

HOUSE BILL No. 2177

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 72-6431, 72-6433, 72-6433d, 72-6434, 72-6435, 72-6451, 74-4939a
5 and 79-201x and repealing the existing sections.
6

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

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

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

27 (2) Except as otherwise provided in paragraph (3) of this subsection,
28 a pupil in attendance full time shall be counted as one pupil. A pupil in
29 attendance part time shall be counted as that proportion of one pupil (to
30 the nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance. A
31 pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil. A pupil enrolled
32 in and attending an institution of postsecondary education which is
33 authorized under the laws of this state to award academic degrees shall be
34 counted as one pupil if the pupil's postsecondary education enrollment
35 and attendance together with the pupil's attendance in either of the grades
36 11 or 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that

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

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

1 treatment facility shall not be counted.

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

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

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

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

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

42 (3) the number of pupils as determined under K.S.A. 72-6447 or
43 K.S.A. 2010 Supp. 72-6448, and amendments thereto.

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

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

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

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

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

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

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

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

43 (n) "Juvenile detention facility" has the meaning ascribed thereto by

1 K.S.A. 72-8187, and amendments thereto.

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

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

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

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

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

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

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

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

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

43 (x) *"KPERS weighting" means an addend component assigned to*

1 *enrollment of districts on the basis of costs attributable to school*
2 *districts' employer contributions to the Kansas public employees*
3 *retirement system.*

4 Sec. 3. K.S.A. 2010 Supp. 72-6431 is hereby amended to read as
5 follows: 72-6431. (a) The board of each district shall levy an ad valorem
6 tax upon the taxable tangible property of the district in the school years
7 specified in subsection (b) for the purpose of:

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

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

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

19 (b) The tax required under subsection (a) shall be levied at a rate of
20 ~~20~~ 25 mills in the school year ~~2009-2010~~ 2011-2012 and *at a rate of 35*
21 *mills in the school year 2010-2011*2012-2013.

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

28 (d) On June 6 of each year, the amount, if any, by which a district's
29 local effort exceeds the amount of the district's state financial aid, as
30 determined by the state board, shall be remitted to the state treasurer.
31 Upon receipt of any such remittance, the state treasurer shall deposit the
32 same in the state treasury to the credit of the state school district finance
33 fund.

34 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
35 1964b, and amendments thereto.

36 Sec. 4. K.S.A. 2010 Supp. 72-6433 is hereby amended to read as
37 follows: 72-6433. (a) As used in this section:

38 (1) "State prescribed percentage" means ~~34%~~ 26% of state financial
39 aid of the district in the current school year.

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

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

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

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

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

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

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

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

19 (d) If the board of a district desires to increase its local option
 20 budget authority above the amount authorized under subsection (c) or if
 21 the board was not authorized to adopt a local option budget in 2006-2007,
 22 the board may adopt, by resolution, such budget in an amount not to
 23 exceed the state prescribed percentage. The adoption of a resolution
 24 pursuant to this subsection shall require a majority vote of the members
 25 of the board. The resolution shall be published at least once in a
 26 newspaper having general circulation in the district. The resolution shall
 27 be published in substantial compliance with the following form:

28
 29 Unified School District No. _____,
 30 _____ County, Kansas.

31 RESOLUTION

32 Be It Resolved that:

33 The board of education of the above-named school district shall be
 34 authorized to adopt a local option budget in each school year in an
 35 amount not to exceed _____% of the amount of state financial aid. The
 36 local option budget authorized by this resolution may be adopted, unless
 37 a petition in opposition to the same, signed by not less than 5% of the
 38 qualified electors of the school district, is filed with the county election
 39 officer of the home county of the school district within 30 days after
 40 publication of this resolution. If a petition is filed, the county election
 41 officer shall submit the question of whether adoption of the local option
 42 budget shall be authorized to the electors of the school district at an
 43 election called for the purpose or at the next general election, as is

1 specified by the board of education of the school district.

2 CERTIFICATE

3 This is to certify that the above resolution was duly adopted by the
4 board of education of unified School District No. _____,
5 County, Kansas, on the ____ day of _____, ____.

6 _____
7 Clerk of the board of education.

8 All of the blanks in the resolution shall be filled as is appropriate. If a
9 sufficient petition is not filed, the board may adopt a local option budget.
10 If a sufficient petition is filed, the board may notify the county election
11 officer of the date of an election to be held to submit the question of
12 whether adoption of a local option budget shall be authorized. Any such
13 election shall be noticed, called and held in the manner provided by
14 K.S.A. 10-120, and amendments thereto. If the board fails to notify the
15 county election officer within 30 days after a sufficient petition is filed,
16 the resolution shall be deemed abandoned and no like resolution shall be
17 adopted by the board within the nine months following publication of the
18 resolution.

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

26 (f) Unless specifically stated otherwise in the resolution, the
27 authority to adopt a local option budget shall be continuous and
28 permanent. The board of any district which is authorized to adopt a local
29 option budget may choose not to adopt such a budget or may adopt a
30 budget in an amount less than the amount authorized. If the board of any
31 district whose authority to adopt a local option budget is not continuous
32 and permanent refrains from adopting a local option budget, the authority
33 of such district to adopt a local option budget shall not be extended by
34 such refrainment beyond the period specified in the resolution authorizing
35 adoption of such budget.

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

41 (h) The board of any district that is authorized to adopt a local
42 option budget prior to the effective date of this act under a resolution
43 which authorized the adoption of such budget in accordance with the

1 provisions of this section in effect prior to its amendment by this act may
2 continue to operate under such resolution for the period of time specified
3 in the resolution or may abandon the resolution and operate under the
4 provisions of this section as amended by this act. Any such district shall
5 operate under the provisions of this section as amended by this act after
6 the period of time specified in the resolution has expired.

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

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

17 (2) Subject to the limitation imposed under paragraph (3) and
18 subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in
19 the supplemental general fund may be expended for any purpose for
20 which expenditures from the general fund are authorized or may be
21 transferred to any program weighted fund or categorical fund of the
22 district. Amounts in the supplemental general fund attributable to any
23 percentage over ~~25%~~ 20% of state financial aid determined for the current
24 school year may be transferred to the capital improvements fund of the
25 district and the capital outlay fund of the district if such transfers are
26 specified in the resolution authorizing the adoption of a local option
27 budget in excess of ~~25%~~ 20%.

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

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

36 (B) If the district received supplemental general state aid in the
37 school year, the state board shall determine the ratio of the amount of
38 supplemental general state aid received to the amount of the local option
39 budget of the district for the school year and multiply the total amount of
40 the unexpended budget remaining by such ratio. An amount equal to the
41 amount of the product shall be transferred to the general fund of the
42 district or remitted to the state treasurer. Upon receipt of any such
43 remittance, the state treasurer shall deposit the same in the state treasury

1 to the credit of the state school district finance fund.

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

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

7 Sec. 5. K.S.A. 2010 Supp. 72-6433d is hereby amended to read as
8 follows: 72-6433d. (a) (1) The provisions of this subsection shall apply in
9 any school year in which the amount of base state aid per pupil is \$4,433
10 or less.

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

16 (b) (1) The provisions of this subsection shall apply in any school
17 year in which the amount appropriated for state aid for special education
18 and related services is less than the amount appropriated for state aid for
19 special education and related services in school year 2008-2009.

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

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

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

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

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

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

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

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

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

5 Sec. 6. K.S.A. 2010 Supp. 72-6434 is hereby amended to read as
6 follows: 72-6434. (a) In each school year, each district that has adopted a
7 local option budget is eligible for entitlement to an amount of
8 supplemental general state aid. Except as provided by K.S.A. 2010 Supp.
9 72-6434b, and amendments thereto, entitlement of a district to
10 supplemental general state aid shall be determined by the state board as
11 provided in this subsection. The state board shall:

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

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

16 (3) identify the amount of the assessed valuation per pupil located at
17 the ~~81.2~~ 95.14 percentile of the amounts ranked under *paragraph (2)*;

18 (4) divide the assessed valuation per pupil of the district in the
19 preceding school year by the amount identified under *paragraph (3)*;

20 (5) ~~subtract the ratio obtained under (4) from 1.0. If the resulting~~
21 ~~ratio equals or exceeds 1.0, the eligibility of the district for entitlement to~~
22 ~~supplemental general state aid shall lapse. If the resulting ratio is less than~~
23 ~~1.0, the district is entitled to receive supplemental general state aid in an~~
24 ~~amount which shall be determined by the state board by multiplying the~~
25 ~~amount of the local option budget of the district by such ratio. The~~
26 ~~product is the amount of supplemental general state aid the district is~~
27 ~~entitled to receive for the school year. (A) If the quotient obtained under~~
28 ~~paragraph (4) is less than 1.0, the state board shall subtract the quotient~~
29 ~~under paragraph (4) from 1.0 and multiply the difference by the amount~~
30 ~~of the local option budget of the district. The resulting product is the~~
31 ~~amount of supplemental general state aid the district is entitled to receive~~
32 ~~for the school year.~~

33 (B) *If the quotient obtained under paragraph (4) equals or exceeds*
34 *1.0, the eligibility of the district for entitlement to supplemental general*
35 *state aid shall lapse.*

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

40 (c) The state board shall prescribe the dates upon which the
41 distribution of payments of supplemental general state aid to school
42 districts shall be due. Payments of supplemental general state aid shall be
43 distributed to districts on the dates prescribed by the state board. The state

1 board shall certify to the director of accounts and reports the amount due
2 each district, and the director of accounts and reports shall draw a warrant
3 on the state treasurer payable to the treasurer of the district. Upon receipt
4 of the warrant, the treasurer of the district shall credit the amount thereof
5 to the supplemental general fund of the district to be used for the
6 purposes of such fund.

7 (d) If any amount of supplemental general state aid that is due to be
8 paid during the month of June of a school year pursuant to the other
9 provisions of this section is not paid on or before June 30 of such school
10 year, then such payment shall be paid on or after the ensuing July 1, as
11 soon as moneys are available therefor. Any payment of supplemental
12 general state aid that is due to be paid during the month of June of a
13 school year and that is paid to school districts on or after the ensuing July
14 1 shall be recorded and accounted for by school districts as a receipt for
15 the school year ending on the preceding June 30.

16 (e) (1) Except as provided by paragraph (2), moneys received as
17 supplemental general state aid shall be used to meet the requirements
18 under the school performance accreditation system adopted by the state
19 board, to provide programs and services required by law and to improve
20 student performance.

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

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

31 Sec. 7. K.S.A. 2010 Supp. 72-6435 is hereby amended to read as
32 follows: 72-6435. (a) In each school year, the board of every district that
33 has adopted a local option budget may levy an ad valorem tax on the
34 taxable tangible property of the district for the purpose of: (1) Financing
35 that portion of the district's local option budget which is not financed
36 from any other source provided by law; (2) paying a portion of the
37 principal and interest on bonds issued by cities under authority of K.S.A.
38 12-1774, and amendments thereto, for the financing of redevelopment
39 projects upon property located within the district; and (3) funding
40 transfers to the capital improvement fund of the district and the capital
41 outlay fund of the district if such transfers are specified in the resolution
42 authorizing the adoption of a local option budget in excess of ~~25%~~ 20%
43 of state financial aid determined for the current school year.

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

7 (c) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
8 1964b, and amendments to such sections.

9 Sec. 8. K.S.A. 2010 Supp. 72-6451 is hereby amended to read as
10 follows: 72-6451. (a) As used in this section:

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

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

18 (b) (1) (A) A school district may levy an ad valorem tax on the
19 taxable tangible property of the district each year for a period of time not
20 to exceed two years in an amount not to exceed the amount authorized by
21 the state court of tax appeals under this subsection for the purpose of
22 financing the costs incurred by the state that are directly attributable to
23 assignment of declining enrollment weighting to enrollment of the
24 district. The state court of tax appeals may authorize the district to make a
25 levy which will produce an amount that is not greater than the amount of
26 revenues lost as a result of the declining enrollment of the district. Such
27 amount shall not exceed 5% of the general fund budget of the district in
28 the school year in which the district applies to the state court of tax
29 appeals for authority to make a levy pursuant to this section.

30 (B) As an alternative to the authority provided in paragraph (1)(A),
31 if a district was authorized to make a levy pursuant to this section in
32 school year 2006-2007, such district shall remain authorized to make a
33 levy at a rate necessary to generate revenue in the same amount that was
34 generated in school year 2007-2008 if the district adopts a local option
35 budget in an amount equal to the state prescribed percentage in effect in
36 school year 2006-2007.

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

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

42 (c) A district may levy the tax authorized pursuant to this section for
43 a period of time not to exceed two years unless authority to make such

1 levy is renewed by the state court of tax appeals. The state court of tax
2 appeals may renew the authority to make such levy for periods of time
3 not to exceed two years.

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

7 (e) There is hereby established in every district a fund which shall be
8 called the declining enrollment fund. Such fund shall consist of all
9 moneys deposited therein or transferred thereto according to law. The
10 proceeds from the tax levied by a district under authority of this section
11 shall be credited to the declining enrollment fund of the district. The
12 proceeds from the tax levied by a district credited to the declining
13 enrollment fund shall be remitted to the state treasurer in accordance with
14 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
15 of each such remittance, the state treasurer shall deposit the entire amount
16 in the state treasury to the credit of the state school district finance fund.

17 Sec. 9. K.S.A. 2010 Supp. 74-4939a is hereby amended to read as
18 follows: 74-4939a. On and after the effective date of this act for each
19 fiscal year commencing with fiscal year 2005, notwithstanding the
20 provisions of K.S.A. 74-4939, and amendments thereto, or any other
21 statute, all moneys appropriated for the department of education from the
22 state general fund commencing with fiscal year 2005, and each ensuing
23 fiscal year thereafter, by appropriation act of the legislature, in the
24 KPERS — employer contributions account and all moneys appropriated
25 for the department of education from the state general fund or any special
26 revenue fund for each fiscal year commencing with fiscal year 2005, and
27 each ensuing fiscal year thereafter, by any such appropriation act in that
28 account or any other account for payment of employer contributions for
29 school districts, shall be distributed by the department of education to
30 school districts in accordance with this section. Notwithstanding the
31 provisions of K.S.A. 74-4939, and amendments thereto, the department
32 of education shall disburse to each school district that is an eligible
33 employer as specified in subsection (1) of K.S.A. 74-4931, and
34 amendments thereto, an amount certified by the board of trustees of the
35 Kansas public employees retirement system which is equal to the
36 participating employer's obligation of such school district to the system in
37 accordance with policies and procedures which are hereby authorized and
38 directed to be adopted by the department of education for the purposes of
39 this section and in accordance with any requirements prescribed by the
40 board of trustees of the Kansas public employees retirement system.
41 Upon receipt of each such disbursement of moneys, the school district
42 shall deposit the entire amount thereof into *a the general fund of the*
43 *school district and transfer an equal amount to the special retirement*

1 contributions fund of the school district, which shall be established by the
2 school district in accordance with such policies and procedures and which
3 shall be used for the sole purpose of receiving such disbursements from
4 the department of education and making the remittances to the system in
5 accordance with this section and such policies and procedures. Upon
6 receipt of each such disbursement of moneys from the department of
7 education, the school district shall remit, in accordance with the
8 provisions of such policies and procedures and in the manner and on the
9 date or dates prescribed by the board of trustees of the Kansas public
10 employees retirement system, an equal amount to the Kansas public
11 employees retirement system from the special retirement contributions
12 fund of the school district to satisfy such school district's obligation as a
13 participating employer. Notwithstanding the provisions of K.S.A. 74-
14 4939, and amendments thereto, each school district that is an eligible
15 employer as specified in subsection (1) of K.S.A. 74-4931, and
16 amendments thereto, shall show within the budget of such school district
17 all amounts received from disbursements into the special retirement
18 contributions fund of such school district. Notwithstanding the provisions
19 of any other statute, no official action of the school board of such school
20 district shall be required to approve a remittance to the system in
21 accordance with this section and such policies and procedures. All
22 remittances of moneys to the system by a school district in accordance
23 with this subsection and such policies and procedures shall be deemed to
24 be expenditures of the school district.

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

31 Sec. 11. K.S.A. 2010 Supp. 72-6407, 72-6431, 72-6433, 72-6433d,
32 72-6434, 72-6435, 72-6451, 74-4939a and 79-201x are hereby repealed.

33 Sec. 12. This act shall take effect and be in force from and after its
34 publication in the statute book.

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