

## SENATE BILL No. 61

By Committee on Education

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9 AN ACT concerning school districts; relating to school finance; amend-  
10 ing K.S.A. 2006 Supp. 72-6433 and repealing the existing section.

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

13 Section 1. K.S.A. 2006 Supp. 72-6433 is hereby amended to read as  
14 follows: 72-6433. (a) (1) The board of any district may adopt a local option  
15 budget in each school year in an amount not to exceed an amount equal  
16 to the district prescribed percentage of the amount of state financial aid  
17 determined for the district in the school year. As used in this section,  
18 “district prescribed percentage” means:

19 (A) For any district that was authorized to adopt and that adopted a  
20 local option budget in the 1996-97 school year and to which the provisions  
21 of K.S.A. 72-6444, and amendments thereto, do not apply in the current  
22 school year, in the 2001-02 school year and in each school year thereafter,  
23 a percentage that is equal to 80% of the percentage specified in the res-  
24 olution under which the district was authorized to adopt a local option  
25 budget in the 1996-97 school year;

26 (B) for any district that was authorized to adopt and that adopted a  
27 local option budget in the 1996-97 school year and to which the provisions  
28 of K.S.A. 72-6444, and amendments thereto, apply in the current school  
29 year, a percentage in the 2001-02 school year and each school year there-  
30 after that is equal to the sum of the percentage of the amount of state  
31 financial aid the district was authorized to budget in the preceding school  
32 year and the percentage computed for the district by the state board  
33 under the provisions of K.S.A. 72-6444, and amendments thereto;

34 (C) for any district that was not authorized to adopt a local option  
35 budget in the 1996-97 school year and to which the provisions of K.S.A.  
36 72-6444, and amendments thereto, apply in the current school year, a  
37 percentage in the 2001-02 school year and each school year thereafter  
38 that is equal to the sum of the percentage of the amount of state financial  
39 aid the district was authorized to budget in the preceding school year and  
40 the percentage computed for the district by the state board under the  
41 provisions of K.S.A. 72-6444, and amendments thereto;

42 (D) for any district to which the provisions of K.S.A. 72-6444, and  
43 amendments thereto, applied in the 1997-98 school year and to which

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

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

42 (B) In lieu of utilizing the authority granted by subpart (A) for adop-  
43 tion of a local option budget, the board of a district may pass a resolution

1 authorizing adoption of such a budget and publish such resolution once  
2 in a newspaper having general circulation in the district. The resolution  
3 shall be published in substantial compliance with the following form:

4 Unified School District No. \_\_\_\_\_,  
5 \_\_\_\_\_ County, Kansas.

6 RESOLUTION

7 Be It Resolved that:

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

19 CERTIFICATE

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

23 \_\_\_\_\_  
24 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 such budget in an amount less than the amount of the district prescribed

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

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

34 (b) (1) The board of any district that adopts a local option budget  
35 under subsection (a) may increase the amount of such budget in each  
36 school year in an amount which together with the percentage of the  
37 amount of state financial aid budgeted under subsection (a) does not  
38 exceed the state prescribed percentage of the amount of state financial  
39 aid determined for the district in the school year if the board of the district  
40 determines that an increase in such budget would be in the best interests  
41 of the district.

42 (2) No district may increase a local option budget under authority of  
43 this subsection until: (A) A resolution authorizing such an increase is

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

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

39 (B) In lieu of the requirements of subpart (A) and at the discretion  
40 of the board, a resolution authorizing an increase in the local option  
41 budget of a district may state that the board of education of the district  
42 shall be continuously and permanently authorized to increase the local  
43 option budget of the district in each school year by a percentage which

1 together with the percentage of the amount of state financial aid budgeted  
2 under subsection (a) does not exceed the state prescribed percentage in  
3 any school year.

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

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

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

37 (7) Whenever an initial resolution has been adopted under this sub-  
38 section, and such resolution specified a percentage which together with  
39 the percentage of the amount of state financial aid budgeted under sub-  
40 section (a) is less than the state prescribed percentage, the board of the  
41 district may adopt one or more subsequent resolutions under the same  
42 procedure as provided for the initial resolution and shall be authorized  
43 to increase the percentage as specified in any such subsequent resolution.

1 If the initial resolution specified a definite period of time for which the  
2 district is authorized to increase its local option budget, the authority to  
3 increase such budget by the percentage specified in any subsequent res-  
4 olution shall be limited to the remainder of the period of time specified  
5 in the initial resolution. Any percentage specified in a subsequent reso-  
6 lution or in subsequent resolutions shall be limited so that the sum of the  
7 percentage authorized in the initial resolution and the percentage au-  
8 thorized in the subsequent resolution or in subsequent resolutions to-  
9 gether with the percentage of the amount of state financial aid budgeted  
10 under subsection (a) is not in excess of the state prescribed percentage  
11 in any school year.

12 (8) (A) Subject to the provisions of subpart (B), the board of any  
13 district that has adopted a local option budget under subsection (a), has  
14 been authorized to increase such budget under a resolution which spec-  
15 ified a definite period of time for retention of such authorization, and has  
16 levied a tax under authority of K.S.A. 72-6435, and amendments thereto,  
17 may initiate, at any time after the final levy is certified to the county clerk  
18 under any current authorization, procedures to renew the authority to  
19 increase the local option budget subject to the conditions and in the  
20 manner specified in provisions (2) and (3) of this subsection.

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

24 (9) As used in this subsection:

25 (A) "Authorized to increase a local option budget" means either that  
26 a district has held a special election under provision (2)(B) by which au-  
27 thority of the board to increase a local option budget was approved, or  
28 that a district has adopted a resolution under provision (2) (A), has pub-  
29 lished the same, and either that the resolution was not protested or that  
30 it was protested and an election was held by which the authority of the  
31 board to increase a local option budget was approved.

32 (B) "State prescribed percentage" means 30% for school year 2006-  
33 2007 and 31% for school year 2007-2008 and each school year thereafter.

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

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

5 (2) Subject to the limitation imposed under provision (3), and sub-  
6 section (e) of K.S.A. 72-6434, and amendments thereto, amounts in the  
7 supplemental general fund may be expended for any purpose for which  
8 expenditures from the general fund are authorized or may be transferred  
9 to the general fund of the district or to any program weighted fund or  
10 categorical fund of the district. Amounts in the supplemental general fund  
11 attributable to any percentage over 25% of state financial aid determined  
12 for the current school year may be transferred to the capital improve-  
13 ments fund of the district and the capital outlay fund of the district if  
14 such transfers are specified in the resolution authorizing the adoption of  
15 a local option budget in excess of 25%.

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

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



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

17 ~~(c) To the extent the provisions of the foregoing section conflict with~~  
18 ~~this subsection, this subsection shall control. Any resolution authorizing~~  
19 ~~the adoption of a local option budget in excess of 30% of the state financial~~  
20 ~~aid of the district in the current school year shall not become effective~~  
21 ~~unless such resolution has been submitted to and approved by a majority~~  
22 ~~of the qualified electors of the school district voting at an election called~~  
23 ~~and held thereon. Such resolution shall specify how the moneys will be~~  
24 ~~expended and shall be published in the manner provided by this section.~~  
25 ~~The election shall be called and held in the manner provided by this~~  
26 ~~section.~~

27 Sec. 2. K.S.A. 2006 Supp. 72-6433 is hereby repealed.

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