AN ACT concerning school districts; relating to school finance; local activities budget; amending and repealing the existing section.

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

Section 1. (a) As used in this section:
1. "Authorized to adopt a local activities budget" means that a district has adopted a resolution under this section and the resolution was approved at an election thereon.
2. "District average amount per pupil" means the average amount per pupil for the preceding school year of the combined general fund budget and local option budget of the district as computed by the state board under subsection (g).
3. "School district" or "district" means a school which has adopted a local option budget not less than 30% of the state financial aid of the district in the current school year and is below the statewide average amount per pupil.
4. "State board" means the state board of education.
5. "Statewide average amount per pupil" means the average amount per pupil for the preceding school year of the combined general fund budgets and local option budgets of all districts as computed by the state board under subsection (f).

(b) (1) Each school year, the board of education of any district, by resolution, may adopt a local activities budget. Except as provided by subsection (b)(2), a local activities budget shall not exceed 3% of the statewide average amount per pupil.
2. If the sum of the district average amount per pupil and the local activities budget as computed adopted in subsection (b)(1) is an amount greater than the statewide average per pupil, then the local activities budget shall be the difference between the statewide average amount per pupil and the district average amount per pupil for such district.

(c) (1) Such resolution shall not be effective unless it is submitted to and approved by a majority of the qualified electors of the school district voting on the question at an election thereon. The resolution submitted to the qualified electors of the school district shall specify the
maximum local activities budget, which shall not exceed the amount
determined in subsection (b). If any district is authorized to adopt a local
activities budget under this section, but the board of such district chooses,
in any school year, not to adopt such a budget or chooses, in any school
year, to adopt such budget in an amount less than the amount stated in the
resolution, such board of education may so choose. Whenever an initial
resolution has been adopted under this subsection, and such resolution
specified an amount less than the amount specified in the resolution, the
board of the district may adopt one or more subsequent resolutions under
the same procedure as provided for the initial resolution and subject to the
same conditions, and shall be authorized to increase the amount as
specified in any such subsequent resolution. Any amount specified in a
subsequent resolution or in subsequent resolutions shall be limited so that
the sum of the percentage authorized in the initial resolution and the
amount authorized in any subsequent resolution is not in excess of the
amount determined in subsection (b). If the resolution is not approved by a
majority of the voters voting on the question at the election thereon, no
like resolution shall be adopted by the board within the nine months
following publication of the resolution.

(2) The authority to adopt a local activities budget granted by the
resolution to a school district shall expire five years from the date of the
election in which the resolution was approved by the majority of the
qualified electors of the school district voting on the question at the
election thereon. Upon expiration, no school district shall levy a tax under
subsection (h) of this section unless a new resolution has been approved at
an election in accordance with this subsection.

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

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

(2) Amounts in the local activities fund may be expended for the
purpose of funding the cost of providing those programs and activities in
the district which are not required by state law to be provided in accredited
schools.

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

(f) Each school year, the state board shall determine the statewide
average amount per pupil as follows:
(1) Determine the general fund budgets for all districts for the
preceding school year.
(2) Determine the local option budgets for all districts for the
preceding school year.
(3) Determine the enrollment of pupils in all districts for the
preceding school year.
(4) Divide the sum of paragraphs (1) and (2) by paragraph (3). The
result is the statewide average amount per pupil.

(g) Each school year for a district, the state board shall determine the
district average amount per pupil as follows:
(1) Determine the general fund budget for the district for the
preceding school year.
(2) Determine the local option budget for the district for the
preceding school year.
(3) Determine the enrollment of pupils in the district for the
preceding school year.
(4) Divide the sum of paragraphs (1) and (2) by paragraph (3). The
result is the district average amount per pupil for such district.

(h) (1) The board of a district that has adopted a local activities
budget may levy an ad valorem tax on the taxable tangible property of the
district for the purpose of financing that portion of the district's local
activities budget which is not financed from any other source provided by
law and for the purpose of paying a portion of the principal and interest on
bonds issued by cities under authority of K.S.A. 12-1774, and amendments
thereto, for the financing of redevelopment projects upon property located
within the district.

(2) The proceeds from the tax levied by a district under authority of
this section, except the proceeds of such tax levied for the purposes of
paying a portion of the principal and interest on bonds issued by cities
under authority of K.S.A. 12-1774, and amendments thereto, for the
financing of redevelopment projects upon property located within the
district, shall be deposited in the local activities fund of the district.

Sec. 2. This act shall take effect and be in force from and after its
publication in the statute book.