

**HOUSE BILL No. 2179**

By Committee on Vision 2020

2-7

1 AN ACT concerning school districts; relating to the local option budget;  
2 determining supplemental general state aid; statewide levy for public  
3 schools, exemption therefrom; amending K.S.A. 2010 Supp. 72-6407,  
4 72-6412, 72-6431, 72-6433, 72-6433d, 72-6434, 72-6435, 72-6451,  
5 74-4939a and 79-201x and repealing the existing sections; also  
6 repealing K.S.A. 2010 Supp. 72-6442b.

7  
8 *Be it enacted by the Legislature of the State of Kansas:*

9 New Section 1. On and after the effective date of this act for each  
10 fiscal year commencing with fiscal year 2012, notwithstanding the  
11 provisions of K.S.A. 74-4920, and amendments thereto, the employer  
12 contribution rate for participating employers who are eligible employers  
13 as specified in subsection (1) of K.S.A. 74-4931, and amendments  
14 thereto, shall be a rate equal to the employer contribution rate established  
15 pursuant to K.S.A. 74-4939, and amendments thereto, plus 2%. The  
16 employer contributions required by this section shall be paid by each  
17 school district in accordance with K.S.A. 74-4939a, and amendments  
18 thereto.

19 Sec. 2. K.S.A. 2010 Supp. 72-6407 is hereby amended to read as  
20 follows: 72-6407. (a) (1) "Pupil" means any person who is regularly  
21 enrolled in a district and attending kindergarten or any of the grades one  
22 through 12 maintained by the district or who is regularly enrolled in a  
23 district and attending kindergarten or any of the grades one through 12 in  
24 another district in accordance with an agreement entered into under  
25 authority of K.S.A. 72-8233, and amendments thereto, or who is regularly  
26 enrolled in a district and attending special education services provided for  
27 preschool-aged exceptional children by the district.

28 (2) Except as otherwise provided in paragraph (3) of this subsection,  
29 a pupil in attendance full time shall be counted as one pupil. A pupil in  
30 attendance part time shall be counted as that proportion of one pupil (to  
31 the nearest  $\frac{1}{10}$ ) that the pupil's attendance bears to full-time attendance. A  
32 pupil attending kindergarten shall be counted as  $\frac{1}{2}$  pupil. A pupil enrolled  
33 in and attending an institution of postsecondary education which is  
34 authorized under the laws of this state to award academic degrees shall be  
35 counted as one pupil if the pupil's postsecondary education enrollment  
36 and attendance together with the pupil's attendance in either of the grades

1 11 or 12 is at least  $\frac{5}{6}$  time, otherwise the pupil shall be counted as that  
2 proportion of one pupil (to the nearest  $\frac{1}{10}$ ) that the total time of the pupil's  
3 postsecondary education attendance and attendance in grade 11 or 12, as  
4 applicable, bears to full-time attendance. A pupil enrolled in and attending  
5 an area vocational school, area vocational-technical school or approved  
6 vocational education program shall be counted as one pupil if the pupil's  
7 vocational education enrollment and attendance together with the pupil's  
8 attendance in any of grades nine through 12 is at least  $\frac{5}{6}$  time, otherwise  
9 the pupil shall be counted as that proportion of one pupil (to the nearest  
10  $\frac{1}{10}$ ) that the total time of the pupil's vocational education attendance and  
11 attendance in any of grades nine through 12 bears to full-time attendance.  
12 A pupil enrolled in a district and attending a non-virtual school and also  
13 attending a virtual school shall be counted as that proportion of one pupil  
14 (to the nearest  $\frac{1}{10}$ ) that the pupil's attendance at the non-virtual school  
15 bears to full-time attendance. Except as provided by this section for  
16 preschool-aged exceptional children and virtual school pupils, a pupil  
17 enrolled in a district and attending special education and related services,  
18 provided for by the district shall be counted as one pupil. A pupil enrolled  
19 in a district and attending special education and related services provided  
20 for by the district and also attending a virtual school shall be counted as  
21 that proportion of one pupil (to the nearest  $\frac{1}{10}$ ) that the pupil's attendance  
22 at the non-virtual school bears to full-time attendance. A pupil enrolled in  
23 a district and attending special education and related services for  
24 preschool-aged exceptional children provided for by the district shall be  
25 counted as  $\frac{1}{2}$  pupil. A preschool-aged at-risk pupil enrolled in a district  
26 and receiving services under an approved at-risk pupil assistance plan  
27 maintained by the district shall be counted as  $\frac{1}{2}$  pupil. A pupil in the  
28 custody of the secretary of social and rehabilitation services or in the  
29 custody of the commissioner of juvenile justice and enrolled in unified  
30 school district No. 259, Sedgwick county, Kansas, but housed,  
31 maintained; and receiving educational services at the Judge James V.  
32 Riddel Boys Ranch, shall be counted as two pupils. ~~Except as provided in~~  
33 ~~section 1 of chapter 76 of the 2009 Session Laws of the state of Kansas,~~  
34 ~~and amendments thereto, a pupil in the custody of the secretary of social~~  
35 ~~and rehabilitation services or in the custody of the commissioner of~~  
36 ~~juvenile justice and enrolled in unified school district No. 409, Atchison,~~  
37 ~~Kansas, but housed, maintained and receiving educational services at the~~  
38 ~~youth residential center located on the grounds of the former Atchison~~  
39 ~~juvenile correctional facility, shall be counted as two pupils.~~

40 (3) A pupil residing at the Flint Hills job corps center shall not be  
41 counted. A pupil confined in and receiving educational services provided  
42 for by a district at a juvenile detention facility shall not be counted. A  
43 pupil enrolled in a district but housed, maintained; and receiving

1 educational services at a state institution or a psychiatric residential  
2 treatment facility shall not be counted.

3 (b) "Preschool-aged exceptional children" means exceptional  
4 children, except gifted children, who have attained the age of three years  
5 but are under the age of eligibility for attendance at kindergarten.

6 (c) "At-risk pupils" means pupils who are eligible for free meals  
7 under the national school lunch act and who are enrolled in a district  
8 which maintains an approved at-risk pupil assistance plan.

9 (d) "Preschool-aged at-risk pupil" means an at-risk pupil who has  
10 attained the age of four years, is under the age of eligibility for attendance  
11 at kindergarten, and has been selected by the state board in accordance  
12 with guidelines consonant with guidelines governing the selection of  
13 pupils for participation in head start programs.

14 (e) "Enrollment" means: (1) (A) Subject to the provisions of  
15 paragraph (1)(B), for districts scheduling the school days or school hours  
16 of the school term on a trimestral or quarterly basis, the number of pupils  
17 regularly enrolled in the district on September 20 plus the number of  
18 pupils regularly enrolled in the district on February 20 less the number of  
19 pupils regularly enrolled on February 20 who were counted in the  
20 enrollment of the district on September 20; and for districts not specified  
21 in this paragraph (1), the number of pupils regularly enrolled in the  
22 district on September 20; (B) a pupil who is a foreign exchange student  
23 shall not be counted unless such student is regularly enrolled in the  
24 district on September 20 and attending kindergarten or any of the grades  
25 one through 12 maintained by the district for at least one semester or two  
26 quarters or the equivalent thereof;

27 (2) if enrollment in a district in any school year has decreased from  
28 enrollment in the preceding school year, enrollment of the district in the  
29 current school year means whichever is the greater of (A) enrollment in  
30 the preceding school year minus enrollment in such school year of  
31 preschool-aged at-risk pupils, if any such pupils were enrolled, plus  
32 enrollment in the current school year of preschool-aged at-risk pupils, if  
33 any such pupils are enrolled, or (B) the sum of enrollment in the current  
34 school year of preschool-aged at-risk pupils, if any such pupils are  
35 enrolled and the average (mean) of the sum of (i) enrollment of the  
36 district in the current school year minus enrollment in such school year of  
37 preschool-aged at-risk pupils, if any such pupils are enrolled and (ii)  
38 enrollment in the preceding school year minus enrollment in such school  
39 year of preschool-aged at-risk pupils, if any such pupils were enrolled  
40 and (iii) enrollment in the school year next preceding the preceding  
41 school year minus enrollment in such school year of preschool-aged at-  
42 risk pupils, if any such pupils were enrolled; or

43 (3) the number of pupils as determined under K.S.A. 72-6447 or

1 K.S.A. 2010 Supp. 72-6448, and amendments thereto.

2 (f) "Adjusted enrollment" means: (1) Enrollment adjusted by adding  
3 at-risk pupil weighting, program weighting, low enrollment weighting, if  
4 any, high density at-risk pupil weighting, if any, medium density at-risk  
5 pupil weighting, if any, nonproficient pupil weighting, if any, high  
6 enrollment weighting, if any, declining enrollment weighting, if any,  
7 school facilities weighting, if any, ancillary school facilities weighting, if  
8 any, cost of living weighting, if any, special education and related  
9 services weighting, *KPERS weighting* and transportation weighting to  
10 enrollment; or (2) adjusted enrollment as determined under K.S.A. 2010  
11 Supp. 72-6457 or 72-6458, and amendments thereto.

12 (g) "At-risk pupil weighting" means an addend component assigned  
13 to enrollment of districts on the basis of enrollment of at-risk pupils.

14 (h) "Program weighting" means an addend component assigned to  
15 enrollment of districts on the basis of pupil attendance in educational  
16 programs which differ in cost from regular educational programs.

17 (i) "Low enrollment weighting" means an addend component  
18 assigned to enrollment of districts pursuant to K.S.A. 72-6412, and  
19 amendments thereto, on the basis of costs attributable to maintenance of  
20 educational programs by such districts in comparison with costs  
21 attributable to maintenance of educational programs by districts having to  
22 which high enrollment weighting is assigned pursuant to K.S.A. 2010  
23 Supp. 72-6442b, and amendments thereto.

24 (j) "School facilities weighting" means an addend component  
25 assigned to enrollment of districts on the basis of costs attributable to  
26 commencing operation of new school facilities.

27 (k) "Transportation weighting" means an addend component  
28 assigned to enrollment of districts on the basis of costs attributable to the  
29 provision or furnishing of transportation.

30 (l) "Cost of living weighting" means an addend component assigned  
31 to enrollment of districts to which the provisions of K.S.A. 2010 Supp.  
32 72-6449, and amendments thereto, apply on the basis of costs attributable  
33 to the cost of living in the district.

34 (m) "Ancillary school facilities weighting" means an addend  
35 component assigned to enrollment of districts to which the provisions of  
36 K.S.A. 72-6441, and amendments thereto, apply on the basis of costs  
37 attributable to commencing operation of new school facilities. Ancillary  
38 school facilities weighting may be assigned to enrollment of a district  
39 only if the district has levied a tax under authority of K.S.A. 72-6441, and  
40 amendments thereto, and remitted the proceeds from such tax to the state  
41 treasurer. Ancillary school facilities weighting is in addition to  
42 assignment of school facilities weighting to enrollment of any district  
43 eligible for such weighting.

1 (n) "Juvenile detention facility" has the meaning ascribed thereto by  
2 K.S.A. 72-8187, and amendments thereto.

3 (o) "Special education and related services weighting" means an  
4 addend component assigned to enrollment of districts on the basis of  
5 costs attributable to provision of special education and related services for  
6 pupils determined to be exceptional children.

7 (p) "Virtual school" means any school or educational program that:  
8 (1) Is offered for credit; (2) uses distance-learning technologies which  
9 predominately use internet-based methods to deliver instruction; (3)  
10 involves instruction that occurs asynchronously with the teacher and  
11 pupil in separate locations; (4) requires the pupil to make academic  
12 progress toward the next grade level and matriculation from kindergarten  
13 through high school graduation; (5) requires the pupil to demonstrate  
14 competence in subject matter for each class or subject in which the pupil  
15 is enrolled as part of the virtual school; and (6) requires age-appropriate  
16 pupils to complete state assessment tests.

17 (q) "Declining enrollment weighting" means an addend component  
18 assigned to enrollment of districts to which the provisions of K.S.A. 2010  
19 Supp. 72-6451, and amendments thereto, apply on the basis of reduced  
20 revenues attributable to the declining enrollment of the district.

21 (r) "High enrollment weighting" means an addend component  
22 assigned to enrollment of districts pursuant to K.S.A. 2010 Supp. 72-  
23 6442b, and amendments thereto, on the basis of costs attributable to  
24 maintenance of educational programs by such districts as a correlate to  
25 low enrollment weighting assigned to enrollment of districts pursuant to  
26 K.S.A. 72-6412, and amendments thereto.

27 (s) "High density at-risk pupil weighting" means an addend  
28 component assigned to enrollment of districts to which the provisions of  
29 K.S.A. 2010 Supp. 72-6455, and amendments thereto, apply.

30 (t) "Nonproficient pupil" means a pupil who is not eligible for free  
31 meals under the national school lunch act and who has scored less than  
32 proficient on the mathematics or reading state assessment during the  
33 preceding school year and who is enrolled in a district which maintains  
34 an approved proficiency assistance plan.

35 (u) "Nonproficient pupil weighting" means an addend component  
36 assigned to enrollment of districts on the basis of enrollment of  
37 nonproficient pupils pursuant to K.S.A. 2010 Supp. 72-6454, and  
38 amendments thereto.

39 (v) "Psychiatric residential treatment facility" has the meaning  
40 ascribed thereto by K.S.A. 72-8187, and amendments thereto.

41 (w) "Medium density at-risk pupil weighting" means an addend  
42 component assigned to enrollment of districts to which the provisions of  
43 K.S.A. 2010 Supp. 72-6459, and amendments thereto, apply.

1       (x) "KPERs weighting" means an addend component assigned to  
2 enrollment of districts on the basis of costs attributable to school  
3 districts' employer contributions to the Kansas public employees  
4 retirement system.

5       Sec. 3. K.S.A. 2010 Supp. 72-6412 is hereby amended to read as  
6 follows: 72-6412. (a) The low enrollment weighting shall be determined  
7 by the state board as provided by this section.

8       (b) For districts with enrollment of ~~1,637 or more in school year~~  
9 ~~2006-2007, and 1,622 or more in school year 2007-2008~~ more than 200  
10 in school year 2011-2012 and each school year thereafter, the low  
11 enrollment weighting shall be 0.

12       (c) For districts with enrollment of less than 100, the low enrollment  
13 weighting shall be equal to the low enrollment weighting of a district with  
14 enrollment of 100.

15       (d) For districts with enrollment of less than ~~1,637 in school year~~  
16 ~~2006-2007 and less than 1,622 in school year 2007-2008~~ 201 and more  
17 than 99 in school year 2011-2012 and each school year thereafter ~~and~~  
18 ~~more than 99~~, the low enrollment weighting shall be determined by the  
19 state board as follows:

20       (1) Determine the low enrollment weighting for such districts for  
21 school year 2004-2005;

22       (2) multiply the low enrollment weighting of each district  
23 determined under paragraph (1) by 3,863;

24       (3) add 3,863 to the product obtained under paragraph (2);

25       (4) divide the product obtained under paragraph (3) by 4,107; and

26       (5) subtract 1 from the product obtained under paragraph (4). The  
27 difference shall be the low enrollment weighting of the district.

28       Sec. 4. K.S.A. 2010 Supp. 72-6431 is hereby amended to read as  
29 follows: 72-6431. (a) The board of each district shall levy an ad valorem  
30 tax upon the taxable tangible property of the district in the school years  
31 specified in subsection (b) for the purpose of:

32       (1) Financing that portion of the district's general fund budget which  
33 is not financed from any other source provided by law;

34       (2) paying a portion of the costs of operating and maintaining public  
35 schools in partial fulfillment of the constitutional obligation of the  
36 legislature to finance the educational interests of the state; and

37       (3) with respect to any redevelopment district established prior to  
38 July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,  
39 paying a portion of the principal and interest on bonds issued by cities  
40 under authority of K.S.A. 12-1774, and amendments thereto, for the  
41 financing of redevelopment projects upon property located within the  
42 district.

43       (b) The tax required under subsection (a) shall be levied at a rate of

1 ~~20~~ 25 mills in the school year ~~2009-2010~~ 2011-2012 and at a rate of 35  
2 mills in the school year ~~2010-2011~~2012-2013.

3 (c) The proceeds from the tax levied by a district under authority of  
4 this section, except the proceeds of such tax levied for the purpose of  
5 paying a portion of the principal and interest on bonds issued by cities  
6 under authority of K.S.A. 12-1774, and amendments thereto, for the  
7 financing of redevelopment projects upon property located within the  
8 district, shall be deposited in the general fund of the district.

9 (d) On June 6 of each year, the amount, if any, by which a district's  
10 local effort exceeds the amount of the district's state financial aid, as  
11 determined by the state board, shall be remitted to the state treasurer.  
12 Upon receipt of any such remittance, the state treasurer shall deposit the  
13 same in the state treasury to the credit of the state school district finance  
14 fund.

15 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-  
16 1964b, and amendments thereto.

17 Sec. 5. K.S.A. 2010 Supp. 72-6433 is hereby amended to read as  
18 follows: 72-6433. (a) As used in this section:

19 (1) "State prescribed percentage" means ~~31%~~ 26% of state financial  
20 aid of the district in the current school year.

21 (2) "Authorized to adopt a local option budget" means that a district  
22 has adopted a resolution under this section, has published the same, and  
23 either the resolution was not protested or it was protested and an election  
24 was held by which the adoption of a local option budget was approved.

25 (b) In each school year, the board of any district may adopt a local  
26 option budget which does not exceed the state prescribed percentage.

27 (c) Subject to the limitation of subsection (b), in each school year,  
28 the board of any district may adopt, by resolution, a local option budget  
29 in an amount not to exceed:

30 (1) (A) The amount which the board was authorized to adopt in  
31 accordance with the provisions of this section in effect prior to its  
32 amendment by this act; plus

33 (B) the amount which the board was authorized to adopt pursuant to  
34 any resolution currently in effect; plus

35 (C) the amount which the board was authorized to adopt pursuant to  
36 K.S.A. 72-6444, and amendments thereto, if applicable to the district; or

37 (2) the statewide average for the preceding school year as  
38 determined by the state board pursuant to subsection (j).

39 Except as provided by subsection (e), the adoption of a resolution  
40 pursuant to this subsection shall require a majority vote of the members  
41 of the board. Such resolution shall be effective upon adoption and shall  
42 require no other procedure, authorization or approval.

43 (d) If the board of a district desires to increase its local option

1 budget authority above the amount authorized under subsection (c) or if  
 2 the board was not authorized to adopt a local option budget in 2006-2007,  
 3 the board may adopt, by resolution, such budget in an amount not to  
 4 exceed the state prescribed percentage. The adoption of a resolution  
 5 pursuant to this subsection shall require a majority vote of the members  
 6 of the board. The resolution shall be published at least once in a  
 7 newspaper having general circulation in the district. The resolution shall  
 8 be published in substantial compliance with the following form:

9  
 10 Unified School District No. \_\_\_\_\_,  
 11 \_\_\_\_\_ County, Kansas.

12 RESOLUTION

13 Be It Resolved that:

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

26  
27 CERTIFICATE

28 This is to certify that the above resolution was duly adopted by the  
 29 board of education of unified School District No. \_\_\_\_\_,  
 30 \_\_\_\_\_ County, Kansas, on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

31 \_\_\_\_\_  
 32 Clerk of the board of education.

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



1 (e) Any resolution authorizing the adoption of a local option budget  
2 in excess of ~~30%~~ 25% of the state financial aid of the district in the  
3 current school year shall not become effective unless such resolution has  
4 been submitted to and approved by a majority of the qualified electors of  
5 the school district voting at an election called and held thereon. The  
6 election shall be called and held in the manner provided by K.S.A. 10-  
7 120, and amendments thereto.

8 (f) Unless specifically stated otherwise in the resolution, the  
9 authority to adopt a local option budget shall be continuous and  
10 permanent. The board of any district which is authorized to adopt a local  
11 option budget may choose not to adopt such a budget or may adopt a  
12 budget in an amount less than the amount authorized. If the board of any  
13 district whose authority to adopt a local option budget is not continuous  
14 and permanent refrains from adopting a local option budget, the authority  
15 of such district to adopt a local option budget shall not be extended by  
16 such refrainment beyond the period specified in the resolution authorizing  
17 adoption of such budget.

18 (g) The board of any district may initiate procedures to renew or  
19 increase the authority to adopt a local option budget at any time during a  
20 school year after the tax levied pursuant to K.S.A. 72-6435, and  
21 amendments thereto, is certified to the county clerk under any existing  
22 authorization.

23 (h) The board of any district that is authorized to adopt a local  
24 option budget prior to the effective date of this act under a resolution  
25 which authorized the adoption of such budget in accordance with the  
26 provisions of this section in effect prior to its amendment by this act may  
27 continue to operate under such resolution for the period of time specified  
28 in the resolution or may abandon the resolution and operate under the  
29 provisions of this section as amended by this act. Any such district shall  
30 operate under the provisions of this section as amended by this act after  
31 the period of time specified in the resolution has expired.

32 (i) Any resolution adopted pursuant to this section may revoke or  
33 repeal any resolution previously adopted by the board. If the resolution  
34 does not revoke or repeal previously adopted resolutions, all resolutions  
35 which are in effect shall expire on the same date. The maximum amount  
36 of the local option budget of a school district under all resolutions in  
37 effect shall not exceed the state prescribed percentage in any school year.

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

42 (2) Subject to the limitation imposed under paragraph (3) and  
43 subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in

1 the supplemental general fund may be expended for any purpose for  
2 which expenditures from the general fund are authorized or may be  
3 transferred to any program weighted fund or categorical fund of the  
4 district. Amounts in the supplemental general fund attributable to any  
5 percentage over ~~25%~~ 20% of state financial aid determined for the current  
6 school year may be transferred to the capital improvements fund of the  
7 district and the capital outlay fund of the district if such transfers are  
8 specified in the resolution authorizing the adoption of a local option  
9 budget in excess of ~~25%~~ 20%.

10 (3) Amounts in the supplemental general fund may not be expended  
11 for the purpose of making payments under any lease-purchase agreement  
12 involving the acquisition of land or buildings which is entered into  
13 pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

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

18 (B) If the district received supplemental general state aid in the  
19 school year, the state board shall determine the ratio of the amount of  
20 supplemental general state aid received to the amount of the local option  
21 budget of the district for the school year and multiply the total amount of  
22 the unexpended budget remaining by such ratio. An amount equal to the  
23 amount of the product shall be transferred to the general fund of the  
24 district or remitted to the state treasurer. Upon receipt of any such  
25 remittance, the state treasurer shall deposit the same in the state treasury  
26 to the credit of the state school district finance fund.

27 (k) Each year the state board of education shall determine the  
28 statewide average percentage of local option budgets legally adopted by  
29 school districts for the preceding school year.

30 (l) The provisions of this section shall be subject to the provisions of  
31 K.S.A. 2010 Supp. 72-6433d, and amendments thereto.

32 Sec. 6. K.S.A. 2010 Supp. 72-6433d is hereby amended to read as  
33 follows: 72-6433d. (a) (1) The provisions of this subsection shall apply in  
34 any school year in which the amount of base state aid per pupil is \$4,433  
35 or less.

36 (2) The board of any school district may adopt a local option budget  
37 which does not exceed the local option budget calculated as if the base  
38 state aid per pupil was \$4,433 or which does not exceed an amount as  
39 authorized by K.S.A. 72-6433, and amendments thereto, whichever is  
40 greater.

41 (b) (1) The provisions of this subsection shall apply in any school  
42 year in which the amount appropriated for state aid for special education  
43 and related services is less than the amount appropriated for state aid for

1 special education and related services in school year 2008-2009.

2 (2) The board of education of any school district may adopt a local  
3 option budget which does not exceed the local option budget calculated  
4 as if the district received state aid for special education and related  
5 services equal to the amount of state aid for special education and related  
6 services received in school year 2008-2009, or which does not exceed an  
7 amount as authorized by K.S.A. 72-6433, and amendments thereto,  
8 whichever is greater.

9 (c) The board of education of any school district may exercise the  
10 authority granted under subsection (a) or (b) or both subsections (a) and  
11 (b).

12 (d) To the extent that the provisions of K.S.A. 72-6433, and  
13 amendments thereto, conflict with this section, this section shall control.

14 (e) ~~The provisions of this section shall expire on June 30, 2012.~~ *The*  
15 *local option budget of a school district adopting a local option budget*  
16 *under this section shall be determined as follows:*

17 (1) *Determine the adjusted enrollment of the school district,*  
18 *excluding special education weighting;*

19 (2) *multiply the number determined under paragraph (1) by \$4,433;*

20 (3) *add the amount of state aid for special education or related*  
21 *services received by the school district in school year 2009-2010 to the*  
22 *product obtained under paragraph (2);*

23 (4) *add the amount disbursed to the school district in the current*  
24 *school year under K.S.A. 2010 Supp. 74-4939a, and amendments thereto;*  
25 *and*

26 (5) *multiply the sum obtained under paragraph (4) by the*  
27 *percentage of the state financial aid stated in the local option budget*  
28 *resolution adopted by the board of education. The resulting product is*  
29 *the local option budget of the school district.*

30 Sec. 7. K.S.A. 2010 Supp. 72-6434 is hereby amended to read as  
31 follows: 72-6434. (a) In each school year, each district that has adopted a  
32 local option budget is eligible for entitlement to an amount of  
33 supplemental general state aid. Except as provided by K.S.A. 2010 Supp.  
34 72-6434b, and amendments thereto, entitlement of a district to  
35 supplemental general state aid shall be determined by the state board as  
36 provided in this subsection. The state board shall:

37 (1) Determine the amount of the assessed valuation per pupil in the  
38 preceding school year of each district in the state;

39 (2) rank the districts from low to high on the basis of the amounts of  
40 assessed valuation per pupil determined under *paragraph (1)*;

41 (3) identify the amount of the assessed valuation per pupil located at  
42 the ~~81.2~~ 97.74 percentile of the amounts ranked under *paragraph (2)*;

43 (4) divide the assessed valuation per pupil of the district in the

1 preceding school year by the amount identified under *paragraph (3)*;

2 ~~(5) subtract the ratio obtained under (4) from 1.0. If the resulting~~  
3 ~~ratio equals or exceeds 1.0, the eligibility of the district for entitlement to~~  
4 ~~supplemental general state aid shall lapse. If the resulting ratio is less than~~  
5 ~~1.0, the district is entitled to receive supplemental general state aid in an~~  
6 ~~amount which shall be determined by the state board by multiplying the~~  
7 ~~amount of the local option budget of the district by such ratio. The~~  
8 ~~product is the amount of supplemental general state aid the district is~~  
9 ~~entitled to receive for the school year. (A) If the quotient obtained under~~  
10 ~~paragraph (4) is less than 1.0, the state board shall subtract the quotient~~  
11 ~~under paragraph (4) from 1.0 and multiply the difference by the amount~~  
12 ~~of the local option budget of the district. The resulting product is the~~  
13 ~~amount of supplemental general state aid the district is entitled to receive~~  
14 ~~for the school year.~~

15 *(B) If the quotient obtained under paragraph (4) equals or exceeds*  
16 *1.0, the eligibility of the district for entitlement to supplemental general*  
17 *state aid shall lapse.*

18 (b) If the amount of appropriations for supplemental general state  
19 aid is less than the amount each district is entitled to receive for the  
20 school year, the state board shall prorate the amount appropriated among  
21 the districts in proportion to the amount each district is entitled to receive.

22 (c) The state board shall prescribe the dates upon which the  
23 distribution of payments of supplemental general state aid to school  
24 districts shall be due. Payments of supplemental general state aid shall be  
25 distributed to districts on the dates prescribed by the state board. The state  
26 board shall certify to the director of accounts and reports the amount due  
27 each district, and the director of accounts and reports shall draw a warrant  
28 on the state treasurer payable to the treasurer of the district. Upon receipt  
29 of the warrant, the treasurer of the district shall credit the amount thereof  
30 to the supplemental general fund of the district to be used for the  
31 purposes of such fund.

32 (d) If any amount of supplemental general state aid that is due to be  
33 paid during the month of June of a school year pursuant to the other  
34 provisions of this section is not paid on or before June 30 of such school  
35 year, then such payment shall be paid on or after the ensuing July 1, as  
36 soon as moneys are available therefor. Any payment of supplemental  
37 general state aid that is due to be paid during the month of June of a  
38 school year and that is paid to school districts on or after the ensuing July  
39 1 shall be recorded and accounted for by school districts as a receipt for  
40 the school year ending on the preceding June 30.

41 (e) (1) Except as provided by paragraph (2), moneys received as  
42 supplemental general state aid shall be used to meet the requirements  
43 under the school performance accreditation system adopted by the state

1 board, to provide programs and services required by law and to improve  
2 student performance.

3 (2) Amounts of supplemental general state aid attributable to any  
4 percentage over 25% of state financial aid determined for the current  
5 school year may be transferred to the capital improvements fund of the  
6 district and the capital outlay fund of the district if such transfers are  
7 specified in the resolution authorizing the adoption of a local option  
8 budget in excess of 25%.

9 (f) For the purposes of determining the total amount of state moneys  
10 paid to school districts, all moneys appropriated as supplemental general  
11 state aid shall be deemed to be state moneys for educational and support  
12 services for school districts.

13 Sec. 8. K.S.A. 2010 Supp. 72-6435 is hereby amended to read as  
14 follows: 72-6435. (a) In each school year, the board of every district that  
15 has adopted a local option budget may levy an ad valorem tax on the  
16 taxable tangible property of the district for the purpose of: (1) Financing  
17 that portion of the district's local option budget which is not financed  
18 from any other source provided by law; (2) paying a portion of the  
19 principal and interest on bonds issued by cities under authority of K.S.A.  
20 12-1774, and amendments thereto, for the financing of redevelopment  
21 projects upon property located within the district; and (3) funding  
22 transfers to the capital improvement fund of the district and the capital  
23 outlay fund of the district if such transfers are specified in the resolution  
24 authorizing the adoption of a local option budget in excess of ~~25%~~ 20%  
25 of state financial aid determined for the current school year.

26 (b) The proceeds from the tax levied by a district under authority of  
27 this section, except the proceeds of such tax levied for the purpose of  
28 paying a portion of the principal and interest on bonds issued by cities  
29 under authority of K.S.A. 12-1774, and amendments thereto, for the  
30 financing of redevelopment projects upon property located within the  
31 district, shall be deposited in the supplemental general fund of the district.

32 (c) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-  
33 1964b, and amendments to such sections.

34 Sec. 9. K.S.A. 2010 Supp. 72-6451 is hereby amended to read as  
35 follows: 72-6451. (a) As used in this section:

36 (1) "School district" or "district" means a school district which: (A)  
37 Has a declining enrollment; and (B) has adopted a local option budget in  
38 an amount which equals at least ~~34%~~ 26% of the state financial aid for  
39 the school district at the time the district applies to the state court of tax  
40 appeals for authority to make a levy pursuant to this section.

41 (2) "Declining enrollment" means an enrollment which has declined  
42 in amount from that of the preceding school year.

43 (b) (1) (A) A school district may levy an ad valorem tax on the

1 taxable tangible property of the district each year for a period of time not  
2 to exceed two years in an amount not to exceed the amount authorized by  
3 the state court of tax appeals under this subsection for the purpose of  
4 financing the costs incurred by the state that are directly attributable to  
5 assignment of declining enrollment weighting to enrollment of the  
6 district. The state court of tax appeals may authorize the district to make a  
7 levy which will produce an amount that is not greater than the amount of  
8 revenues lost as a result of the declining enrollment of the district. Such  
9 amount shall not exceed 5% of the general fund budget of the district in  
10 the school year in which the district applies to the state court of tax  
11 appeals for authority to make a levy pursuant to this section.

12 (B) As an alternative to the authority provided in paragraph (1)(A),  
13 if a district was authorized to make a levy pursuant to this section in  
14 school year 2006-2007, such district shall remain authorized to make a  
15 levy at a rate necessary to generate revenue in the same amount that was  
16 generated in school year 2007-2008 if the district adopts a local option  
17 budget in an amount equal to the state prescribed percentage in effect in  
18 school year 2006-2007.

19 (2) The state court of tax appeals shall certify to the state board the  
20 amount authorized to be produced by the levy of a tax under this section.

21 (3) The state board shall prescribe guidelines for the data that school  
22 districts shall include in cases before the state court of tax appeals  
23 pursuant to this section.

24 (c) A district may levy the tax authorized pursuant to this section for  
25 a period of time not to exceed two years unless authority to make such  
26 levy is renewed by the state court of tax appeals. The state court of tax  
27 appeals may renew the authority to make such levy for periods of time  
28 not to exceed two years.

29 (d) The state board shall provide to the state court of tax appeals  
30 such school data and information requested by the state court of tax  
31 appeals and any other information deemed necessary by the state board.

32 (e) There is hereby established in every district a fund which shall be  
33 called the declining enrollment fund. Such fund shall consist of all  
34 moneys deposited therein or transferred thereto according to law. The  
35 proceeds from the tax levied by a district under authority of this section  
36 shall be credited to the declining enrollment fund of the district. The  
37 proceeds from the tax levied by a district credited to the declining  
38 enrollment fund shall be remitted to the state treasurer in accordance with  
39 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt  
40 of each such remittance, the state treasurer shall deposit the entire amount  
41 in the state treasury to the credit of the state school district finance fund.

42 Sec. 10. K.S.A. 2010 Supp. 74-4939a is hereby amended to read as  
43 follows: 74-4939a. On and after the effective date of this act for each

1 fiscal year commencing with fiscal year 2005, notwithstanding the  
2 provisions of K.S.A. 74-4939, and amendments thereto, or any other  
3 statute, all moneys appropriated for the department of education from the  
4 state general fund commencing with fiscal year 2005, and each ensuing  
5 fiscal year thereafter, by appropriation act of the legislature, in the  
6 KPERS — employer contributions account and all moneys appropriated  
7 for the department of education from the state general fund or any special  
8 revenue fund for each fiscal year commencing with fiscal year 2005, and  
9 each ensuing fiscal year thereafter, by any such appropriation act in that  
10 account or any other account for payment of employer contributions for  
11 school districts, shall be distributed by the department of education to  
12 school districts in accordance with this section. Notwithstanding the  
13 provisions of K.S.A. 74-4939, and amendments thereto, the department  
14 of education shall disburse to each school district that is an eligible  
15 employer as specified in subsection (1) of K.S.A. 74-4931, and  
16 amendments thereto, an amount certified by the board of trustees of the  
17 Kansas public employees retirement system which is equal to the  
18 participating employer's obligation of such school district to the system in  
19 accordance with policies and procedures which are hereby authorized and  
20 directed to be adopted by the department of education for the purposes of  
21 this section and in accordance with any requirements prescribed by the  
22 board of trustees of the Kansas public employees retirement system.  
23 Upon receipt of each such disbursement of moneys, the school district  
24 shall deposit the entire amount thereof into ~~a~~ *the general fund of the*  
25 *school district and transfer an equal amount to the* special retirement  
26 contributions fund of the school district, which shall be established by the  
27 school district in accordance with such policies and procedures and which  
28 shall be used for the sole purpose of receiving such disbursements from  
29 the department of education and making the remittances to the system in  
30 accordance with this section and such policies and procedures. Upon  
31 receipt of each such disbursement of moneys from the department of  
32 education, the school district shall remit, in accordance with the  
33 provisions of such policies and procedures and in the manner and on the  
34 date or dates prescribed by the board of trustees of the Kansas public  
35 employees retirement system, an equal amount to the Kansas public  
36 employees retirement system from the special retirement contributions  
37 fund of the school district to satisfy such school district's obligation as a  
38 participating employer. Notwithstanding the provisions of K.S.A. 74-  
39 4939, and amendments thereto, each school district that is an eligible  
40 employer as specified in subsection (1) of K.S.A. 74-4931, and  
41 amendments thereto, shall show within the budget of such school district  
42 all amounts received from disbursements into the special retirement  
43 contributions fund of such school district. Notwithstanding the provisions

1 of any other statute, no official action of the school board of such school  
2 district shall be required to approve a remittance to the system in  
3 accordance with this section and such policies and procedures. All  
4 remittances of moneys to the system by a school district in accordance  
5 with this subsection and such policies and procedures shall be deemed to  
6 be expenditures of the school district.

7 Sec. 11. K.S.A. 2010 Supp. 79-201x is hereby amended to read as  
8 follows: 79-201x. For taxable years ~~2009 and 2010~~2011 and 2012, the  
9 following described property, to the extent herein specified, shall be and  
10 is hereby exempt from the property tax levied pursuant to the provisions  
11 of K.S.A. 72-6431, and amendments thereto: Property used for residential  
12 purposes to the extent of \$20,000 of its appraised valuation.

13 Sec. 12. K.S.A. 2010 Supp. 72-6407, 72-6412, 72-6431, 72-6433,  
14 72-6433d, 72-6434, 72-6435, 72-6442b, 72-6451, 74-4939a and 79-201x  
15 are hereby repealed.

16 Sec. 13. This act shall take effect and be in force from and after its  
17 publication in the statute book.

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