

HOUSE BILL No. 2375

By Representatives O'Malley and Yoder

2-9

9 AN ACT concerning school districts; relating to school finance; amend-
10 ing K.S.A. 72-6433 and repealing the existing section; also repealing
11 K.S.A. 72-6433b.
12

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

14 Section 1. K.S.A. 72-6433 is hereby amended to read as follows: 72-
15 6433. (a) (1) The board of any district may adopt a local option budget
16 in each school year in an amount not to exceed an amount equal to the
17 district prescribed percentage of the amount of state financial aid deter-
18 mined for the district in the school year. As used in this section, "district
19 prescribed percentage" means:

20 (A) For any district that was authorized to adopt and that adopted a
21 local option budget in the 1996-97 school year and to which the provisions
22 of K.S.A. 72-6444, and amendments thereto, do not apply in the current
23 school year, ~~in the 2001-02 school year and in each school year thereafter,~~
24 a percentage that is equal to 80% of the percentage specified in the res-
25 olution under which the district was authorized to adopt a local option
26 budget in the 1996-97 school year;

27 (B) for any district that was authorized to adopt and that adopted a
28 local option budget in the 1996-97 school year and to which the provisions
29 of K.S.A. 72-6444, and amendments thereto, apply in the current school
30 year, a percentage ~~in the 2001-02 school year and each school year there-~~
31 ~~after~~ that is equal to the sum of the percentage of the amount of state
32 financial aid the district was authorized to budget in the preceding school
33 year and the percentage computed for the district by the state board
34 under the provisions of K.S.A. 72-6444, and amendments thereto;

35 (C) for any district that was not authorized to adopt a local option
36 budget in the 1996-97 school year and to which the provisions of K.S.A.
37 72-6444, and amendments thereto, apply in the current school year, a
38 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. 72-6444, and amendments thereto;

43 (D) for any district to which the provisions of K.S.A. 72-6444, and

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

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

43 (B) In lieu of utilizing the authority granted by subpart (A) for adop-

1 tion of a local option budget, the board of a district may pass a resolution
 2 authorizing adoption of such a budget and publish such resolution once
 3 in a newspaper having general circulation in the district. The resolution
 4 shall be published in substantial compliance with the following form:
 5 Unified School District No. _____,

6 _____ County, Kansas.

7 RESOLUTION

8 Be It Resolved that:

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

20 CERTIFICATE

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

24 _____
 25 Clerk of the board of education.

26 All of the blanks in the resolution shall be ~~appropriately~~ filled *appropriately*.
 27 *appropriately*. The blank preceding the word "years" shall be filled with a specific
 28 number, and the blank preceding the percentage symbol shall be filled with a specific
 29 number. No word shall be inserted in either of the blanks. The percentage specified in the
 30 resolution shall not exceed the district prescribed percentage. The resolution shall be published
 31 *at least* once in a newspaper having general circulation in the school district. If
 32 no petition as specified above is filed in accordance with the provisions
 33 of the resolution, the board may adopt a local option budget. If a petition
 34 is filed as provided in the resolution, the board may notify the county
 35 election officer of the date of an election to be held to submit the question
 36 of whether adoption of a local option budget shall be authorized. If the
 37 board fails to notify the county election officer within 30 days after a
 38 petition is filed, the resolution shall be deemed abandoned and no like
 39 resolution shall be adopted by the board within the nine months following
 40 publication of the resolution. If any district is authorized to adopt a local
 41 option budget under this subpart, but the board of such district chooses;
 42 ~~in any school year~~, not to adopt such a budget or chooses, ~~in any school~~
 43 ~~in any school year~~

1 year, to adopt such budget in an amount less than the amount of the
2 district prescribed percentage of the amount of state financial aid in any
3 school year, such board of education may so choose. If the board of any
4 district refrains from adopting a local option budget in any one or more
5 school years or refrains from budgeting the total amount authorized for
6 any one or more school years, the authority of such district to adopt a
7 local option budget shall not be extended by such refrainment beyond
8 the period specified in the resolution authorizing adoption of such budget,
9 nor shall the amount authorized to be budgeted in any succeeding school
10 year be increased by such refrainment. Whenever an initial resolution has
11 been adopted under this subpart, and such resolution specified a lesser
12 percentage than the district prescribed percentage, the board of the dis-
13 trict may adopt one or more subsequent resolutions under the same pro-
14 cedure as provided for the initial resolution and subject to the same con-
15 ditions, and shall be authorized to increase the percentage as specified in
16 any such subsequent resolution for the remainder of the period of time
17 specified in the initial resolution. Any percentage specified in a subse-
18 quent resolution or in subsequent resolutions shall be limited so that the
19 sum of the percentage authorized in the initial resolution and the per-
20 centage authorized in the subsequent resolution or in subsequent reso-
21 lutions is not in excess of the district prescribed percentage in any school
22 year. The board of any district that has been authorized to adopt a local
23 option budget under this subpart and levied a tax under authority of
24 K.S.A. 72-6435, and amendments thereto, may initiate, at any time after
25 the final levy is certified to the county clerk under any current authori-
26 zation, procedures to renew its authority to adopt a local option budget
27 in the manner specified in this subpart or may utilize the authority granted
28 by subpart (A). As used in this subpart, the term “authorized to adopt a
29 local option budget” means that a district has adopted a resolution under
30 this subpart, has published the same, and either that the resolution was
31 not protested or that it was protested and an election was held by which
32 the adoption of a local option budget was approved.

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

35 (b) The provisions of this subsection (b) shall be subject to the pro-
36 visions of ~~K.S.A. 72-6433a~~ *section 2*, and amendments thereto.

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

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

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

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

1 shall be continuously and permanently authorized to increase the local
2 option budget of the district in each school year by a percentage which
3 together with the percentage of the amount of state financial aid budgeted
4 under subsection (a) does not exceed the state prescribed percentage in
5 any school year.

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

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

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

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

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

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

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

26 (9) As used in this subsection:

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

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

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

1 the period of time specified in the resolution has expired.

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

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

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

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

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

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

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

17 (2) "Extraordinary declining enrollment" means an enrollment which
18 has declined during the preceding three school years at an average rate
19 of at least 5% or by at least 50 pupils.

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

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

36 (d) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
37 1964b, and amendments thereto.

38 (e) (1) There is hereby created in every school district an extraordi-
39 nary declining enrollment fund. The fund shall consist of amounts de-
40 posited therein or credited thereto according to law.

41 (2) Subject to the limitation imposed under provision (3), amounts in
42 the enrichment fund may be expended for any purpose for which ex-
43 penditures from the general fund are authorized or may be transferred

1 to the general fund of the district or to any program weighted fund or
2 categorical fund of the district.

3 (3) Amounts in the extraordinary declining enrollment fund may not
4 be expended nor transferred to the general fund of the district for the
5 purpose of making payments under any lease-purchase agreement in-
6 volving the acquisition of land or buildings which is entered into pursuant
7 to the provisions of K.S.A. 72-8225, and amendments thereto.

8 (4) Any balance remaining in the extraordinary declining enrollment
9 fund at the end of the budget year shall be carried forward into that fund
10 for succeeding budget years. Such fund shall not be subject to the pro-
11 visions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In
12 preparing the budget of such school district, the amounts credited to and
13 the amount on hand in the extraordinary declining enrollment fund, and
14 the amount expended therefrom shall be included in the annual budget
15 for the information of the residents of the school district. Interest earned
16 on the investment of moneys in any such fund shall be credited to that
17 fund.

18 Sec. 3. K.S.A. 72-6433 and 72-6433b are hereby repealed.

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