

SENATE BILL No. 369

By Committee on Education

1-13

9 AN ACT concerning school finance; relating to local option budgets;
10 amending K.S.A. 2005 Supp. 72-6433 and repealing the existing sec-
11 tion; also repealing K.S.A. 72-6444.
12

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

14 Section 1. K.S.A. 2005 Supp. 72-6433 is hereby amended to read as
15 follows: 72-6433. ~~(a) (1) The board of any district may adopt a local option~~
16 ~~budget in each school year in an amount not to exceed an amount equal~~
17 ~~to the district prescribed percentage of the amount of state financial aid~~
18 ~~determined for the district in the school year. As used in this section,~~
19 ~~“district 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. _____

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

Clerk of the board of education.

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

1 such budget in an amount less than the amount of the district prescribed
2 percentage of the amount of state financial aid in any school year, such
3 board of education may so choose. If the board of any district refrains
4 from adopting a local option budget in any one or more school years or
5 refrains from budgeting the total amount authorized for any one or more
6 school years, the authority of such district to adopt a local option budget
7 shall not be extended by such refrainment beyond the period specified
8 in the resolution authorizing adoption of such budget, nor shall the
9 amount authorized to be budgeted in any succeeding school year be in-
10 creased by such refrainment. Whenever an initial resolution has been
11 adopted under this subpart, and such resolution specified a lesser per-
12 centage than the district prescribed percentage, the board of the district
13 may adopt one or more subsequent resolutions under the same procedure
14 as provided for the initial resolution and subject to the same conditions,
15 and shall be authorized to increase the percentage as specified in any
16 such subsequent resolution for the remainder of the period of time spec-
17 ified in the initial resolution. Any percentage specified in a subsequent
18 resolution or in subsequent resolutions shall be limited so that the sum
19 of the percentage authorized in the initial resolution and the percentage
20 authorized in the subsequent resolution or in subsequent resolutions is
21 not in excess of the district prescribed percentage in any school year. The
22 board of any district that has been authorized to adopt a local option
23 budget under this subpart and levied a tax under authority of K.S.A. 72-
24 6435, and amendments thereto, may initiate, at any time after the final
25 levy is certified to the county clerk under any current authorization, pro-
26 cedures to renew its authority to adopt a local option budget in the man-
27 ner specified in this subpart or may utilize the authority granted by sub-
28 part (A). As used in this subpart, the term "authorized to adopt a local
29 option budget" means that a district has adopted a resolution under this
30 subpart, has published the same, and either that the resolution was not
31 protested or that it was protested and an election was held by which the
32 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, 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
29 for the current school year and that the percentage of increase may be
30 reduced so that the sum of the percentage of the amount of state financial
31 aid budgeted under subsection (a) and the percentage of increase spec-
32 ified in the resolution does not exceed the state prescribed percentage in
33 any 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 27% for school year 2005-~~
35 ~~2006, 29% for school year 2006-2007 and 30% for school year 2007-2008~~
36 ~~and each school year thereafter.~~

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

1 provisions of this section as amended by this act. Any such district shall
2 operate under the provisions of this section as amended by this act after
3 the period of time specified in the resolution has expired.

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

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

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

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

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

14 ~~—(c)—~~ To the extent the provisions of the foregoing section conflict with
15 this subsection, this subsection shall control. Any district that adopted or
16 was authorized to adopt a local option budget for school year 2004-2005
17 in an amount equal to 25% may adopt a local option budget for school
18 year 2005-2006 in an amount not to exceed the state prescribed per-
19 centage in effect on July 1, 2005, by adoption of a resolution. Such res-
20 olution shall not be subject to the provisions of this section relating to
21 publication, protest or election.

22 *(a) Subject to the limitations of this section, the board of any district*
23 *may adopt, by resolution, a local option budget for the ensuing school*
24 *year in an amount not to exceed the state prescribed percentage of the*
25 *amount of state financial aid determined for the district for the ensuing*
26 *school year.*

27 *(b) In each school year, the board of any district may adopt, by res-*
28 *olution, a local option budget in an amount not to exceed the amount*
29 *authorized by the board for school year 2005-2006. The adoption of a*
30 *resolution pursuant to this subsection shall require a majority vote of the*
31 *members of the board. Such resolution shall be effective upon adoption*
32 *and shall require no other procedure, authorization or approval.*

33 *(c) If the board of a district desires to increase its local option budget*
34 *authority above the amount authorized for school year 2005-2006, the*
35 *board may adopt, by resolution, such budget in an amount not to exceed*
36 *the state-wide average percentage for the preceding school year as deter-*
37 *mined by the state board pursuant to subsection (i). The adoption of a*
38 *resolution pursuant to this subsection shall require a majority vote of the*
39 *members of the board. Such resolution shall be effective upon adoption*
40 *and shall require no other procedure, authorization or approval.*

41 *(d) Except as provided in subsection (b), if the board of a district*
42 *desires to increase its local option budget authority in an amount which*
43 *exceeds the state-wide average amount as determined by the state board*

1 pursuant to subsection (i) or if the board was not authorized to adopt a
2 local option budget for school year 2005-2006, the board may adopt a
3 resolution authorizing adoption of such budget. Such resolution shall be
4 published at least once in a newspaper having general circulation in the
5 district. The resolution shall be published in substantial compliance with
6 the following form:

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

9 RESOLUTION

10 Be It Resolved that:

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

21 CERTIFICATE

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

25 _____
26 Clerk of the board of education.

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

38 (e) Unless specifically stated otherwise in the resolution, the authority
39 to adopt a local option budget shall be continuous and permanent. The
40 board of any district which is authorized to adopt a local option budget
41 may choose not to adopt such a budget or may adopt a budget in an
42 amount less than the amount authorized. If the board of any district whose
43 authority to adopt a local option budget is not continuous and permanent

1 *refrains from adopting a local option budget, the authority of such district*
2 *to adopt a local option budget shall not be extended by such refrainment*
3 *beyond the period specified in the resolution authorizing adoption of such*
4 *budget.*

5 (f) *The board of any district may initiate procedures to renew or*
6 *increase the authority to adopt a local option budget at any time during*
7 *a school year after the tax levied pursuant to K.S.A. 72-6435, and amend-*
8 *ments thereto, is certified to the county clerk under any existing author-*
9 *ization.*

10 (g) *The board of any district that is authorized to adopt a local option*
11 *budget prior to the effective date of this act under a resolution which*
12 *authorized the adoption of such budget in accordance with the provisions*
13 *of this section prior to its amendment by this act may continue to operate*
14 *under such resolution for the period of time specified in the resolution or*
15 *may abandon the resolution and operate under the provisions of this sec-*
16 *tion as amended by this act. Any such district shall operate under the*
17 *provisions of this section as amended by this act after the period of time*
18 *specified in the resolution has expired.*

19 (h) (1) *There is hereby established in every district that adopts a local*
20 *option budget a fund which shall be called the supplemental general fund.*
21 *The fund shall consist of all amounts deposited therein or credited thereto*
22 *according to law.*

23 (2) *Subject to the limitation imposed under paragraph (3), amounts*
24 *in the supplemental general fund may be expended for any purpose for*
25 *which expenditures from the general fund are authorized or may be trans-*
26 *ferred to any program weighted fund or categorical fund of the district.*

27 (3) *Amounts in the supplemental general fund may not be expended*
28 *for the purpose of making payments under any lease-purchase agreement*
29 *involving the acquisition of land or buildings which is entered into pur-*
30 *suant to the provisions of K.S.A. 72-8225, and amendments thereto.*

31 (4) (A) *Except as provided in paragraph (B), any unexpended budget*
32 *remaining in the supplemental general fund of a district at the conclusion*
33 *of any school year in which a local option budget is adopted shall be*
34 *maintained in such fund.*

35 (B) *If the district received supplemental general state aid in the school*
36 *year, the state board shall determine the ratio of the amount of supple-*
37 *mental general state aid received to the amount of the local option budget*
38 *of the district for the school year and multiply the total amount of the*
39 *unexpended budget remaining by such ratio. An amount equal to the*
40 *amount of the product shall be transferred to the general fund of the*
41 *district or remitted to the state treasurer. Upon receipt of any such re-*
42 *mittance, the state treasurer shall deposit the same in the state treasury*
43 *to the credit of the state school district finance fund.*

1 (i) *Each year the state board of education shall determine the state-*
2 *wide average percentage of local option budgets legally adopted by school*
3 *districts for the preceding school year.*

4 (j) *As used in this section:*

5 (1) *“State prescribed percentage” means 27% for school year 2005-*
6 *2006, 29% for school year 2006-2007 and 30% for school year 2007-2008*
7 *and each school year thereafter.*

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

13 Sec. 2. K.S.A. 72-6444 and K.S.A. 2005 Supp. 72-6433 are hereby
14 repealed.

15 Sec. 3. This act shall take effect and be in force from and after its
16 publication in the Kansas register.