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6 **HOUSE BILL No. 2336**

7  
8 By Representatives DiVita and Ray, Ballou, Benlon, Campbell, Cook,  
9 Cox, Glasscock, Gordon, Huebert, Huff, Lane, Lightner, Lloyd, Mer-  
10 rick, Judy Morrison, Newton, Novascone, Patterson, Storm, Tomlin-  
11 son, Toplikar, and D. Williams.

12  
13 2-6

14  
15 AN ACT concerning school district finance; relating to local option budg-  
16 ets; revising the definition of state prescribed percentage; amending  
17 K.S.A. 2000 Supp. 72-6433 and repealing the existing section; also  
18 repealing K.S.A. 2000 Supp. 72-6444.

19  
20 *Be it enacted by the Legislature of the State of Kansas:*

21 Section 1. K.S.A. 2000 Supp. 72-6433 is hereby amended to read as  
22 follows: 72-6433. (a) (1) The board of any district may adopt a local option  
23 budget in each school year, ~~commencing with the 1997-98 school year,~~  
24 in an amount not to exceed an amount equal to the district prescribed  
25 percentage of the amount of state financial aid determined for the district  
26 in the school year. As used in this provision the term district prescribed  
27 percentage means:

28 (A) For any district that was authorized to adopt and that adopted a  
29 local option budget in the 1996-97 school year and to which the provisions  
30 of K.S.A. 2000 Supp. 72-6444, and amendments thereto, do not apply in  
31 the current school year, a percentage in the ~~1997-98 school year that is~~  
32 ~~equal to the percentage specified in the resolution under which the dis-~~  
33 ~~trict was authorized to adopt a local option budget in the 1996-97 school~~  
34 ~~year, in the 1998-99 school year, a percentage that is equal to 95% of the~~  
35 ~~percentage specified in the resolution under which the district was au-~~  
36 ~~thorized to adopt a local option budget in the 1996-97 school year, in the~~  
37 ~~1999-2000 school year, a percentage that is equal to 90% of the percent-~~  
38 ~~age specified in the resolution under which the district was authorized to~~  
39 ~~adopt a local option budget in the 1996-97 school year, in the 2000-01~~  
40 ~~school year, a percentage that is equal to 85% of the percentage specified~~  
41 ~~in the resolution under which the district was authorized to adopt a local~~  
42 ~~option budget in the 1996-97 school year, in the 2001-02 school year, and~~  
43 ~~in each school year thereafter, a percentage that is equal to 80% of the~~

1 percentage specified in the resolution under which the district was au-  
2 thorized to adopt a local option budget in the 1996-97 school year;

3 (B) for any district that was authorized to adopt and that adopted a  
4 local option budget in the 1996-97 school year and to which the provisions  
5 of K.S.A. 2000 Supp. 72-6444, and amendments thereto, apply in the  
6 current school year, a percentage in the ~~1997-98 school year that is equal~~  
7 ~~to the sum of the percentage of the amount of state financial aid the~~  
8 ~~district was authorized to budget in the preceding school year and 20%~~  
9 ~~of the percentage computed for the district by the state board under the~~  
10 ~~provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, a~~  
11 ~~percentage in the 1998-99 school year that is equal to the sum of the~~  
12 ~~percentage of the amount of state financial aid the district was authorized~~  
13 ~~to budget in the preceding school year and 40% of the percentage com-~~  
14 ~~puted for the district by the state board under the provisions of K.S.A.~~  
15 ~~2000 Supp. 72-6444, and amendments thereto, a percentage in the 1999-~~  
16 ~~2000 school year that is equal to the sum of the percentage of the amount~~  
17 ~~of state financial aid the district was authorized to budget in the preceding~~  
18 ~~school year and 60% of the percentage computed for the district by the~~  
19 ~~state board under the provisions of K.S.A. 2000 Supp. 72-6444, and~~  
20 ~~amendments thereto, a percentage in the 2000-01 school year that is~~  
21 ~~equal to the sum of the percentage of the amount of state financial aid~~  
22 ~~the district was authorized to budget in the preceding school year and~~  
23 ~~80% of the percentage computed for the district by the state board under~~  
24 ~~the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto,~~  
25 ~~a percentage in the 2001-02 school year, and each school year thereafter,~~  
26 ~~that is equal to the sum of the percentage of the amount of state financial~~  
27 ~~aid the district was authorized to budget in the preceding school year and~~  
28 ~~the percentage computed for the district by the state board under the~~  
29 ~~provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto;~~

30 (C) for any district that was not authorized to adopt a local option  
31 budget in the 1996-97 school year and to which the provisions of K.S.A.  
32 2000 Supp. 72-6444, and amendments thereto, apply in the current  
33 school year, a percentage in the ~~1997-98 school year that is equal to 20%~~  
34 ~~of the percentage computed for the district by the state board under the~~  
35 ~~provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, a~~  
36 ~~percentage in the 1998-99 school year that is equal to the sum of the~~  
37 ~~percentage of the amount of state financial aid the district was authorized~~  
38 ~~to budget in the preceding school year and 40% of the percentage com-~~  
39 ~~puted for the district by the state board under the provisions of K.S.A.~~  
40 ~~2000 Supp. 72-6444, and amendments thereto, a percentage in the 1999-~~  
41 ~~2000 school year that is equal to the sum of the percentage of the amount~~  
42 ~~of state financial aid the district was authorized to budget in the preceding~~  
43 ~~school year and 60% of the percentage computed for the district by the~~

1 ~~state board under the provisions of K.S.A. 2000 Supp. 72-6444, and~~  
2 ~~amendments thereto, a percentage in the 2000-01 school year that is~~  
3 ~~equal to the sum of the percentage of the amount of state financial aid~~  
4 ~~the district was authorized to budget in the preceding school year and~~  
5 ~~80% of the percentage computed for the district by the state board under~~  
6 ~~the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto,~~  
7 ~~a percentage in the 2001-02 school year, and each school year thereafter,~~  
8 ~~that is equal to the sum of the percentage of the amount of state financial~~  
9 ~~aid the district was authorized to budget in the preceding school year and~~  
10 ~~the percentage computed for the district by the state board under the~~  
11 ~~provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto;~~

12 (D) for any district to which the provisions of K.S.A. 2000 Supp. 72-  
13 6444, and amendments thereto, applied in the 1997-98 school year and  
14 to which the provisions of K.S.A. 2000 Supp. 72-6444, and amendments  
15 thereto, do not apply in the current school year, ~~commencing with the~~  
16 ~~1998-99 school year,~~ because an increase in the amount budgeted by the  
17 district in its local option budget as authorized by a resolution adopted  
18 under the provisions of subsection (b) causes the actual amount per pupil  
19 budgeted by the district in the preceding school year as determined for  
20 the district under provision (1) of subsection (a) of K.S.A. 2000 Supp. 72-  
21 6444, and amendments thereto, to equal or exceed the average amount  
22 per pupil of general fund budgets and local option budgets computed by  
23 the state board under whichever of the provisions (7) through (10) of  
24 subsection (a) of K.S.A. 2000 Supp. 72-6444, and amendments thereto,  
25 is applicable to the district's enrollment group, a percentage that is equal  
26 to the percentage of the amount of state financial aid the district was  
27 authorized to budget in the preceding school year if the resolution au-  
28 thorized the district to increase its local option budget on a continuous  
29 and permanent basis. If the resolution that authorized the district to in-  
30 crease its local option budget specified a definite period of time for which  
31 the district would retain its authority to increase the local option budget  
32 and such authority lapses at the conclusion of such period and is not  
33 renewed, the term district prescribed percentage means a percentage that  
34 is equal to the percentage of the amount of state financial aid the district  
35 was authorized to budget in the preceding school year less the percentage  
36 of increase that was authorized by the resolution unless the loss of the  
37 percentage of increase that was authorized by the resolution would cause  
38 the actual amount per pupil budgeted by the district to be less than the  
39 average amount per pupil of general fund budgets and local option bud-  
40 gets computed by the state board under whichever of the provisions (7)  
41 through (10) of subsection (a) of K.S.A. 2000 Supp. 72-6444, and amend-  
42 ments thereto, is applicable to the district's enrollment group, in which  
43 case, the term district prescribed percentage means a percentage that is

1 equal to the percentage of the amount of state financial aid the district  
2 was authorized to budget in the preceding school year less the percentage  
3 of increase that was authorized by the resolution plus a percentage which  
4 shall be computed for the district by the state board in accordance with  
5 the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto,  
6 except that, in making the determination of the actual amount per pupil  
7 budgeted by the district in the preceding school year, the state board shall  
8 exclude the percentage of increase that was authorized by the resolution.

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

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

18 Unified School District No. \_\_\_\_\_,  
19 \_\_\_\_\_ County, Kansas.

20 RESOLUTION

21 Be It Resolved that:

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

33 CERTIFICATE

34 This is to certify that the above resolution was duly adopted by the board of education of  
35 Unified School District No. \_\_\_\_\_, \_\_\_\_\_ County, Kansas, on the \_\_\_\_\_  
36 day of \_\_\_\_\_, 19\_\_\_\_.

37 \_\_\_\_\_  
38 Clerk of the board of education.

39 All of the blanks in the resolution shall be appropriately filled. The  
40 blank preceding the word "years" shall be filled with a specific number,  
41 and the blank preceding the percentage symbol shall be filled with a  
42 specific number. No word shall be inserted in either of the blanks. The  
43 percentage specified in the resolution shall not exceed the district pre-

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

1 protested or that it was protested and an election was held by which the  
2 adoption of a local option budget was approved.

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

5 (b) (1) The board of any district that adopts a local option budget  
6 under subsection (a) may increase the amount of such budget in each  
7 school year, ~~commencing with the 1997-98 school year~~, in an amount  
8 which together with the percentage of the amount of state financial aid  
9 budgeted under subsection (a) does not exceed the state prescribed per-  
10 centage of the amount of state financial aid determined for the district in  
11 the school year if the board of the district determines that an increase in  
12 such budget would be in the best interests of the district.

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

36 (3) (A) Subject to the provisions of subpart (B), a resolution author-  
37 izing an increase in the local option budget of a district shall state that  
38 the board of education of the district shall be authorized to increase the  
39 local option budget of the district in each school year in an amount not  
40 to exceed \_\_\_\_\_% of the amount of state financial aid determined for  
41 the current school year and that the percentage of increase may be re-  
42 duced so that the sum of the percentage of the amount of state financial  
43 aid budgeted under subsection (a) and the percentage of increase spec-

1 ified in the resolution does not exceed the state prescribed percentage in  
2 any school year. The blank preceding the percentage symbol shall be filled  
3 with a specific number. No word shall be inserted in the blank. The  
4 resolution shall specify a definite period of time for which the board shall  
5 be authorized to increase the local option budget and such period of time  
6 shall be expressed by the specific number of school years for which the  
7 board shall retain its authority to increase the local option budget. No  
8 word shall be used to express the number of years for which the board  
9 shall be authorized to increase the local option budget.

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

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

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

38 (6) If any district is authorized to increase a local option budget, but  
39 the board of such district chooses, in any school year, not to adopt or  
40 increase such budget or chooses, in any school year, to adopt or increase  
41 such budget in an amount less than the amount authorized, such board  
42 of education may so choose. If the board of any district refrains from  
43 adopting or increasing a local option budget in any one or more school

1 years or refrains from budgeting the total amount authorized for any one  
2 or more school years, the amount authorized to be budgeted in any suc-  
3 ceeding school year shall not be increased by such refrainment, nor shall  
4 the authority of the district to increase its local option budget be extended  
5 by such refrainment beyond the period of time specified in the resolution  
6 authorizing an increase in the local option budget if the resolution spec-  
7 ified such a period of time.

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

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

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

38 (9) As used in this subsection:

39 (A) “Authorized to increase a local option budget” means either that  
40 a district has held a special election under provision (2)(B) by which au-  
41 thority of the board to increase a local option budget was approved, or  
42 that a district has adopted a resolution under provision (2) (A), has pub-  
43 lished the same, and either that the resolution was not protested or that



1 it was protested and an election was held by which the authority of the  
2 board to increase a local option budget was approved.

3 (B) “State prescribed percentage” means ~~25% 30% in the 2001-02~~  
4 ~~school year, 33% in the 2002-03 school year, and 35% in the 2003-04~~  
5 ~~school year~~ **25%**.

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

16 **(d) (1) To the extent the provisions of the foregoing subsec-**  
17 **tions conflict with this subsection, this subsection shall control.**

18 **(2) For any district to which the provisions of this subsection**  
19 **apply, the term “state prescribed percentage” means 30%. The**  
20 **provisions of this subsection apply to any district which is contin-**  
21 **uously and permanently authorized to adopt a local option budget**  
22 **in each school year in an amount equal to the state prescribed**  
23 **percentage, as such term is defined in subsection (b)(9), of the**  
24 **amount of state financial aid determined for the school year and**  
25 **is authorized in accordance with the provisions of this subsection**  
26 **to adopt a local option budget in an amount not to exceed the state**  
27 **prescribed percentage, as defined in this subsection, of the amount**  
28 **of state financial aid determined for the school year.**

29 **(3) The adoption of a local option budget under authority of**  
30 **this subsection shall require the board to pass a resolution au-**  
31 **thorizing adoption of such a budget and to publish the resolution**  
32 **once in a newspaper having general circulation in the district. The**  
33 **resolution shall state that the authorization to adopt such a budget**  
34 **shall be permanent and continuous and shall be published in sub-**  
35 **stantial compliance with the following form:**

36 Unified School District No. \_\_\_\_\_,

37 \_\_\_\_\_ County, Kansas.

38 RESOLUTION

39 Be It Resolved that:

40 The board of education of the above-named school district shall be authorized to adopt  
41 a local option budget, permanently and continuously, in an amount not to exceed 30% of  
42 the amount of state financial aid determined for the current school year. The amount of the  
43 local option budget authorized to be adopted by this resolution is an increase, not to exceed

1 5%, in the amount of the local option budget currently authorized by such board which is  
 2 25% of the amount of state financial aid determined for the current school year. The amount  
 3 of the increase in the local option budget authorized to be adopted by this resolution shall  
 4 not be considered in the determination of supplemental general state aid, but shall be  
 5 financed through the levy of an ad valorem tax on the taxable tangible property of the district.  
 6 The adoption of a local option budget authorized by this resolution is conditioned upon  
 7 approval of the resolution by a majority of the qualified electors of the school district voting  
 8 at an election conducted for such purpose. The county election officer of the home county  
 9 of the school district shall submit the question of whether adoption of a local option budget  
 10 shall be authorized in accordance with the provisions of this resolution to the electors of  
 11 the school district at an election called for the purpose.

12 CERTIFICATE

13 This is to certify that the above resolution was duly adopted by the board of education of  
 14 Unified School District No. \_\_\_\_\_, \_\_\_\_\_ County, Kansas, on the \_\_\_\_\_  
 15 day of \_\_\_\_\_, 20\_\_\_\_.

16 \_\_\_\_\_  
 17 Clerk of the board of education.

18 **All of the blanks in the resolution shall be appropriately filled.**  
 19 **If a majority of the votes cast in an election conducted pursuant**  
 20 **to this provision are in favor of the resolution then such resolution**  
 21 **shall be effective on the date of such election. If a majority of the**  
 22 **votes cast are not in favor of the resolution, the resolution shall be**  
 23 **deemed of no effect and no like resolution shall be adopted by the**  
 24 **board within the nine months following such election.**

25 **(4) No amount of the increase in a local option budget author-**  
 26 **ized to be adopted by a resolution approved by the qualified elec-**  
 27 **tors of a school district at an election conducted pursuant to pro-**  
 28 **vision (3) shall be considered in the determination of supplemental**  
 29 **general state aid, but shall be financed through the levy of an ad**  
 30 **valorem tax on the taxable tangible property of the district.**

31 ~~(e)~~ (e) (1) There is hereby established in every district that adopts a  
 32 local option budget a fund which shall be called the supplemental general  
 33 fund. The fund shall consist of all amounts deposited therein or credited  
 34 thereto according to law.

35 (2) Subject to the limitation imposed under provision (3), amounts in  
 36 the supplemental general fund may be expended for any purpose for  
 37 which expenditures from the general fund are authorized or may be trans-  
 38 ferred to the general fund of the district or to any program weighted fund  
 39 or categorical fund of the district.

40 (3) Amounts in the supplemental general fund may not be expended  
 41 nor transferred to the general fund of the district for the purpose of  
 42 making payments under any lease-purchase agreement involving the ac-  
 43 quisition of land or buildings which is entered into pursuant to the pro-

1 visions of K.S.A. 72-8225, and amendments thereto.

2 (4) Any unexpended and unencumbered cash balance remaining in  
3 the supplemental general fund of a district at the conclusion of any school  
4 year in which a local option budget is adopted shall be disposed of as  
5 provided in this subsection. If the district did not receive supplemental  
6 general state aid in the school year and the board of the district deter-  
7 mines that it will be necessary to adopt a local option budget in the en-  
8 suing school year, the total amount of the cash balance remaining in the  
9 supplemental general fund shall be maintained in such fund or trans-  
10 ferred to the general fund of the district. If the board of such a district  
11 determines that it will not be necessary to adopt a local option budget in  
12 the ensuing school year, the total amount of the cash balance remaining  
13 in the supplemental general fund shall be transferred to the general fund  
14 of the district. If the district received supplemental general state aid in  
15 the school year, transferred or expended the entire amount budgeted in  
16 the local option budget for the school year, and determines that it will be  
17 necessary to adopt a local option budget in the ensuing school year, the  
18 total amount of the cash balance remaining in the supplemental general  
19 fund shall be maintained in such fund or transferred to the general fund  
20 of the district. If such a district determines that it will not be necessary  
21 to adopt a local option budget in the ensuing school year, the total amount  
22 of the cash balance remaining in the supplemental general fund shall be  
23 transferred to the general fund of the district. If the district received  
24 supplemental general state aid in the school year, did not transfer or  
25 expend the entire amount budgeted in the local option budget for the  
26 school year, and determines that it will not be necessary to adopt a local  
27 option budget in the ensuing school year, the total amount of the cash  
28 balance remaining in the supplemental general fund shall be transferred  
29 to the general fund of the district. If the district received supplemental  
30 general state aid in the school year, did not transfer or expend the entire  
31 amount budgeted in the local option budget for the school year, and  
32 determines that it will be necessary to adopt a local option budget in the  
33 ensuing school year, the state board shall determine the ratio of the  
34 amount of supplemental general state aid received to the amount of the  
35 local option budget of the district for the school year and multiply the  
36 total amount of the cash balance remaining in the supplemental general  
37 fund by such ratio. An amount equal to the amount of the product shall  
38 be transferred to the general fund of the district. The amount remaining  
39 in the supplemental general fund may be maintained in such fund or  
40 transferred to the general fund of the district.

41 ~~(e) The provisions of this section shall expire on June 30, 2004.~~

42 **[New Sec. 2. (a) Commencing on July 1, 2001, school districts**  
43 **shall yearly collect financial data in such a manner as to be able to**

1 **report income and expenditures in the following categories:**

2 [(1) Income received by the district from all federal, state and  
3 local sources whether of private or public origin;

4 [(2) expenditures made by the district for direct instruction  
5 costs in each classroom;

6 [(3) expenditures made by the district in each building for in-  
7 direct instruction costs, for extracurricular activities, and for op-  
8 erating costs;

9 [(4) expenditures for district-level administration and related  
10 administrative expenditures;

11 [(5) expenditures made from each of the special funds; and

12 [(6) any other district expenditures not previously included.

13 [(b) Subcategories should be established when appropriate.

14 **Said data shall be reported by category to the Kansas state de-  
15 partment of education by September 1 of each year.]**

16 ~~Sec. 2.~~ **[3.]** K.S.A. 2000 Supp. 72-6433 is hereby repealed.

17 ~~Sec. 3.~~ **[4.]** On June 30, 2004, K.S.A. 2000 Supp. 72-6444 shall be  
18 and is hereby repealed.

19 ~~Sec. 4.~~ **[5.]** This act shall take effect and be in force from and after  
20 its publication in the statute book.

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