighting may be assigned to enrollment of the**
11 **district only in the school year in which operation of a new school**
12 **facility is commenced and in the next succeeding school year.**

13 ~~Section 1.~~ **Sec. 5. K.S.A. 2012 Supp. 72-6431 is hereby amended to**
14 **read as follows: 72-6431. (a) The board of each district shall levy an ad**
15 **valorem tax upon the taxable tangible property of the district in the school**
16 **years specified in subsection (b) for the purpose of:**

17 (1) Financing that portion of the district's general fund budget which
18 is not financed from any other source provided by law;

19 (2) paying a portion of the costs of operating and maintaining public
20 schools in partial fulfillment of the constitutional obligation of the
21 legislature to finance the educational interests of the state; and

22 (3) with respect to any redevelopment district established prior to July
23 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a
24 portion of the principal and interest on bonds issued by cities under
25 authority of K.S.A. 12-1774, and amendments thereto, for the financing of
26 redevelopment projects upon property located within the district.

27 (b) The tax required under subsection (a) shall be levied at a rate of
28 20 mills in the school year ~~2011-2012~~ 2013-2014 and school year ~~2012-~~
29 ~~2013~~ 2014-2015.

30 (c) The proceeds from the tax levied by a district under authority of
31 this section, except the proceeds of such tax levied for the purpose of
32 paying a portion of the principal and interest on bonds issued by cities
33 under authority of K.S.A. 12-1774, and amendments thereto, for the
34 financing of redevelopment projects upon property located within the
35 district, shall be deposited in the general fund of the district.

36 (d) On June 6 of each year, the amount, if any, by which a district's
37 local effort exceeds the amount of the district's state financial aid, as
38 determined by the state board, shall be remitted to the state treasurer. Upon
39 receipt of any such remittance, the state treasurer shall deposit the same in
40 the state treasury to the credit of the state school district finance fund.

41 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
42 1964b, and amendments thereto.

43 **Sec. 6. K.S.A. 2012 Supp. 72-6433 is hereby amended to read as**

1 follows: 72-6433. (a) As used in this section:

2 (1) "State prescribed percentage" means ~~31%~~ 17.9% for school
3 year 2013-2014 and school year 2014-2015 and 31% for school year
4 2015-2016 and each school year thereafter of state financial aid of the
5 district in the current school year.

6 (2) "Authorized to adopt a local ~~option~~ operating budget" means
7 that a district has adopted a resolution under this section, has
8 published the same, and either the resolution was not protested or it
9 was protested and an election was held by which the adoption of a
10 local ~~option~~ operating budget was approved.

11 (b) (1) ~~In each school year 2013-2014 and school year 2014-2015,~~
12 ~~the board of any district may shall adopt a local ~~option~~ operating~~
13 ~~budget which does not exceed the state prescribed percentage, which shall~~
14 ~~be at least 10% but not more than 17% of the state financial aid of the~~
15 ~~district in the current school year.~~

16 (2) Subject to subsection (i), in school year 2013-2014 and school
17 year 2014-2015, the board of any district may adopt a local operating
18 budget in excess of 17% of the state financial aid of the district in the
19 current school year. Such excess percentage shall be adopted by separate
20 resolution.

21 (3) In school year 2015-2016 and each school year thereafter, the
22 board of any district may adopt a local operating budget which does not
23 exceed the state prescribed percentage.

24 (c) Subject to the limitation of subsection (b), in each school year,
25 the board of any district may adopt, by resolution, a local ~~option~~ operating
26 budget in an amount shall not to exceed:

27 (1) (A) The amount which the board was authorized to adopt in
28 accordance with the provisions of this section in effect prior to its
29 amendment by this act; plus

30 (B) the amount which the board was authorized to adopt
31 pursuant to any resolution currently in effect; plus

32 (C) the amount which the board was authorized to adopt
33 pursuant to K.S.A. 72-6444, and amendments thereto, if applicable to
34 the district; or

35 (2) the state-wide average for the preceding school year as
36 determined by the state board pursuant to subsection (j).

37 Except as provided by subsection (c), the adoption of a resolution
38 pursuant to this subsection shall require a majority vote of the members of
39 the board. Such resolution shall be effective upon adoption and shall
40 require no other procedure, authorization or approval.

41 (d) If the board of a district desires to increase its local ~~option~~
42 operating budget authority above the amount authorized under
43 subsection (c) or if the board was not authorized to adopt a local

1 option budget in 2006-2007, the board may adopt, by resolution, such
 2 budget in an amount not to exceed the state prescribed percentage.
 3 The adoption of a resolution pursuant to this subsection shall require
 4 a majority vote of the members of the board. The resolution shall be
 5 published at least once in a newspaper having general circulation in
 6 the district. The resolution shall be published in substantial
 7 compliance with the following form:

8 Unified School District No. _____,
 9 _____ County, Kansas.

10 RESOLUTION

11 Be It Resolved that:

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

25 CERTIFICATE

26 This is to certify that the above resolution was duly adopted by the
 27 board of education of unified School District
 28 No. ____, _____ County, Kansas, on the __ day of _____,
 29 _____.

30 _____
 31 Clerk of the board of education.

32 All of the blanks in the resolution shall be filled as is appropriate. If
 33 a sufficient petition is not filed, the board may adopt a local ~~option~~
 34 *operating* budget. If a sufficient petition is filed, the board may notify
 35 the county election officer of the date of an election to be held to
 36 submit the question of whether adoption of a local ~~option~~ *operating*
 37 budget shall be authorized. Any such election shall be noticed, called
 38 and held in the manner provided by K.S.A. 10-120, and amendments
 39 thereto. If the board fails to notify the county election officer within 30
 40 days after a sufficient petition is filed, the resolution shall be deemed
 41 abandoned and no like resolution shall be adopted by the board within
 42 the nine months following publication of the resolution.

43 (e) Any resolution ~~authorizing the adoption of a local option budget~~

1 in excess of 30% of the state financial aid of the district in the current
2 school year *adopted under subsection (b)(2) or (b)(3)* shall not become
3 effective unless such resolution *specifying the excess percentage* has
4 been submitted to and approved by a majority of the qualified electors
5 of the school district voting at an election called and held thereon. The
6 election shall be called and held in the manner provided by K.S.A. 10-
7 120, and amendments thereto.

8 (f) Unless specifically stated otherwise in the resolution, the
9 authority to adopt a local option budget shall be continuous and
10 permanent. The board of any district which is authorized to adopt a local
11 option budget may choose not to adopt such a budget or may adopt a
12 budget in an amount less than the amount authorized. If the board of any
13 district whose authority to adopt a local option budget is not continuous
14 and permanent refrains from adopting a local option budget, the authority
15 of such district to adopt a local option budget shall not be extended by
16 such refrainment beyond the period specified in the resolution authorizing
17 adoption of such budget.

18 (g) The board of any district may initiate procedures to renew or
19 increase the authority to adopt a local ~~option~~ *operating* budget at any
20 time during a school year after the tax levied pursuant to K.S.A. 72-
21 6435, and amendments thereto, is certified to the county clerk under
22 any existing authorization.

23 (h) The board of any district that is authorized to adopt a local
24 ~~option~~ *operating* budget prior to the effective date of this act under a
25 resolution which authorized the adoption of such budget in
26 accordance with the provisions of this section in effect prior to its
27 amendment by this act may continue to operate under such resolution
28 for the period of time specified in the resolution or may abandon the
29 resolution and operate under the provisions of this section as amended
30 by this act. Any such district shall operate under the provisions of this
31 section as amended by this act after the period of time specified in the
32 resolution has expired.

33 (i) Any resolution adopted pursuant to this section may revoke or
34 repeal any resolution previously adopted by the board. If the
35 resolution does not revoke or repeal previously adopted resolutions, all
36 resolutions which are in effect shall expire on the same date. The
37 maximum amount of the local ~~option~~ *operating* budget of a school
38 district under all resolutions in effect shall not exceed the state
39 prescribed percentage in any school year.

40 (j) (1) There is hereby established in every district ~~that adopts a~~
41 ~~local option budget~~ a fund which shall be called the supplemental
42 general fund. The fund shall consist of all amounts deposited therein
43 or credited thereto according to law.

1 **(2) Subject to the limitation imposed under ~~paragraph~~ paragraphs**
2 **(3) and (5) and subsection (e) of K.S.A. 72-6434, and amendments**
3 **thereto, amounts in the supplemental general fund may be expended**
4 **for any purpose for which expenditures from the general fund are**
5 **authorized or may be transferred to any program weighted fund or**
6 **categorical fund of the district. Amounts in the supplemental general**
7 **fund attributable to any percentage over 25% of state financial aid**
8 **determined for the current school year may be transferred to the**
9 **capital improvements fund of the district and the capital outlay fund**
10 **of the district if such transfers are specified in the resolution**
11 **authorizing the adoption of a local ~~option~~ operating budget in excess of**
12 **25%.**

13 **(3) Amounts in the supplemental general fund may not be**
14 **expended for the purpose of making payments under any lease-**
15 **purchase agreement involving the acquisition of land or buildings**
16 **which is entered into pursuant to the provisions of K.S.A. 72-8225,**
17 **and amendments thereto.**

18 **(4) (A) Except as provided in paragraph (B), any unexpended**
19 **budget moneys remaining in the supplemental general fund of a district**
20 **at the conclusion of any school year in which a local ~~option~~ operating**
21 **budget is adopted shall be maintained in such fund.**

22 **(B) If the district received supplemental general state aid in the**
23 **school year, the state board shall determine the ratio of the amount of**
24 **supplemental general state aid received to the amount of the local**
25 **~~option~~ operating budget of the district for the school year and multiply**
26 **the total amount of the unexpended budget remaining by such ratio.**
27 **An amount equal to the amount of the product shall be transferred to**
28 **the general fund of the district or remitted to the state treasurer. Upon**
29 **receipt of any such remittance, the state treasurer shall deposit the**
30 **same in the state treasury to the credit of the state school district**
31 **finance fund.**

32 **(5) (A) An amount equal to the product obtained by multiplying 10%**
33 **of the base state aid per pupil by the adjusted enrollment of the district**
34 **shall be transferred to the general fund of the district. Such amount shall**
35 **be expended in the following manner and order of priority:**

36 **(i) (a) An amount equal to 10% of the state financial aid of the**
37 **district directly attributable to at-risk pupils under K.S.A. 72-6414, and**
38 **amendments thereto, and K.S.A. 2012 Supp. 72-6455 and 72-6459, and**
39 **amendments thereto, shall be expended for at-risk assistance or programs**
40 **in the district; and**

41 **(b) an amount equal to 10% of the state financial aid of the district**
42 **directly attributable to bilingual education under subsection (a)(1) of**
43 **K.S.A. 72-6413, and amendments thereto, shall be expended for bilingual**

1 *education programs in the district; and*

2 *(ii) the remainder of such moneys, if any, shall be expended for*
3 *general operating expenses.*

4 *(B) For the purposes of determining the total amount of state moneys*
5 *paid to school districts, all moneys transferred under this paragraph shall*
6 *be deemed to be state moneys for educational and support services for*
7 *school districts.*

8 *(C) This paragraph shall expire on June 30, 2015.*

9 **(k) Each year the state board of education shall determine the**
10 **statewide average percentage of local-option operating budgets legally**
11 **adopted by school districts for the preceding school year.**

12 *(l) For the purposes of this section, the term "local operating budget"*
13 *means "local option budget" as that term was used prior to the*
14 *amendment of this section by this act.*

15 **(⊕) (m) The provisions of this section shall be subject to the**
16 **provisions of K.S.A. 2012 Supp. 72-6433d, and amendments thereto.**

17 **Sec. 7. K.S.A. 2012 Supp. 72-6433d is hereby amended to read as**
18 **follows: 72-6433d. (a) (1) The provisions of this subsection shall apply**
19 **in any school year in which the amount of base state aid per pupil is**
20 **\$4,433 or less.**

21 **(2) The board of any school district may adopt a local-option**
22 **operating budget which does not exceed the local-option operating**
23 **budget calculated as if the base state aid per pupil was \$4,433 \$4,926,**
24 **or which does not exceed the local-option operating budget as**
25 **calculated pursuant to K.S.A. 72-6433, and amendments thereto,**
26 **whichever is greater.**

27 **(b) The board of education of any school district may adopt a**
28 **local option operating budget which does not exceed the local-option**
29 **operating budget calculated as if the district received state aid for**
30 **special education and related services equal to the amount of state aid**
31 **for special education and related services received in school year 2008-**
32 **2009, or which does not exceed the local-option operating budget as**
33 **calculated pursuant to K.S.A. 72-6433, and amendments thereto,**
34 **whichever is greater.**

35 **(c) The board of education of any school district may exercise the**
36 **authority granted under subsection (a) or (b) or both subsections (a)**
37 **and (b).**

38 **(d) To the extent that the provisions of K.S.A. 72-6433, and**
39 **amendments thereto, conflict with this section, this section shall**
40 **control.**

41 **(e) The provisions of this section shall expire on June 30, 2014.**

42 **Sec. 8. K.S.A. 2012 Supp. 72-6434 is hereby amended to read as**
43 **follows: 72-6434. (a) In each school year, each district that has adopted**

1 a ~~local-option~~ *operating* budget is eligible for entitlement to an amount
2 of supplemental general state aid. Except as provided by K.S.A. 2012
3 Supp. 72-6434b, and amendments thereto, entitlement of a district to
4 supplemental general state aid shall be determined by the state board
5 as provided in this subsection. The state board shall:

6 (1) Determine the amount of the assessed valuation per pupil in
7 the preceding school year of each district in the state;

8 (2) rank the districts from low to high on the basis of the amounts
9 of assessed valuation per pupil determined under (1);

10 (3) identify the amount of the assessed valuation per pupil located
11 at the 81.2 percentile of the amounts ranked under (2);

12 (4) divide the assessed valuation per pupil of the district in the
13 preceding school year by the amount identified under (3);

14 (5) subtract the ratio obtained under (4) from 1.0. If the resulting
15 ratio equals or exceeds 1.0, the eligibility of the district for entitlement
16 to supplemental general state aid shall lapse. If the resulting ratio is
17 less than 1.0, the district is entitled to receive supplemental general
18 state aid in an amount which shall be determined by the state board
19 by multiplying the amount of the ~~local-option~~ *operating* budget of the
20 district by such ratio. The product is the amount of supplemental
21 general state aid the district is entitled to receive for the school year.

22 (b) If the amount of appropriations for supplemental general
23 state aid is less than the amount each district is entitled to receive for
24 the school year, the state board shall prorate the amount appropriated
25 among the districts in proportion to the amount each district is
26 entitled to receive.

27 (c) The state board shall prescribe the dates upon which the
28 distribution of payments of supplemental general state aid to school
29 districts shall be due. Payments of supplemental general state aid shall
30 be distributed to districts on the dates prescribed by the state board.
31 The state board shall certify to the director of accounts and reports
32 the amount due each district, and the director of accounts and reports
33 shall draw a warrant on the state treasurer payable to the treasurer of
34 the district. Upon receipt of the warrant, the treasurer of the district
35 shall credit the amount thereof to the supplemental general fund of
36 the district to be used for the purposes of such fund.

37 (d) If any amount of supplemental general state aid that is due to
38 be paid during the month of June of a school year pursuant to the
39 other provisions of this section is not paid on or before June 30 of such
40 school year, then such payment shall be paid on or after the ensuing
41 July 1, as soon as moneys are available therefor. Any payment of
42 supplemental general state aid that is due to be paid during the month
43 of June of a school year and that is paid to school districts on or after

1 the ensuing July 1 shall be recorded and accounted for by school
2 districts as a receipt for the school year ending on the preceding June
3 30.

4 (e) (1) Except as provided by paragraph (2), moneys received as
5 supplemental general state aid shall be used to meet the requirements
6 under the school performance accreditation system adopted by the
7 state board, to provide programs and services required by law and to
8 improve student performance.

9 (2) Amounts of supplemental general state aid attributable to any
10 percentage over 25% of state financial aid determined for the current
11 school year may be transferred to the capital improvements fund of
12 the district and the capital outlay fund of the district if such transfers
13 are specified in the resolution authorizing the adoption of a local
14 ~~option~~ *operating* budget in excess of 25%.

15 (f) For the purposes of determining the total amount of state
16 moneys paid to school districts, all moneys appropriated as
17 supplemental general state aid shall be deemed to be state moneys for
18 educational and support services for school districts.

19 Sec. 9. K.S.A. 2012 Supp. 72-6435 is hereby amended to read as
20 follows: 72-6435. (a) In each school year, the board of every district
21 ~~that has adopted a local option budget may~~ *shall* levy an ad valorem tax
22 on the taxable tangible property of the district for the purpose of: (1)
23 Financing that portion of the district's local ~~option~~ *operating* budget
24 which is not financed from any other source provided by law; (2)
25 paying a portion of the principal and interest on bonds issued by cities
26 under authority of K.S.A. 12-1774, and amendments thereto, for the
27 financing of redevelopment projects upon property located within the
28 district; and (3) funding transfers to the capital improvement fund of
29 the district and the capital outlay fund of the district if such transfers
30 are specified in the resolution authorizing the adoption of a local
31 ~~option~~ *operating* budget in excess of 25% of state financial aid
32 determined for the current school year.

33 (b) The proceeds from the tax levied by a district under authority
34 of this section, except the proceeds of such tax levied for the purpose
35 of paying a portion of the principal and interest on bonds issued by
36 cities under authority of K.S.A. 12-1774, and amendments thereto, for
37 the financing of redevelopment projects upon property located within
38 the district, shall be deposited in the supplemental general fund of the
39 district.

40 (c) No district shall proceed under K.S.A. 79-1964, 79-1964a or
41 79-1964b, and amendments to such sections.

42 Sec. 10. K.S.A. 2012 Supp. 72-6441 is hereby amended to read as
43 follows: 72-6441. (a) (1) The board of any district to which the

1 provisions of this subsection apply may levy an ad valorem tax on the
2 taxable tangible property of the district each year for a period of time
3 not to exceed two years in an amount not to exceed the amount
4 authorized by the state court of tax appeals under this subsection for
5 the purpose of financing the costs incurred by the state that are
6 directly attributable to assignment of ancillary school facilities
7 weighting to enrollment of the district. The state court of tax appeals
8 may authorize the district to make a levy which will produce an
9 amount that is not greater than the difference between the amount of
10 costs directly attributable to commencing operation of one or more
11 new school facilities and the amount that is financed from any other
12 source provided by law for such purpose, including any amount
13 attributable to assignment of school facilities weighting to enrollment
14 of the district for each school year in which the district is eligible for
15 such weighting. If the district is not eligible, or will be ineligible, for
16 school facilities weighting in any one or more years during the two-
17 year period for which the district is authorized to levy a tax under this
18 subsection, the state court of tax appeals may authorize the district to
19 make a levy, in such year or years of ineligibility, which will produce
20 an amount that is not greater than the actual amount of costs
21 attributable to commencing operation of the facility or facilities.

22 (2) The state court of tax appeals shall certify to the state board
23 of education the amount authorized to be produced by the levy of a
24 tax under subsection (a).

25 (3) The state court of tax appeals may adopt rules and regulations
26 necessary to effectuate the provisions of this subsection, including
27 rules and regulations relating to the evidence required in support of a
28 district's claim that the costs attributable to commencing operation of
29 one or more new school facilities are in excess of the amount that is
30 financed from any other source provided by law for such purpose.

31 (4) The provisions of this subsection apply to any district that:
32 (A) Commenced operation of one or more new school facilities in the
33 school year preceding the current school year or has commenced or
34 will commence operation of one or more new school facilities in the
35 current school year or any or all of the foregoing; (B) is authorized to
36 adopt and has adopted a local ~~option~~ *operating* budget which is at least
37 equal to that amount required to qualify for school facilities weighting
38 under K.S.A. 2012 Supp. 72-6415b, and amendments thereto; and (C)
39 is experiencing extraordinary enrollment growth as determined by the
40 state board of education.

41 (b) The board of any district that has levied an ad valorem tax on
42 the taxable tangible property of the district each year for a period of
43 two years under authority of subsection (a) may continue to levy such

1 tax under authority of this subsection each year for an additional
2 period of time not to exceed three years in an amount not to exceed the
3 amount computed by the state board of education as provided in this
4 subsection if the board of the district determines that the costs
5 attributable to commencing operation of one or more new school
6 facilities are significantly greater than the costs attributable to the
7 operation of other school facilities in the district. The tax authorized
8 under this subsection may be levied at a rate which will produce an
9 amount that is not greater than the amount computed by the state
10 board of education as provided in this subsection. In computing such
11 amount, the state board shall: (1) Determine the amount produced by
12 the tax levied by the district under authority of subsection (a) in the
13 second year for which such tax was levied and add to such amount the
14 amount of general state aid directly attributable to school facilities
15 weighting that was received by the district in the same year; (2)
16 compute 75% of the amount of the sum obtained under (1), which
17 computed amount is the amount the district may levy in the first year
18 of the three-year period for which the district may levy a tax under
19 authority of this subsection; (3) compute 50% of the amount of the
20 sum obtained under (1), which computed amount is the amount the
21 district may levy in the second year of the three-year period for which
22 the district may levy a tax under authority of this subsection; and (4)
23 compute 25% of the amount of the sum obtained under (1), which
24 computed amount is the amount the district may levy in the third year
25 of the three-year period for which the district may levy a tax under
26 authority of this subsection.

27 In determining the amount produced by the tax levied by the
28 district under authority of subsection (a), the state board shall include
29 any moneys which have been apportioned to the ancillary facilities
30 fund of the district from taxes levied under the provisions of K.S.A.
31 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

32 (c) The proceeds from the tax levied by a district under authority
33 of this section shall be remitted to the state treasurer in accordance
34 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
35 receipt of each such remittance, the state treasurer shall deposit the
36 entire amount in the state treasury to the credit of the state school
37 district finance fund.

38 Sec. 11. K.S.A. 72-6444 is hereby amended to read as follows: 72-
39 6444. (a) In each school year, commencing with the 1997-98 school
40 year, the state board shall compute a district prescribed percentage
41 for the purpose of determining the amount of a local-option operating
42 budget the board of a district to which the provisions of this section
43 apply may adopt for the school year. The district prescribed

1 percentage for each district to which the provisions of this section
2 apply shall be computed by the state board as provided in this section.
3 The state board shall:

4 (1) Determine the actual amount per pupil for the preceding
5 school year of the general fund budget and the local-option operating
6 budget, if any, of each district;

7 (2) compute the average amount per pupil for the preceding
8 school year of general fund budgets and local-option operating budgets
9 of districts with 75-125 enrollment in such school year;

10 (3) compute the average amount per pupil for the preceding
11 school year of general fund budgets and local-option operating budgets
12 of districts with 200-399 enrollment in such school year;

13 (4) compute the average amount per pupil for the preceding
14 school year of general fund budgets and local-option operating budgets
15 of districts with 1,800 or over enrollment in such school year;

16 (5) compute an average amount per pupil for the preceding
17 school year of general fund budgets and local-option operating budgets
18 of districts with 100-299.9 enrollment in such school year by preparing
19 a schedule based upon an accepted mathematical formula and
20 deriving an amount for each such district from a linear transition
21 between the average amount per pupil computed under (2) and the
22 average amount per pupil computed under (3);

23 (6) compute an average amount per pupil for the preceding
24 school year of general fund budgets and local-option operating budgets
25 of districts with 300-1,799.9 enrollment in such school year by
26 preparing a schedule based upon an accepted mathematical formula
27 and deriving an amount for each such district from a linear transition
28 between the average amount per pupil computed under (3) and the
29 average amount per pupil computed under (4);

30 (7) for districts with 0-99.9 enrollment, compare the amount
31 determined for the district under (1) to the average amount computed
32 under (2). If the amount determined under (1) is equal to or greater
33 than the average amount computed under (2), the provisions of this
34 section do not apply to the district. If the amount determined under
35 (1) is less than the average amount computed under (2), subtract the
36 amount determined under (1) from the amount computed under (2),
37 multiply the remainder by enrollment of the district in the preceding
38 school year, and divide the product by the amount of state financial
39 aid determined for the district in the preceding school year. The
40 quotient is the district prescribed percentage of the district;

41 (8) for districts with 100-299.9 enrollment, compare the amount
42 determined for the district under (1) to the average amount computed
43 under (5). If the amount determined under (1) is equal to or greater

1 than the average amount computed under (5), the provisions of this
2 section do not apply to the district. If the amount determined under
3 (1) is less than the average amount computed under (5), subtract the
4 amount determined under (1) from the amount computed under (5),
5 multiply the remainder by enrollment of the district in the preceding
6 school year, and divide the product by the amount of state financial
7 aid determined for the district in the preceding school year. The
8 quotient is the district prescribed percentage of the district;

9 (9) for districts with 300-1,799.9 enrollment, compare the amount
10 determined for the district under (1) to the average amount computed
11 under (6). If the amount determined under (1) is equal to or greater
12 than the average amount computed under (6), the provisions of this
13 section do not apply to the district. If the amount determined under
14 (1) is less than the average amount computed under (6), subtract the
15 amount determined under (1) from the amount computed under (6),
16 multiply the remainder by enrollment of the district in the preceding
17 school year, and divide the product by the amount of state financial
18 aid determined for the district in the preceding school year. The
19 quotient is the district prescribed percentage of the district;

20 (10) for districts with 1,800 or over enrollment, compare the
21 amount determined for the district under (1) to the average amount
22 computed under (4). If the amount determined under (1) is equal to or
23 greater than the average amount computed under (4), the provisions
24 of this section do not apply to the district. If the amount determined
25 under (1) is less than the average amount computed under (4),
26 subtract the amount determined under (1) from the amount computed
27 under (4), multiply the remainder by enrollment of the district in the
28 preceding school year, and divide the product by the amount of state
29 financial aid determined for the district in the preceding school year.
30 The quotient is the district prescribed percentage of the district.

31 (b) The provisions of this section apply to any district that
32 budgeted an amount per pupil in the preceding school year, as
33 determined under provision (1) of subsection (a), that was less than
34 the average amount per pupil of general fund budgets and local ~~option~~
35 *operating* budgets computed by the state board under whichever of the
36 provisions (7) through (10) of subsection (a) is applicable to the
37 district's enrollment group.

38 (c) *For the purposes of this section, the term "local operating*
39 *budget" means "local option budget" as that term was used prior to the*
40 *amendment of this section by this act.*

41 Sec. 12. K.S.A. 2012 Supp. 72-6449 is hereby amended to read as
42 follows: 72-6449. (a) As used in this section, "school district" or
43 "district" means a school district authorized to make a levy under this

1 section.

2 (b) The board of education of any district may levy a tax on the
3 taxable tangible property within the district for the purpose of
4 financing the costs incurred by the state that are attributable directly
5 to assignment of the cost of living weighting to the enrollment of the
6 district. There is hereby established in every school district a fund
7 which shall be called the cost of living fund, which fund shall consist of
8 all moneys deposited therein or transferred thereto in accordance with
9 law. All moneys derived from a tax imposed pursuant to this section
10 shall be credited to the cost of living fund. The proceeds from the tax
11 levied by a district credited to the cost of living fund shall be remitted
12 to the state treasurer in accordance with the provisions of K.S.A. 75-
13 4215, and amendments thereto. Upon receipt of each such remittance,
14 the state treasurer shall deposit the entire amount in the state treasury
15 to the credit of the state school district finance fund.

16 (c) The state board of education shall determine whether a
17 district may levy a tax under this section as follows:

18 (1) Determine the statewide average appraised value of single
19 family residences for the calendar year preceding the current school
20 year;

21 (2) multiply the amount determined under (1) by 1.25;

22 (3) determine the average appraised value of single family
23 residences in each school district for the calendar year preceding the
24 current school year; and

25 (4) (A) subtract the amount determined under (2) from the
26 amount determined under (3). If the amount determined for the
27 district under this paragraph is a positive number and the district is
28 authorized to adopt and has adopted a local-option operating budget in
29 an amount equal to at least ~~31%~~ 28% of the state financial aid for the
30 school district, the district qualifies for assignment of cost of living
31 weighting and may levy a tax on the taxable tangible property of the
32 district for the purpose of financing the costs that are attributable
33 directly to assignment of the cost of living weighting to enrollment of
34 the district; or

35 (B) as an alternative to the authority provided in paragraph (4)
36 (A), if a district was authorized to make a levy pursuant to this section
37 in school year 2006-2007, such district shall remain authorized to levy
38 such tax at a rate necessary to generate revenue in the same amount
39 generated in school year 2006-2007 if: (i) The amount determined
40 under paragraph (4)(A) is a positive number; and (ii) the district
41 continues to adopt a local-option operating budget in an amount equal
42 to the state prescribed percentage in effect in school year 2006-2007.

43 (d) No tax may be levied under this section unless the board of

1 education adopts a resolution authorizing such a tax levy and
 2 publishes the resolution at least once in a newspaper having general
 3 circulation in the district. Except as provided by subsection (e), the
 4 resolution shall be published in substantial compliance with the
 5 following form:

6 Unified School District No. _____,
 7 _____ County, Kansas.

8 RESOLUTION

9 Be It Resolved that:

10 The board of education of the above-named school district shall be
 11 authorized to levy an ad valorem tax in an amount not to exceed the
 12 amount necessary to finance the costs attributable directly to the
 13 assignment of cost of living weighting to the enrollment of the district.
 14 The ad valorem tax authorized by this resolution may be levied unless
 15 a petition in opposition to the same, signed by not less than 5% of the
 16 qualified electors of the school district, is filed with the county election
 17 officer of the home county of the school district within 30 days after
 18 the publication of this resolution. If a petition is filed, the county
 19 election officer shall submit the question of whether the levy of such a
 20 tax shall be authorized in accordance with the provisions of this
 21 resolution to the electors of the school district at the next general
 22 election of the school district, as is specified by the board of education
 23 of the school district.

24 CERTIFICATE

25 This is to certify that the above resolution was duly adopted by the
 26 board of education of Unified School District No. _____,
 27 _____ County, Kansas, on the ____ day of _____,
 28 (year)____.

29 _____
 30 Clerk of the board of education.

31 All of the blanks in the resolution shall be filled. If no petition as
 32 specified above is filed in accordance with the provisions of the
 33 resolution, the resolution authorizing the ad valorem tax levy shall
 34 become effective. If a petition is filed as provided in the resolution, the
 35 board may notify the county election officer to submit the question of
 36 whether such tax levy shall be authorized. If the board fails to notify
 37 the county election officer within 30 days after a petition is filed, the
 38 resolution shall be deemed abandoned and of no force and effect and
 39 no like resolution shall be adopted by the board within the nine
 40 months following publication of the resolution. If a majority of the
 41 votes cast in an election conducted pursuant to this provision are in
 42 favor of the resolution, such resolution shall be effective on the date of
 43 such election. If a majority of the votes cast are not in favor of the

1 resolution, the resolution shall be deemed of no effect and no like
2 resolution shall be adopted by the board within the nine months
3 following such election.

4 (e) In determining the amount produced by the tax levied by the
5 district under the authority of this section, the state board shall
6 include any moneys which have been apportioned to the cost of living
7 fund of the district from taxes levied under the provisions of K.S.A.
8 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

9 Sec. 13. K.S.A. 2012 Supp. 72-6451 is hereby amended to read as
10 follows: 72-6451. (a) As used in this section:

11 (1) "School district" or "district" means a school district which:
12 (A) Has a declining enrollment; and (B) has adopted a local-option
13 operating budget in an amount which equals at least ~~31%~~ 17.9% for
14 school year 2013-2014 and school year 2014-2015 and 31% for school
15 year 2015-2016 and each school year thereafter of the state financial aid
16 for the school district at the time the district applies to the state court
17 of tax appeals for authority to make a levy pursuant to this section.

18 (2) "Declining enrollment" means an enrollment which has
19 declined in amount from that of the preceding school year.

20 (b) (1) (A) A school district may levy an ad valorem tax on the
21 taxable tangible property of the district each year for a period of time
22 not to exceed two years in an amount not to exceed the amount
23 authorized by the state court of tax appeals under this subsection for
24 the purpose of financing the costs incurred by the state that are
25 directly attributable to assignment of declining enrollment weighting
26 to enrollment of the district. The state court of tax appeals may
27 authorize the district to make a levy which will produce an amount
28 that is not greater than the amount of revenues lost as a result of the
29 declining enrollment of the district. Such amount shall not exceed 5%
30 of the general fund budget of the district in the school year in which
31 the district applies to the state court of tax appeals for authority to
32 make a levy pursuant to this section.

33 (B) As an alternative to the authority provided in paragraph (1)
34 (A), if a district was authorized to make a levy pursuant to this section
35 in school year 2006-2007, such district shall remain authorized to
36 make a levy at a rate necessary to generate revenue in the same
37 amount that was generated in school year 2007-2008 if the district
38 adopts a local-option operating budget in an amount equal to the state
39 prescribed percentage in effect in school year 2006-2007.

40 (2) The state court of tax appeals shall certify to the state board
41 the amount authorized to be produced by the levy of a tax under this
42 section.

43 (3) The state board shall prescribe guidelines for the data that

1 school districts shall include in cases before the state court of tax
2 appeals pursuant to this section.

3 (c) A district may levy the tax authorized pursuant to this section
4 for a period of time not to exceed two years unless authority to make
5 such levy is renewed by the state court of tax appeals. The state court
6 of tax appeals may renew the authority to make such levy for periods
7 of time not to exceed two years.

8 (d) The state board shall provide to the state court of tax appeals
9 such school data and information requested by the state court of tax
10 appeals and any other information deemed necessary by the state
11 board.

12 (e) There is hereby established in every district a fund which shall
13 be called the declining enrollment fund. Such fund shall consist of all
14 moneys deposited therein or transferred thereto according to law. The
15 proceeds from the tax levied by a district under authority of this
16 section shall be credited to the declining enrollment fund of the
17 district. The proceeds from the tax levied by a district credited to the
18 declining enrollment fund shall be remitted to the state treasurer in
19 accordance with the provisions of K.S.A. 75-4215, and amendments
20 thereto. Upon receipt of each such remittance, the state treasurer shall
21 deposit the entire amount in the state treasury to the credit of the state
22 school district finance fund.

23 (f) In determining the amount produced by the tax levied by the
24 district under authority of this section, the state board shall include
25 any moneys which have been apportioned to the declining enrollment
26 fund of the district from taxes levied under the provisions of K.S.A.
27 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

28 Sec. 14. K.S.A. 2012 Supp. 72-6456 is hereby amended to read as
29 follows: 72-6456. (a) For the purpose of determining the general fund
30 budget of a school district, weightings shall not be assigned to a pupil
31 enrolled in and attending KAMS.

32 (b) Moneys in the general fund which are attributable to a pupil
33 enrolled in and attending KAMS shall not be included in the
34 computation of the local~~-option~~ operating budget of the school district.

35 (c) The provisions of this section shall be part of and
36 supplemental to the school district finance and quality performance
37 act.

38 Sec. ~~2~~ 15. K.S.A. 2012 Supp. 79-201x is hereby amended to read as
39 follows: 79-201x. For taxable years ~~2011~~ 2013 and ~~2012~~ 2014, the
40 following described property, to the extent herein specified, shall be and is
41 hereby exempt from the property tax levied pursuant to the provisions of
42 K.S.A. 72-6431, and amendments thereto: Property used for residential
43 purposes to the extent of \$20,000 of its appraised valuation.

1 Sec. ~~3~~ **16.** K.S.A. **72-6444** and K.S.A. 2012 Supp. **72-978, 72-978a,**
2 **72-6409, 72-6410, 72-6415b,** 72-6431, **72-6433, 72-6433d, 72-6434, 72-**
3 **6435, 72-6441, 72-6449, 72-6451, 72-6456** and 79-201x are hereby
4 repealed.

5 Sec. ~~4~~ **17.** This act shall take effect and be in force from and after its
6 publication in the statute book.