

HOUSE BILL No. 2018

By Select Committee on School Finance

6-28

9 AN ACT concerning school districts; relating to school finance; amend-
10 ing K.S.A. 72-6433, as amended by section 17 of 2005 Senate Bill No.
11 43, and K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005
12 House Bill No. 2247, 72-6434, as amended by section 24 of 2005
13 House Bill No. 2247, and section 22 of 2005 Senate Bill No. 43, and
14 repealing the existing sections; also repealing section 30 of 2005 House
15 Bill No. 2247.

16

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

18 New Section 1. (a) As used in this section, "school district" means a
19 school district which has adopted a local option budget equal to the state
20 prescribed percentage.

21 (b) Each school year, the board of education of any district, by res-
22 olution, may adopt a local activities budget. Such resolution shall be pub-
23 lished in a newspaper of general circulation in the district. A local activ-
24 ities budget shall not exceed an amount equal to 4% of the general fund
25 of the district.

26 (c) (1) The resolution shall be published in substantial compliance
27 with the following form:

28 Unified School District No. _____,

29

_____ County, Kansas.

30

RESOLUTION

31 Be It Resolved that:

32 The board of education of the above-named school district shall be authorized to adopt
33 a local activities budget in each school year in an amount not to exceed _____% of the
34 amount of state financial aid determined for the current school year. The local activities
35 budget authorized by this resolution may be adopted, unless a petition in opposition to the
36 same, signed by not less than 10% of the qualified electors of the school district, is filed
37 with the county election officer of the home county of the school district within 30 days
38 after publication of this resolution. If a petition is filed, the county election officer shall
39 submit the question of whether adoption of the local activities budget shall be authorized
40 to the electors of the school district at an election called for the purpose or at the next
41 general election, as is specified by the board of education of the school district.

42

CERTIFICATE

43 This is to certify that the above resolution was duly adopted by the board of education of

1 Unified School District No. _____, _____ County, Kansas, on the _____ day
2 of _____, _____.

3 _____
4 Clerk of the board of education.

5 All of the blanks in the resolution shall be appropriately filled. The
6 blank preceding the percentage symbol shall be filled with a specific num-
7 ber. No word shall be inserted in either of the blanks. The percentage
8 specified in the resolution shall not exceed 4%. The resolution shall be
9 published once in a newspaper having general circulation in the school
10 district. If no petition as specified above is filed in accordance with the
11 provisions of the resolution, the board may adopt a local activities budget.
12 If a petition is filed as provided in the resolution, the board may notify
13 the county election officer of the date of an election to be held to submit
14 the question of whether adoption of a local activities budget shall be
15 authorized. If the board fails to notify the county election officer within
16 30 days after a petition is filed, the resolution shall be deemed abandoned
17 and no like resolution shall be adopted by the board within the nine
18 months following publication of the resolution. If any district is authorized
19 to adopt a local activities budget under this subsection, but the board of
20 such district chooses, in any school year, not to adopt such a budget or
21 chooses, in any school year, to adopt such budget in an amount less than
22 the amount of the percentage stated in the resolution, such board of
23 education may so choose. Whenever an initial resolution has been
24 adopted under this subsection, and such resolution specified a percentage
25 less than the percentage specified in the resolution, the board of the
26 district may adopt one or more subsequent resolutions under the same
27 procedure as provided for the initial resolution and subject to the same
28 conditions, and shall be authorized to increase the percentage as specified
29 in any such subsequent resolution. Any percentage specified in a subse-
30 quent resolution or in subsequent resolutions shall be limited so that the
31 sum of the percentage authorized in the initial resolution and the per-
32 centage authorized in the subsequent resolution or in subsequent reso-
33 lutions is not in excess of the percentage specified in the initial resolution
34 in any school year. As used in this subsection, the term "authorized to
35 adopt a local activities budget" means that a district has adopted a reso-
36 lution under this subsection, has published the same, and either that the
37 resolution was not protested or that it was protested and an election was
38 held and the adoption of a local activities budget was approved. If the
39 board fails to notify the county election officer within 30 days after a
40 petition is filed, the resolution shall be deemed abandoned and no like
41 resolution shall be adopted by the board within the nine months following
42 publication of the resolution.

43 (2) If a sufficient protest is filed to a resolution adopted for school

1 year 2005-2006, but there is insufficient time to call and hold an election
2 on or before August 15, 2005, the resolution shall become effective, but
3 no money may be expended from the proceeds of the tax imposed to fund
4 such local activities budget. All moneys derived from such levy shall be
5 transferred to the supplemental general fund of the district, and the state
6 board shall deduct an equal amount from the amounts of supplemental
7 general state aid payable to the district during the next school year.

8 (3) The board of any district may opt to submit the question of
9 whether to approve the cost of living levy directly to the electors of the
10 district at a primary, general or special election called for such purpose.

11 (d) Any election called pursuant to this section shall be noticed, called
12 and held in the manner provided by K.S.A. 10-120, and amendments
13 thereto, for the noticing, calling and holding of elections upon the ques-
14 tion of issuing bonds under the general bond law. Such election may be
15 conducted in the manner provided by the mail ballot act.

16 (e) (1) There is hereby established in every district that adopts a local
17 activities budget a fund which shall be called the local activities fund. The
18 fund shall consist of all amounts deposited therein or credited thereto
19 according to law.

20 (2) Except as provided by subsection (3), amounts in the local activ-
21 ities fund may be expended for any purpose for which expenditures from
22 the general fund are authorized or may be transferred to the general fund
23 of the district or to any program weighted fund or categorical fund of the
24 district.

25 (3) Amounts in the local activities fund may not be expended nor
26 transferred to the general fund of the district for the purpose of funding
27 the cost of providing the subjects or areas of instruction required by state
28 law to be provided in accredited schools, including reasonable and nec-
29 essary related instruction, administration, support staff, supplies, equip-
30 ment and building costs.

31 (4) Any balance remaining in the local activities fund at the end of
32 the school year shall be carried forward into that fund for succeeding
33 school years. Such fund shall not be subject to the provisions of K.S.A.
34 79-2925 through 79-2937, and amendments thereto. In preparing the
35 local activities budget of such school district, the amounts credited to and
36 the amount on hand in the local activities fund, and the amount expended
37 therefrom shall be included in the annual local activities budget for the
38 information of the residents of the school district. Interest earned on the
39 investment of moneys in any such fund shall be credited to that fund.

40 New Sec. 2. (a) In each school year, the board of every district that
41 has adopted a local activities budget may levy an ad valorem tax on the
42 taxable tangible property of the district for the purpose of financing that
43 portion of the district's local activities budget which is not financed from

1 any other source provided by law and for the purpose of paying a portion
2 of the principal and interest on bonds issued by cities under authority of
3 K.S.A. 12-1774, and amendments thereto, for the financing of redevelop-
4 ment projects upon property located within the district.

5 (b) The board of every school district that has adopted a local activ-
6 ities budget may grant an ad valorem tax exemption from an ad valorem
7 tax authorized to be levied by subsection (a) on such entire subclass of
8 real or personal property of the school district as described in this section.
9 Such exemption may be granted for the following subclasses of property:
10 Land and buildings and other improvements located upon land devoted
11 to agricultural use, public utility property, real property used for com-
12 mercial and industrial purposes, public utility tangible personal property
13 or commercial and industrial machinery and equipment, or any combi-
14 nation thereof.

15 (c) The proceeds from the tax levied by a district under authority of
16 this section, except the proceeds of such tax levied for the purpose of
17 paying a portion of the principal and interest on bonds issued by cities
18 under authority of K.S.A. 12-1774, and amendments thereto, for the fi-
19 nancing of redevelopment projects upon property located within the dis-
20 trict, shall be deposited in the local activities fund of the district.

21 New Sec. 3. (a) In each school year, each district that has adopted a
22 local activities budget is eligible for entitlement to an amount of local
23 activities state aid entitlement of a district to such aid shall be determined
24 by the state board as provided in this subsection. The state board shall:

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

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

29 (3) identify the amount of the assessed valuation per pupil located at
30 the 75th percentile of the amounts ranked under (2);

31 (4) divide the assessed valuation per pupil of the district in the pre-
32 ceding school year by the amount identified under (3);

33 (5) subtract the ratio obtained under (4) from 1.0. If the resulting
34 ratio equals or exceeds 1.0, the eligibility of the district for entitlement
35 to local activities state aid shall lapse. If the resulting ratio is less than 1.0,
36 the district is entitled to receive local activities state aid in an amount
37 which shall be determined by the state board by multiplying the amount
38 of the local activities budget of the district by such ratio. The product is
39 the amount of the local activities state aid the district is entitled to receive
40 for the school year.

41 (c) If the amount of appropriations for local activities state aid is less
42 than the amount each district is entitled to receive for the school year,
43 the state board shall prorate the amount appropriated among the districts

1 in proportion to the amount each district is entitled to receive.

2 (d) The state board of education shall prescribe the dates upon which
3 the distribution of payments of local activities state aid to school districts
4 shall be due. Payments of local activities state aid shall be distributed to
5 districts on the dates prescribed by the state board. The state board shall
6 certify to the director of accounts and reports the amount due each dis-
7 trict, and the director of accounts and reports shall draw a warrant on the
8 state treasurer payable to the treasurer of the district. Upon receipt of
9 the warrant, the treasurer of the district shall credit the amount thereof
10 to the local activities fund of the district to be used for the purposes of
11 such fund.

12 (e) If any amount of local activities state aid that is due to be paid
13 during the month of June of a school year pursuant to the other provisions
14 of this section is not paid on or before June 30 of such school year, then
15 such payment shall be paid on or after the ensuing July 1, as soon as
16 moneys are available therefor. Any payment of local activities state aid
17 that is due to be paid during the month of June of a school year and that
18 is paid to school districts on or after the ensuing July 1 shall be recorded
19 and accounted for by school districts as a receipt for the school year
20 ending on the preceding June 30.

21 New Sec. 4. (a) As used in this section:

- 22 (1) "District" or "school district" means any school district;
23 (2) "program" means the surplus revenue grant program; and
24 (3) "state board" means the state board of education.

25 (b) Each school district is eligible for a grant under the surplus rev-
26 enue grant program. The amount of the grant a school district is eligible
27 to receive shall be determined by the state board as provided by this
28 subsection. The state board shall:

- 29 (1) Determine the amount of state aid each district is entitled to re-
30 ceive during school year 2005-2006;
31 (2) determine the amount of state aid each district was entitled to
32 receive during school year 2004-2005;
33 (3) subtract the amount determined under paragraph (2) from the
34 amount determined under paragraph (1);
35 (4) determine the enrollment of the district;
36 (5) multiply the remainder determined under paragraph (3) by the
37 amount determined under paragraph (4); and
38 (6) multiply the product determined under paragraph (5) by 3.305%.
39 The product is the amount of the surplus revenue grant the district is
40 entitled to receive.

41 (c) All moneys received under the provisions of subsection (b) shall
42 be deposited in the general fund of the school district.

43 Sec. 5. K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005

1 House Bill No. 2247, is hereby amended to read as follows: 72-978. (a)
 2 Each year, the state board of education shall determine the amount of
 3 state aid for the provision of special education and related services each
 4 school district shall receive for the ensuing school year. The amount of
 5 such state aid shall be computed by the state board as provided in this
 6 section. The state board shall:

- 7 (1) Determine the total amount of general fund and local option
 8 budgets of all school districts;
- 9 (2) subtract from the amount determined in paragraph (1) the total
 10 amount attributable to assignment of transportation weighting, program
 11 weighting, special education weighting and at-risk pupil weighting to en-
 12 rollment of all school districts;
- 13 (3) divide the remainder obtained in paragraph (2) by the total num-
 14 ber of full-time equivalent pupils enrolled in all school districts on Sep-
 15 tember 20;
- 16 (4) determine the total full-time equivalent enrollment of exceptional
 17 children receiving special education and related services provided by all
 18 school districts;
- 19 (5) multiply the amount of the quotient obtained in paragraph (3) by
 20 the full-time equivalent enrollment determined in paragraph (4);
- 21 (6) determine the amount of federal funds received by all school dis-
 22 tricts for the provision of special education and related services;
- 23 (7) determine the amount of revenue received by all school districts
 24 rendered under contracts with the state institutions for the provisions of
 25 special education and related services by the state institution;
- 26 (8) add the amounts determined under paragraphs (6) and (7) to the
 27 amount of the product obtained under paragraph (5);
- 28 (9) determine the total amount of expenditures of all school districts
 29 for the provision of special education and related services;
- 30 (10) subtract the amount of the sum obtained under paragraph (8)
 31 from the amount determined under paragraph (9); and
- 32 (11) ~~(A) for school year 2005-2006, multiply the remainder obtained~~
 33 ~~under paragraph (10) by 85%;~~
 34 ~~(B) for school year, 2006-2007, multiply the remainder obtained un-~~
 35 ~~der paragraph (10) by 88%, and~~
 36 ~~(C) for school year 2007-2008 and each year thereafter, multiply the~~
 37 ~~remainder obtained under paragraph (10) by 91%.~~

38 The computed amount is the amount of state aid for the provision of
 39 special education and related services aid a school district is entitled to
 40 receive for the ensuing school year.

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

- 42 (1) Reimbursement for actual travel allowances paid to special teach-
 43 ers at not to exceed the rate specified under K.S.A. 75-3203, and amend-

1 ments thereto, for each mile actually traveled during the school year in
2 connection with duties in providing special education or related services
3 for exceptional children; such reimbursement shall be computed by the
4 state board by ascertaining the actual travel allowances paid to special
5 teachers by the school district for the school year and shall be in an
6 amount equal to 80% of such actual travel allowances;

7 (2) reimbursement in an amount equal to 80% of the actual travel
8 expenses incurred for providing transportation for exceptional children to
9 special education or related services; such reimbursement shall not be
10 paid if such child has been counted in determining the transportation
11 weighting of the district under the provisions of the school district finance
12 and quality performance act;

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

18 (4) except for those school districts entitled to receive reimbursement
19 under subsection (c) or (d), after subtracting the amounts of reimburse-
20 ment under paragraphs (1), (2) and (3) of this subsection (a) from the
21 total amount appropriated for special education and related services un-
22 der this act, an amount which bears the same proportion to the remaining
23 amount appropriated as the number of full-time equivalent special teach-
24 ers who are qualified to provide special education or related services to
25 exceptional children and are employed by the school district for approved
26 special education or related services bears to the total number of such
27 qualified full-time equivalent special teachers employed by all school dis-
28 tricts for approved special education or related services.

29 Each special teacher who is qualified to assist in the provision of special
30 education or related services to exceptional children shall be counted as
31 $\frac{2}{3}$ full-time equivalent special teacher who is qualified to provide special
32 education or related services to exceptional children.

33 (c) Each school district which has paid amounts for the provision of
34 special education and related services under an interlocal agreement shall
35 be entitled to receive reimbursement under subsection (b)(4). The
36 amount of such reimbursement for the district shall be the amount which
37 bears the same relation to the aggregate amount available for reimburse-
38 ment for the provision of special education and related services under the
39 interlocal agreement, as the amount paid by such district in the current
40 school year for provision of such special education and related services
41 bears to the aggregate of all amounts paid by all school districts in the
42 current school year who have entered into such interlocal agreement for
43 provision of such special education and related services.

1 (d) Each contracting school district which has paid amounts for the
2 provision of special education and related services as a member of a co-
3 operative shall be entitled to receive reimbursement under subsection
4 (b)(4). The amount of such reimbursement for the district shall be the
5 amount which bears the same relation to the aggregate amount available
6 for reimbursement for the provision of special education and related serv-
7 ices by the cooperative, as the amount paid by such district in the current
8 school year for provision of such special education and related services
9 bears to the aggregate of all amounts paid by all contracting school dis-
10 tricts in the current school year by such cooperative for provision of such
11 special education and related services.

12 (e) No time spent by a special teacher in connection with duties per-
13 formed under a contract entered into by the Kansas juvenile correctional
14 complex, the Atchison juvenile correctional facility, the Beloit juvenile
15 correctional facility, the Larned juvenile correctional facility, or the To-
16 peka juvenile correctional facility and a school district for the provision
17 of special education services by such state institution shall be counted in
18 making computations under this section.

19 Sec. 6. K.S.A. 72-6433, as amended by section 17 of 2005 Senate Bill
20 No. 43, is hereby amended to read as follows: 72-6433. (a) (1) The board
21 of any district may adopt a local option budget in each school year in an
22 amount not to exceed an amount equal to the district prescribed per-
23 centage of the amount of state financial aid determined for the district in
24 the school year, *but not to exceed an amount equal to 84% of the local*
25 *option budget the district was authorized to adopt in the school year 2004-*
26 *2005.* As used in this section, “district prescribed percentage” means:

27 (A) 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, do not apply in the current
30 school year, in the 2001-02 school year and in each school year thereafter,
31 a percentage that is equal to 80% of the percentage specified in the res-
32 olution under which the district was authorized to adopt a local option
33 budget in the 1996-97 school year;

34 (B) for any district that was authorized to adopt and that adopted a
35 local option budget in the 1996-97 school year and to which the provisions
36 of K.S.A. 72-6444, and amendments thereto, apply in the current school
37 year, a percentage in the 2001-02 school year and each school year there-
38 after that is equal to the sum of the percentage of the amount of state
39 financial aid the district was authorized to budget in the preceding school
40 year and the percentage computed for the district by the state board
41 under the provisions of K.S.A. 72-6444, and amendments thereto;

42 (C) for any district that was not authorized to adopt a local option
43 budget in the 1996-97 school year and to which the provisions of K.S.A.

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

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

1 the district in the preceding school year, the state board shall exclude the
2 percentage of increase that was authorized by the resolution.

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

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

12 Unified School District No. _____,
13 _____ County, Kansas.

14 RESOLUTION

15 Be It Resolved that:

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

27 CERTIFICATE

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

31 _____
32 Clerk of the board of education.

33 All of the blanks in the resolution shall be appropriately filled. The
34 blank preceding the word “years” shall be filled with a specific number,
35 and the blank preceding the percentage symbol shall be filled with a
36 specific number. No word shall be inserted in either of the blanks. The
37 percentage specified in the resolution shall not exceed the district pre-
38 scribed percentage. The resolution shall be published once in a news-
39 paper having general circulation in the school district. If no petition as
40 specified above is filed in accordance with the provisions of the resolution,
41 the board may adopt a local option budget. If a petition is filed as provided
42 in the resolution, the board may notify the county election officer of the
43 date of an election to be held to submit the question of whether adoption

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

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

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

- 1 (1) The board of any district that adopts a local option budget under
2 subsection (a) may increase the amount of such budget in each school
3 year in an amount which together with the percentage of the amount of
4 state financial aid budgeted under subsection (a) does not exceed the state
5 prescribed percentage of the amount of state financial aid determined for
6 the district in the school year if the board of the district determines that
7 an increase in such budget would be in the best interests of the district.
- 8 (2) No district may increase a local option budget under authority of
9 this subsection until: (A) A resolution authorizing such an increase is
10 passed by the board and published once in a newspaper having general
11 circulation in the district; or (B) the question of whether the board shall
12 be authorized to increase the local option budget has been submitted to
13 and approved by the qualified electors of the district at a special election
14 called for the purpose. Any such election shall be noticed, called and held
15 in the manner provided by K.S.A. 10-120, and amendments thereto, for
16 the noticing, calling and holding of elections upon the question of issuing
17 bonds under the general bond law. The notice of such election shall state
18 the purpose for and time of the election, and the ballot shall be designed
19 with the question of whether the board of education of the district shall
20 be continuously and permanently authorized to increase the local option
21 budget of the district in each school year by a percentage which together
22 with the percentage of the amount of state financial aid budgeted under
23 subsection (a) does not exceed the state prescribed percentage in any
24 school year. If a majority of the qualified electors voting at the election
25 approve authorization of the board to increase the local option budget,
26 the board shall have such authority. If a majority of the qualified electors
27 voting at the election are opposed to authorization of the board to increase
28 the local option budget, the board shall not have such authority and no
29 like question shall be submitted to the qualified electors of the district
30 within the nine months following the election.
- 31 (3) (A) Subject to the provisions of subpart (B), a resolution author-
32 izing an increase in the local option budget of a district shall state that
33 the board of education of the district shall be authorized to increase the
34 local option budget of the district in each school year in an amount not
35 to exceed ____% of the amount of state financial aid determined for the
36 current school year and that the percentage of increase may be reduced
37 so that the sum of the percentage of the amount of state financial aid
38 budgeted under subsection (a) and the percentage of increase specified
39 in the resolution does not exceed the state prescribed percentage in any
40 school year. The blank preceding the percentage symbol shall be filled
41 with a specific number. No word shall be inserted in the blank. The
42 resolution shall specify a definite period of time for which the board shall
43 be authorized to increase the local option budget and such period of time

1 shall be expressed by the specific number of school years for which the
2 board shall retain its authority to increase the local option budget. No
3 word shall be used to express the number of years for which the board
4 shall be authorized to increase the local option budget.

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

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

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

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

1 authorizing an increase in the local option budget if the resolution spec-
2 ified such a period of time.

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

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

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

33 (9) As used in this subsection:

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

41 (B) "State prescribed percentage" means 27% for school year 2005-
42 2006, 29% for school year 2006-2007 and 30% for school year 2007-2008
43 and each school year thereafter.

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

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

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

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

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

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

21 (e) To the extent the provisions of the foregoing section conflict with
 22 this subsection, this subsection shall control. Any district that adopted or
 23 was authorized to adopt a local option budget for school year 2004-2005
 24 in an amount equal to 25% may adopt a local option budget for school
 25 year 2005-2006 in an amount not to exceed the state prescribed per-
 26 centage in effect on July 1, 2005, by adoption of a resolution. Such res-
 27 olution shall not be subject to the provisions of this section relating to
 28 publication, protest or election.

29 Sec. 7. K.S.A. 2004 Supp. 72-6434, as amended by section 24 of 2005
 30 House Bill No. 2247, is hereby amended to read as follows: 72-6434. (a)
 31 ~~Subject to the limitations of subsection (b)~~ In each school year, each
 32 district that has adopted a local option budget is eligible for entitlement
 33 to an amount of supplemental general state aid. Entitlement of a district
 34 to supplemental general state aid shall be determined by the state board
 35 as provided in this subsection *and in accordance with appropriations for*
 36 *supplemental general state aid*. The state board shall:

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

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

41 ~~(3) identify the amount of the assessed valuation per pupil located at~~
 42 ~~the 75th percentile of the amounts ranked under (2);~~

43 (3) (A) *for school year 2005-2006, identify the amount of the assessed*

1 *valuation per pupil located at the 84th percentile of the amounts ranked*
2 *under (2);*

3 *(B) for school year 2006-2007 and each school year thereafter, iden-*
4 *tify the amount of the assessed valuation per pupil located at a percentile*
5 *not less than the 75th percentile of the amounts ranked under (2);*

6 (4) divide the assessed valuation per pupil of the district in the pre-
7 ceding school year by the amount identified under (3);

8 (5) subtract the ratio obtained under (4) from 1.0. If the resulting
9 ratio equals or exceeds 1.0, the eligibility of the district for entitlement
10 to supplemental general state aid shall lapse. If the resulting ratio is less
11 than 1.0, the district is entitled to receive supplemental general state aid
12 in an amount which shall be determined by the state board by multiplying
13 the amount of the local option budget of the district by such ratio. The
14 product is the amount of supplemental general state aid the district is
15 entitled to receive for the school year.

16 ~~(b) For school year 2005-2006, districts shall not be paid supplement-~~
17 ~~tal general state aid for that portion of the local option budget in excess~~
18 ~~of the state prescribed percentage in effect prior to the effective date of~~
19 ~~this act.~~

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

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

34 ~~(c)~~ (d) If any amount of supplemental general state aid that is due to
35 be paid during the month of June of a school year pursuant to the other
36 provisions of this section is not paid on or before June 30 of such school
37 year, then such payment shall be paid on or after the ensuing July 1, as
38 soon as moneys are available therefor. Any payment of supplemental gen-
39 eral state aid that is due to be paid during the month of June of a school
40 year and that is paid to school districts on or after the ensuing July 1 shall
41 be recorded and accounted for by school districts as a receipt for the
42 school year ending on the preceding June 30.

43 Sec. 8. Section 22 of 2005 Senate Bill No. 43 is hereby amended to

1 read as follows: (a) If a petition is filed in a district court of this state
2 alleging a violation of article 6 of the Kansas constitution, the chief judge
3 of such district court shall notify the chief justice of the supreme court
4 of such petition within three business days thereafter.

5 (b) Within three business days of receiving such notice, the chief
6 justice shall notify the chief judge of the court of appeals. Within 10
7 business days of receiving notice by the chief justice, the chief judge shall
8 appoint a panel of three current or retired district court judges to preside
9 over such civil action. The chief judge shall designate one of such judges
10 to be the presiding judge of the panel. The judicial panel shall be consid-
11 ered a court of competent jurisdiction to hear and decide the civil action.

12 (c) The judicial panel shall establish venue pursuant to section 23 of
13 2005 Senate Bill No. 43, and amendments thereto.

14 (d) *The legislature, through an attorney appointed by the legislative*
15 *coordinating council, may present oral and written testimony at all stages*
16 *of the proceedings of such civil action, including written briefs to any*
17 *appeals to the appellate courts. Nothing in this subsection shall be con-*
18 *strued as a waiver by the legislature of the state of Kansas of immunity*
19 *from suit under article 2, section 22 of the Kansas constitution.*

20 Sec. 9. K.S.A. 72-6433, as amended by section 17 of 2005 Senate Bill
21 No. 43, and K.S.A. 2004 Supp. 72-978, as amended by section 10 of 2005
22 House Bill No. 2247, 72-6434, as amended by section 24 of 2005 House
23 Bill No. 2247, and sections 22 and 30 of 2005 Senate Bill No. 43 are
24 hereby repealed.

25 Sec. 10. This act shall take effect and be in force from and after its
26 publication in the Kansas register.