Session of 2001

## SENATE BILL No. 282

By Senators Allen, Adkins and Vratil, Brownlee, Jordan and O'Connor

2-7

9 AN ACT concerning school district finance; relating to local option budg-10 ets; affecting the definitions of state prescribed percentage and district 11 prescribed percentage; amending K.S.A. 2000 Supp. 72-6433 and re-12 pealing the existing section. 13

14Be it enacted by the Legislature of the State of Kansas:

15Section 1. K.S.A. 2000 Supp. 72-6433 is hereby amended to read as 16 follows: 72-6433. (a) (1) The board of any district may adopt a local option 17budget in each school year, commencing with the 1997-98 school year, 18in an amount not to exceed an amount equal to the district prescribed 19percentage of the amount of state financial aid determined for the district 20in the school year. As used in this provision the term district prescribed 21 percentage means:

22 (A) For any district that was authorized to adopt and that adopted a 23local option budget in the 1996-97 school year and to which the provisions 24of K.S.A. 2000 Supp. 72-6444, and amendments thereto, do not apply in 25the current school year, a percentage in the 1997-98 school year that is 26 equal to the percentage specified in the resolution under which the dis-27 trict was authorized to adopt a local option budget in the 1996-97 school 28year, in the 1998-99 school year, a percentage that is equal to 95% of the 29 percentage specified in the resolution under which the district was au-30 thorized to adopt a local option budget in the 1996-97 school year, in the 31 1999-2000 school year, a percentage that is equal to 90% of the percent-32 age specified in the resolution under which the district was authorized to 33 adopt a local option budget in the 1996-97 school year, in the 2000-01 34 school year, a percentage that is equal to 85% of the percentage specified 35 in the resolution under which the district was authorized to adopt a local 36 option budget in the 1996-97 school year, in the 2001-02 school year, and 37 in each school year thereafter, a percentage that is equal to 80% of the 38 percentage specified in the resolution under which the district was au-39 thorized to adopt a local option budget in the 1996-97 school year; 40

(B) for any district that was authorized to adopt and that adopted a 41 local option budget in the 1996-97 school year and to which the provisions 42 of K.S.A. 2000 Supp. 72-6444, and amendments thereto, apply in the

43 current school year, a percentage in the 1997-98 school year that is equal

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to the sum of the percentage of the amount of state financial aid the 1 district was authorized to budget in the preceding school year and 20% 2 3 of the percentage computed for the district by the state board under the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, a 4 percentage in the 1998-99 school year that is equal to the sum of the 56 percentage of the amount of state financial aid the district was authorized 7 to budget in the preceding school year and 40% of the percentage computed for the district by the state board under the provisions of K.S.A. 8 9 2000 Supp. 72-6444, and amendments thereto, a percentage in the 1999-10 2000 school year that is equal to the sum of the percentage of the amount 11 of state financial aid the district was authorized to budget in the preceding 12 school year and 60% of the percentage computed for the district by the 13 state board under the provisions of K.S.A. 2000 Supp. 72-6444, and 14amendments thereto, a percentage in the 2000-01 school year that is 15equal to the sum of the percentage of the amount of state financial aid 16 the district was authorized to budget in the preceding school year and 1780% of the percentage computed for the district by the state board under 18 the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, 19 a percentage in the 2001-02 school year, and each school year thereafter, 20 that is equal to the sum of the percentage of the amount of state financial 21 aid the district was authorized to budget in the preceding school year and 22 the percentage computed for the district by the state board under the 23provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto; 24 (C) for any district that was not authorized to adopt a local option 25budget in the 1996-97 school year and to which the provisions of K.S.A. 26 2000 Supp. 72-6444, and amendments thereto, apply in the current 27 school year, a percentage in the 1997-98 school year that is equal to 20% 28of 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, a 30 percentage in the 1998-99 school year that is equal to the sum of the 31 percentage of the amount of state financial aid the district was authorized 32 to budget in the preceding school year and 40% of the percentage com-33 puted for the district by the state board under the provisions of K.S.A. 34 2000 Supp. 72-6444, and amendments thereto, a percentage in the 1999-35 2000 school year that is equal to the sum of the percentage of the amount 36 of state financial aid the district was authorized to budget in the preceding 37 school year and 60% of the percentage computed for the district by the state board under the provisions of K.S.A. 2000 Supp. 72-6444, and 38 39 amendments thereto, a percentage in the 2000-01 school year that is 40 equal to the sum of the percentage of the amount of state financial aid 41 the district was authorized to budget in the preceding school year and 42 80% of the percentage computed for the district by the state board under

43 the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto,

a percentage in the 2001-02 school year, and each school year thereafter,
 that is equal to the sum of the percentage of the amount of state financial
 aid the district was authorized to budget in the preceding school year and
 the percentage computed for the district by the state board under the
 provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto;

6 (D) for any district to which the provisions of K.S.A. 2000 Supp. 72-7 6444, and amendments thereto, applied in the 1997-98 school year and to which the provisions of K.S.A. 2000 Supp. 72-6444, and amendments 8 9 thereto, do not apply in the current school year, commencing with the 10 1998-99 school year, because an increase in the amount budgeted by the 11 district in its local option budget as authorized by a resolution adopted under the provisions of subsection (b) causes the actual amount per pupil 1213 budgeted by the district in the preceding school year as determined for 14 the district under provision (1) of subsection (a) of K.S.A. 2000 Supp. 72-156444, and amendments thereto, to equal or exceed the average amount 16 per pupil of general fund budgets and local option budgets computed by 17the state board under whichever of the provisions (7) through (10) of 18 subsection (a) of K.S.A. 2000 Supp. 72-6444, and amendments thereto, 19 is applicable to the district's enrollment group, a percentage that is equal 20to the percentage of the amount of state financial aid the district was 21authorized to budget in the preceding school year if the resolution au-22 thorized the district to increase its local option budget on a continuous 23and permanent basis. If the resolution that authorized the district to in-24crease its local option budget specified a definite period of time for which 25the district would retain its authority to increase the local option budget 26 and such authority lapses at the conclusion of such period and is not 27 renewed, the term district prescribed percentage means a percentage that 28is equal to the percentage of the amount of state financial aid the district 29 was authorized to budget in the preceding school year less the percentage 30 of increase that was authorized by the resolution unless the loss of the 31 percentage of increase that was authorized by the resolution would cause 32 the actual amount per pupil budgeted by the district to be less than the 33 average amount per pupil of general fund budgets and local option budg-34 ets computed by the state board under whichever of the provisions (7)35 through (10) of subsection (a) of K.S.A. 2000 Supp. 72-6444, and amend-36 ments thereto, is applicable to the district's enrollment group, in which 37 case, the term district prescribed percentage means a percentage that is 38 equal to the percentage of the amount of state financial aid the district 39 was authorized to budget in the preceding school year less the percentage 40of increase that was authorized by the resolution plus a percentage which shall be computed for the district by the state board in accordance with 4142 the provisions of K.S.A. 2000 Supp. 72-6444, and amendments thereto, 43 except that, in making the determination of the actual amount per pupil

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1	budgeted by the district in the preceding school year, the state board shall
2	exclude the 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
<b>5</b>	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
17	authorized to adopt a local option budget in each school year for a period
18	of time not to exceed years in an amount not to exceed
19	% of the amount of state financial aid determined for the current school
20	year. The local option budget authorized by this resolution may be
21	adopted, unless a petition in opposition to the same, signed by not less
22	than 5% of the qualified electors of the school district, is filed with the
23	county election officer of the home county of the school district within
24	30 days after publication of this resolution. In the event a petition is filed,
25	the county election officer shall submit the question of whether adoption
26	of the local option budget shall be authorized to the electors of the school
27	district at an election called for the purpose or at the next general election,
28	as is specified by the board of education of the school district.
29	CERTIFICATE
30	This is to certify that the above resolution was duly adopted by the
31	board of education of Unified School District No,,, County, Kansas, on the day of, 19
32	County, Kansas, on the day of, <del>19</del> .
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34	Clerk of the board of education.
35	All of the blanks in the resolution shall be appropriately filled. The
36	blank preceding the word "years" shall be filled with a specific number,
37	and the blank preceding the percentage symbol shall be filled with a
38	specific number. No word shall be inserted in either of the blanks. The
39	percentage specified in the resolution shall not exceed the district pre-
40	scribed percentage. The resolution shall be published once in a news-
41	paper having general circulation in the school district. If no petition as
42	specified above is filed in accordance with the provisions of the resolution,
43	the board may adopt a local option budget. If a petition is filed as provided

in the resolution, the board may notify the county election officer of the 1 date of an election to be held to submit the question of whether adoption 2 3 of a local option budget shall be authorized. If the board fails to notify 4 the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be 56 adopted by the board within the nine months following publication of the 7 resolution. If any district is authorized to adopt a local option budget under this subpart, but the board of such district chooses, in any school 8 9 year, not to adopt such a budget or chooses, in any school year, to adopt 10 such budget in an amount less than the amount of the district prescribed 11 percentage of the amount of state financial aid in any school year, such 12 board of education may so choose. If the board of any district refrains 13 from adopting a local option budget in any one or more school years or 14 refrains from budgeting the total amount authorized for any one or more 15school years, the authority of such district to adopt a local option budget 16 shall not be extended by such refrainment beyond the period specified 17in the resolution authorizing adoption of such budget, nor shall the 18 amount authorized to be budgeted in any succeeding school year be in-19 creased by such refrainment. Whenever an initial resolution has been 20 adopted under this subpart, and such resolution specified a lesser per-21 centage than the district prescribed percentage, the board of the district 22 may adopt one or more subsequent resolutions under the same procedure 23 as provided for the initial resolution and subject to the same conditions, 24and shall be authorized to increase the percentage as specified in any 25such subsequent resolution for the remainder of the period of time spec-26 ified in the initial resolution. Any percentage specified in a subsequent 27 resolution or in subsequent resolutions shall be limited so that the sum 28of the percentage authorized in the initial resolution and the percentage 29 authorized in the subsequent resolution or in subsequent resolutions is 30 not in excess of the district prescribed percentage in any school year. The 31 board of any district that has been authorized to adopt a local option 32 budget under this subpart and levied a tax under authority of K.S.A. 72-33 6435, and amendments thereto, may initiate, at any time after the final 34 levy is certified to the county clerk under any current authorization, pro-35 cedures to renew its authority to adopt a local option budget in the man-36 ner specified in this subpart or may utilize the authority granted by sub-37 part (A). As used in this subpart, the term "authorized to adopt a local 38 option budget" means that a district has adopted a resolution under this 39 subpart, has published the same, and either that the resolution was not 40protested or that it was protested and an election was held by which the 41 adoption of a local option budget was approved.

42 (3) The provisions of this subsection are subject to the provisions of 43 subsections (b) and (c). 1 (b) (1) The board of any district that adopts a local option budget 2 under subsection (a) may increase the amount of such budget in each 3 school year, commencing with the 1997-98 school year, in an amount which together with the percentage of the amount of state financial aid 4 budgeted under subsection (a) does not exceed the state prescribed per-56 centage of the amount of state financial aid determined for the district in 7 the school year if the board of the district determines that an increase in such budget would be in the best interests of the district. 8

9 (2)No district may increase a local option budget under authority of 10 this subsection until: (A) A resolution authorizing such an increase is 11 passed by the board and published once in a newspaper having general circulation in the district; or (B) the question of whether the board shall 1213 be authorized to increase the local option budget has been submitted to 14 and approved by the qualified electors of the district at a special election 15called for the purpose. Any such election shall be noticed, called and held 16 in the manner provided by K.S.A. 10-120, and amendments thereto, for 17the noticing, calling and holding of elections upon the question of issuing 18 bonds under the general bond law. The notice of such election shall state 19 the purpose for and time of the election, and the ballot shall be designed 20with the question of whether the board of education of the district shall 21be continuously and permanently authorized to increase the local option 22 budget of the district in each school year by a percentage which together 23 with the percentage of the amount of state financial aid budgeted under 24subsection (a) does not exceed the state prescribed percentage in any 25school year. If a majority of the qualified electors voting at the election 26 approve authorization of the board to increase the local option budget, 27 the board shall have such authority. If a majority of the qualified electors 28voting at the election are opposed to authorization of the board to increase 29 the local option budget, the board shall not have such authority and no 30 like question shall be submitted to the qualified electors of the district 31 within the nine months following the election.

32 (3) (A) Subject to the provisions of subpart (B), a resolution author-33 izing an increase in the local option budget of a district shall state that 34 the board of education of the district shall be authorized to increase the 35 local option budget of the district in each school year in an amount not 36 to exceed \_ \_% of the amount of state financial aid determined 37 for the current school year and that the percentage of increase may be 38 reduced so that the sum of the percentage of the amount of state financial 39 aid budgeted under subsection (a) and the percentage of increase spec-40ified in the resolution does not exceed the state prescribed percentage in any school year. The blank preceding the percentage symbol shall be filled 4142 with a specific number. No word shall be inserted in the blank. The 43 resolution shall specify a definite period of time for which the board shall 1 be authorized to increase the local option budget and such period of time 2 shall be expressed by the specific number of school years for which the 3 board shall retain its authority to increase the local option budget. No 4 word shall be used to express the number of years for which the board 5 shall be authorized to increase the local option budget.

6 (B) In lieu of the requirements of subpart (A) and at the discretion 7 of the board, a resolution authorizing an increase in the local option budget of a district may state that the board of education of the district 8 9 shall be continuously and permanently authorized to increase the local 10 option budget of the district in each school year by a percentage which 11 together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in 1213 any school year.

14 (4) A resolution authorizing an increase in the local option budget of 15a district shall state that the amount of the local option budget may be 16 increased as authorized by the resolution unless a petition in opposition 17to such increase, signed by not less than 5% of the qualified electors of 18the school district, is filed with the county election officer of the home 19 county of the school district within 30 days after publication. If no petition 20is filed in accordance with the provisions of the resolution, the board is 21authorized to increase the local option budget of the district. If a petition 22 is filed as provided in the resolution, the board may notify the county 23 election officer of the date of an election to be held to submit the question 24of whether the board shall be authorized to increase the local option 25budget of the district. If the board fails to notify the county election officer 26 within 30 days after a petition is filed, the resolution shall be deemed 27abandoned and no like resolution shall be adopted by the board within 28the nine months following publication of the resolution.

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

34 If any district is authorized to increase a local option budget, but (6)35 the board of such district chooses, in any school year, not to adopt or 36 increase such budget or chooses, in any school year, to adopt or increase 37 such budget in an amount less than the amount authorized, such board 38 of education may so choose. If the board of any district refrains from 39 adopting or increasing a local option budget in any one or more school 40years or refrains from budgeting the total amount authorized for any one or more school years, the amount authorized to be budgeted in any suc-4142 ceeding school year shall not be increased by such refrainment, nor shall 43 the authority of the district to increase its local option budget be extended by such refrainment beyond the period of time specified in the resolution
 authorizing an increase in the local option budget if the resolution spec ified such a period of time.

4 (7) Whenever an initial resolution has been adopted under this subsection, and such resolution specified a percentage which together with 56 the percentage of the amount of state financial aid budgeted under sub-7 section (a) is less than the state prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same 8 9 procedure as provided for the initial resolution and shall be authorized 10 to increase the percentage as specified in any such subsequent resolution. 11 If the initial resolution specified a definite period of time for which the 12 district is authorized to increase its local option budget, the authority to 13 increase such budget by the percentage specified in any subsequent res-14 olution shall be limited to the remainder of the period of time specified 15in the initial resolution. Any percentage specified in a subsequent reso-16 lution or in subsequent resolutions shall be limited so that the sum of the 17percentage authorized in the initial resolution and the percentage au-18 thorized in the subsequent resolution or in subsequent resolutions to-19gether with the percentage of the amount of state financial aid budgeted 20under subsection (a) is not in excess of the state prescribed percentage 21 in any school year.

22 (8) (A) Subject to the provisions of subpart (B), the board of any 23district that has adopted a local option budget under subsection (a), has 24been authorized to increase such budget under a resolution which spec-25ified a definite period of time for retention of such authorization, and has 26 levied a tax under authority of K.S.A. 72-6435, and amendments thereto, 27 may initiate, at any time after the final levy is certified to the county clerk 28under any current authorization, procedures to renew the authority to 29 increase the local option budget subject to the conditions and in the 30 manner specified in provisions (2) and (3) of this subsection.

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

34 (9) As used in this subsection:

(A) "Authorized to increase a local option budget" means either that a district has held a special election under provision (2)(B) by which authority of the board to increase a local option budget was approved, or that a district has adopted a resolution under provision (2) (A), has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the authority of the board to increase a local option budget was approved.

- 42 (B) "State prescribed percentage" means 25%.
- 43 (c) To the extent the provisions of the foregoing subsections conflict

with this subsection, this subsection shall control. Any district that is au-1 thorized to adopt a local option budget in the 1997-98 school year under 2 3 a resolution which authorized the adoption of such budget in accordance 4 with the provisions of this section prior to its amendment by this act may continue to operate under such resolution for the period of time specified 56 in the resolution or may abandon the resolution and operate under the 7 provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after 8 9 the period of time specified in the resolution has expired.

10 (d) (1) To the extent the provisions of the foregoing subsections con-11 flict with this subsection, this subsection shall control.

12 (2) In each school year in which any district, to which the provisions 13 of this subsection apply, experiences an increase in the costs for utilities 14 or payment of insurance premiums or both, the terms "state prescribed 15percentage" and "district prescribed percentage" mean a percentage de-16 termined for the district by the state board under provision (3). The provisions of this subsection apply to (A) any district that has adopted a local 17option budget, is authorized to budget therein an amount equal to the 1819 state prescribed percentage of the amount of state financial aid deter-20mined for the district in the school year, and has budgeted the total amount authorized, and (B) any district that has adopted a local option 2122 budget, is authorized to budget therein an amount equal to a district 23 prescribed percentage that is less than the state prescribed percentage of 24the amount of state financial aid determined for the district in the school 25year, and has budgeted the total amount authorized.

(3) For the purpose of determining the state prescribed percentage or 2627 the district prescribed percentage, as applicable, for any district to which 28the provisions of this subsection apply, the state board shall (A) determine the amount of increase in the costs incurred by the district for utilities or 29 30 payment of insurance premiums or both, (B) compute a percentage of 31 increase in the local option budget of the district which is necessary to 32 produce an amount equal to the amount determined under (A). The state 33 prescribed percentage for any district to which provision (2)(A) applies 34 is 25% increased by the percentage computed under this subpart. The 35 district prescribed percentage for any district to which provision (2)(B)36 applies is the percentage the district is authorized to budget in its local option budget for the school year increased by the percentage computed 37 38 under this subpart.

43 (2) Subject to the limitation imposed under provision (3), amounts in

the supplemental general fund may be expended for any purpose for
 which expenditures from the general fund are authorized or may be trans ferred to the general fund of the district or to any program weighted fund
 or categorical fund of the district.

5 (3) Amounts in the supplemental general fund may not be expended 6 nor transferred to the general fund of the district for the purpose of 7 making payments under any lease-purchase agreement involving the ac-8 quisition of land or buildings which is entered into pursuant to the pro-9 visions of K.S.A. 72-8225, and amendments thereto.

10 (4) Any unexpended and unencumbered cash balance remaining in 11 the supplemental general fund of a district at the conclusion of any school 12 year in which a local option budget is adopted shall be disposed of as provided in this subsection. If the district did not receive supplemental 13 14 general state aid in the school year and the board of the district deter-15mines that it will be necessary to adopt a local option budget in the en-16 suing school year, the total amount of the cash balance remaining in the 17supplemental general fund shall be maintained in such fund or trans-18ferred to the general fund of the district. If the board of such a district 19determines that it will not be necessary to adopt a local option budget in 20the ensuing school year, the total amount of the cash balance remaining 21in the supplemental general fund shall be transferred to the general fund 22 of the district. If the district received supplemental general state aid in 23the school year, transferred or expended the entire amount budgeted in 24the local option budget for the school year, and determines that it will be 25necessary to adopt a local option budget in the ensuing school year, the 26 total amount of the cash balance remaining in the supplemental general 27fund shall be maintained in such fund or transferred to the general fund 28of the district. If such a district determines that it will not be necessary 29to adopt a local option budget in the ensuing school year, the total amount 30 of the cash balance remaining in the supplemental general fund shall be 31 transferred to the general fund of the district. If the district received 32 supplemental general state aid in the school year, did not transfer or 33 expend the entire amount budgeted in the local option budget for the 34 school year, and determines that it will not be necessary to adopt a local 35 option budget in the ensuing school year, the total amount of the cash 36 balance remaining in the supplemental general fund shall be transferred 37 to the general fund of the district. If the district received supplemental 38 general state aid in the school year, did not transfer or expend the entire 39 amount budgeted in the local option budget for the school year, and 40determines that it will be necessary to adopt a local option budget in the ensuing school year, the state board shall determine the ratio of the 4142 amount of supplemental general state aid received to the amount of the 43 local option budget of the district for the school year and multiply the total amount of the cash balance remaining in the supplemental general

2 fund by such ratio. An amount equal to the amount of the product shall

3 be transferred to the general fund of the district. The amount remaining

4 in the supplemental general fund may be maintained in such fund or 5 transferred to the general fund of the district.

6 Sec. 2. K.S.A. 2000 Supp. 72-6433 is hereby repealed.

7 Sec. 3. This act shall take effect and be in force from and after its 8 publication in the statute book.