

HOUSE BILL No. 2410

By Committee on Appropriations

3-22

1 AN ACT concerning education; relating to the instruction and financing  
 2 thereof; making and concerning appropriations for the fiscal years  
 3 ending June 30, 2018, and June 30, 2019, for the department of  
 4 education; creating the Kansas school equity and enhancement act;  
 5 amending K.S.A. 2016 Supp. 10-1116a, 12-1677, 12-1770a, 12-1775a,  
 6 12-1776a, 72-978, 72-1046b, 72-1398, 72-1414, 72-1923, 72-3712, 72-  
 7 3715, 72-5333b, 72-64b01, 72-64c03, 72-64c05, 72-6622, 72-6624, 72-  
 8 6625, 72-6757, 72-67115, 72-7535, 72-8187, 72-8190, 72-8230, 72-  
 9 8233, 72-8236, 72-8249, 72-8250, 72-8251, 72-8302, 72-8309, 72-  
 10 8316, 72-8415b, 72-8801, 72-8804, 72-8908, 72-9509, 72-9609, 72-  
 11 99a02, 72-99a02, as amended by section 87 of this act, 74-4939a, 74-  
 12 8925, 74-99b43, 75-2319, 79-201x, 79-213, 79-2001 and 79-2925b and  
 13 repealing the existing sections; also repealing K.S.A. 2016 Supp. 46-  
 14 1133 and 72-6482.

15  
16 *Be it enacted by the Legislature of the State of Kansas:*

17 Section 1.

DEPARTMENT OF EDUCATION

18  
19 (a) There is appropriated for the above agency from the state general  
20 fund for the fiscal year ending June 30, 2018, the following:

21 Operating expenditures (including official  
 22 hospitality) (652-00-1000-0053).....\$12,515,606  
 23 *Provided*, That any unencumbered balance in the operating expenditures  
 24 (including official hospitality) account in excess of \$100 as of June 30,  
 25 2017, is hereby reappropriated for fiscal year 2018.  
 26 Special education services

27 aid (652-00-1000-0700).....\$437,680,455  
 28 *Provided*, That any unencumbered balance in the special education  
 29 services aid account in excess of \$100 as of June 30, 2017, is hereby  
 30 reappropriated for fiscal year 2018: *Provided further*, That expenditures  
 31 shall not be made from the special education services aid account for the  
 32 provision of instruction for any homebound or hospitalized child unless  
 33 the categorization of such child as exceptional is conjoined with the  
 34 categorization of the child within one or more of the other categories of  
 35 exceptionality: *And provided further*, That expenditures shall be made from  
 36 this account for grants to school districts in amounts determined pursuant

Proposed Amendments to HB 2410 #15  
 House Committee on K-12 Budget  
 Prepared by Jason Long  
 Office of Revisor of Statutes

1 and amendments thereto, payments of federal funds made available under  
2 the provisions of title I of public law 874, except amounts received for  
3 assistance in cases of major disaster and amounts received under the low-  
4 rent housing program and such other moneys as are provided by law.

5 (g) "General fund budget" means the amount budgeted for operating  
6 expenses in the general fund of a school district.

7 (f) "High-density at-risk student weighting" means an addend  
8 component assigned to the foundation enrollment of school districts  
9 pursuant to section 27(b), and amendments thereto, on the basis of costs  
10 attributable to the maintenance of at-risk educational programs by such  
11 school districts.

12 (s) "Juvenile detention facility" means the same as such term is  
13 defined in K.S.A. 72-8187, and amendments thereto.

14 (t) "Local foundation aid" means the sum of the following amounts:  
15 (1) ~~the amount of the proceeds from the tax levied under the~~  
16 ~~authority of section 16, and amendments thereto, that is levied to finance~~  
17 ~~that portion of the school district's local foundation budget that is not~~  
18 ~~financed from any other source provided by law;~~

19 (2) an amount equal to any unexpended and unencumbered balance  
20 remaining in the general fund of the school district, except moneys  
21 received by the school district and authorized to be expended for the  
22 purposes specified in section 37, and amendments thereto;

23 (3) an amount equal to any remaining proceeds from taxes levied  
24 under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto,  
25 prior to their repeal;

26 (4) an amount equal to the amount deposited in the general fund in  
27 the current school year from moneys received in such school year by the  
28 school district under the provisions of K.S.A. 72-1046a(a), and  
29 amendments thereto;

30 (5) an amount equal to the amount deposited in the general fund in  
31 the current school year from moneys received in such school year by the  
32 school district pursuant to contracts made and entered into under authority  
33 of K.S.A. 72-6757, and amendments thereto;

34 (6) an amount equal to the amount credited to the general fund in the  
35 current school year from moneys distributed in such school year to the  
36 school district under the provisions of articles 17 and 34 of chapter 12 of  
37 the Kansas Statutes Annotated, and amendments thereto, and under the  
38 provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes  
39 Annotated, and amendments thereto;

40 (7) an amount equal to the amount of payments received by the  
41 school district under the provisions of K.S.A. 72-979, and amendments  
42 thereto;

43 (8) an amount equal to the amount of any grant received by the

41

*And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly*

1 the amount of total foundation aid received by the former school district in  
2 the school year preceding the date the disorganization and attachment was  
3 completed; (B) determine the amount of total foundation aid received by  
4 the enlarged school district in the school year preceding the date the  
5 disorganization and attachment was completed; (C) determine the assessed  
6 valuation of the former school district in the school year preceding the date  
7 the disorganization and attachment was completed; (D) determine the  
8 assessed valuation of the territory attached to each enlarged school district;  
9 (E) allocate the amount of the total foundation aid received by the former  
10 school district in the school year preceding the date the disorganization  
11 and attachment was completed to each of the enlarged school districts in  
12 the same proportion the assessed valuation of the territory attached to each  
13 school district bears to the assessed valuation of the former school district;  
14 and (F) add the amounts determined under subparagraphs (B) and (E). The  
15 sum is the total foundation aid of the enlarged school district for the school  
16 year in which the attachment is completed.

17 New Sec. 13. (a) The board of education of each school district shall  
18 levy an ad valorem tax upon the taxable tangible property of the school  
19 district in the school years specified in subsection (b) for the purpose of:

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

22 (2) Paying a portion of the costs of operating and maintaining public  
23 schools in partial fulfillment of the constitutional obligation of the  
24 legislature to finance the educational interests of the state; and

25 (3) With respect to any redevelopment school district established prior  
26 to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,  
27 paying a portion of the principal and interest on bonds issued by cities  
28 under authority of K.S.A. 12-1774, and amendments thereto, for the  
29 financing of redevelopment projects upon property located within the  
30 school district.

31 (b) The tax required under subsection (a) shall be levied at a rate of  
32 20 mills in the school years 2017-2018 and 2018-2019.

33 (c) The proceeds from the tax levied by a district under authority of  
34 this section, except the proceeds of such tax levied for the purpose  
35 described in subsection (a)(3), shall be remitted to the state treasurer in  
36 accordance with the provisions of K.S.A. 75-4215, and amendments  
37 thereto. Upon receipt of each such remittance, the state treasurer shall  
38 deposit the entire amount in the state treasury to the credit of the state  
39 school district finance fund.

40 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a  
41 or 79-1964b, and amendments thereto.

42 ~~[New Sec. 14. (a) In each school year, the board of education of each~~  
43 ~~school district shall adopt a local foundation budget by resolution. Except]~~

1 [as provided in subsection (b)], the local foundation budget shall be  
2 determined by multiplying the school district's total foundation aid by  
3 0.20. The resulting product is the local foundation budget of the school  
4 district.

5 (b) For any school year in which 20% of the BASE aid equals an  
6 amount that is less than \$1,150, the local foundation budget shall be  
7 determined by multiplying the adjusted enrollment of the school district by  
8 \$1,150.

9 (c) (1) Of the moneys deposited in or otherwise credited to the  
10 supplemental general fund of a school district pursuant to sections 16 and  
11 17, and amendments thereto, that are attributable to the local foundation  
12 budget of such school district, an amount that is proportional to that  
13 amount of such school district's total foundation aid attributable to the at-  
14 risk student weighting as compared to such district's total foundation aid  
15 shall be transferred to the at-risk education fund of such school district and  
16 shall be expended in accordance with section 29, and amendments thereto.

17 (2) Of the moneys deposited in or otherwise credited to the  
18 supplemental general fund of a school district pursuant to sections 16 and  
19 17, and amendments thereto, that are attributable to the local foundation  
20 budget of such school district, an amount that is proportional to that  
21 amount of such school district's total foundation aid attributable to the  
22 bilingual weighting as compared to such district's total foundation aid shall  
23 be transferred to the bilingual education fund of such school district and  
24 shall be expended in accordance with K.S.A. 2016 Supp. 72-9509, and  
25 amendments thereto.

26 New Sec. 15. (a) In each school year, the board of education of a  
27 school district may adopt, by resolution, a local enhancement budget that  
28 does not exceed 5% of the total foundation aid of such school district.

29 (b) A resolution adopting a local enhancement budget shall require a  
30 majority vote of the members of the board and shall be effective upon  
31 adoption and shall require no other procedure, authorization or approval.

32 (c) Unless specifically stated otherwise in the resolution, the authority  
33 to adopt a local enhancement budget shall be continuous and permanent.  
34 The board of education may choose not to adopt such a local enhancement  
35 budget or may adopt a local enhancement budget in an amount less than  
36 the amount authorized. If the board, whose authority to adopt a local  
37 enhancement budget is not continuous and permanent, refrains from  
38 adopting a local enhancement budget, the authority of such board to adopt  
39 a local enhancement budget shall not be extended by such refrainment  
40 beyond the period specified in the resolution authorizing adoption of such  
41 local enhancement budget.

42 (d) The board of education may initiate procedures to renew or  
43 increase the authority to adopt a local enhancement budget at any time.

1 during a school year after the tax levied pursuant to section 16, and  
2 amendments thereto, is certified to the county clerk under any existing  
3 authorization.  
4 ~~(e) Any resolution adopted pursuant to this section may revoke or~~  
5 ~~repeal any resolution previously adopted by the board. If the resolution~~  
6 ~~does not revoke or repeal previously adopted resolutions, all resolutions~~  
7 ~~which are in effect shall expire on the same date. The maximum amount of~~  
8 ~~the local enhancement budget of a school district under all resolutions in~~  
9 ~~effect shall not exceed 5% of the total foundation aid of such school~~  
10 ~~district in any school year.~~  
11 ~~New Sec. 16. (a) The board of education of each school district shall~~  
12 ~~levy an ad valorem tax on the taxable tangible property of the school~~  
13 ~~district in the school years specified in section 13(b), and amendments~~  
14 ~~thereto, for the purposes of:~~  
15 ~~(1) Financing that portion of the school districts' local foundation~~  
16 ~~budget that is not financed from any other source provided by law;~~  
17 ~~(2) Financing that portion of the school districts' local enhancement~~  
18 ~~budget, if any, that is not financed from any other source provided by law;~~  
19 ~~(3) Paying a portion of the costs of operating and maintaining public~~  
20 ~~schools in partial fulfillment of the constitutional obligation of the~~  
21 ~~legislature to finance the educational interests of the state; and~~  
22 ~~(4) Paying a portion of the principal and interest on bonds issued by~~  
23 ~~cities under authority of K.S.A. 12-1774, and amendments thereto, for the~~  
24 ~~financing of redevelopment projects upon property located within the~~  
25 ~~school district.~~  
26 ~~(b) The proceeds from the tax levied by a school district under~~  
27 ~~authority of this section, except the proceeds of such tax levied for the~~  
28 ~~purpose described in subsection (a)(4), shall be deposited in the~~  
29 ~~supplemental general fund of the school district.~~  
30 ~~(c) No school district shall proceed under K.S.A. 79-1964, 79-1964a-~~  
31 ~~or 79-1964b, and amendments thereto.~~  
32 ~~New Sec. 17. (a) Except as provided by section 18, and amendments~~  
33 ~~thereto, each school year the state board shall determine the amount of~~  
34 ~~supplemental state aid for each school district as follows:~~  
35 ~~(1) Determine the amount of the assessed valuation per student in the~~  
36 ~~preceding school year of each school district;~~  
37 ~~(2) Rank the school districts from low to high on the basis of the~~  
38 ~~amounts of assessed valuation per student determined under subsection (a)~~  
39 ~~(1);~~  
40 ~~(3) Identify the amount of the assessed valuation per student located~~  
41 ~~at the 81.2 percentile of the amounts ranked under subsection (a)(2);~~  
42 ~~(4) Divide the assessed valuation per student of the school district as~~  
43 ~~determined under subsection (a)(1) by the amount identified under]~~

1 [subsection (a)(3); and

2 (5) (A) if the quotient obtained under subsection (a)(4) equals or  
3 exceeds one, the school district shall not receive supplemental state aid; or  
4 (B) if the quotient obtained under subsection (a)(4) is less than one,  
5 subtract the quotient obtained under subsection (a)(4) from one and  
6 multiply the difference by the aggregate amount of the local foundation  
7 budget and the local enhancement budget of the school district. The  
8 resulting product is the amount of supplemental state aid the school district  
9 is to receive for the school year.

10 (b) If the amount of appropriations for supplemental state aid is less  
11 than the aggregate amount all school districts are to receive for the school  
12 year, the state board shall prorate the amount appropriated among the  
13 school districts in proportion to the amount each school district is to  
14 receive.

15 (c) Payments of supplemental state aid shall be distributed to school  
16 districts on the dates prescribed by the state board. The state board shall  
17 certify to the director of accounts and reports the amount due each school  
18 district, and the director of accounts and reports shall draw a warrant on  
19 the state treasurer payable to the treasurer of the school district. Upon  
20 receipt of the warrant, the treasurer of the school district shall credit the  
21 amount thereof to the supplemental general fund of the school district to  
22 be used for the purposes of such fund.

23 (d) For the purposes of determining the total amount of state money  
24 paid to school districts, all moneys appropriated as supplemental state aid  
25 shall be deemed to be state moneys for educational and support services  
26 for school districts.

27 New Sec. 18. (a) (1) For the purposes of determining the amount of  
28 supplemental state aid, the state board shall determine the ranking of each  
29 of the former school districts of which the school district is composed as  
30 required by section 17(a)(2), and amendments thereto, for the school year  
31 prior to the effectuation of the consolidation or attachment.

32 (2) For the school year in which the consolidation or attachment is  
33 effectuated and the next succeeding two school years, the ranking of the  
34 school district for the purposes of section 17(a)(2) and amendments  
35 thereto, shall be the ranking of the school district receiving the highest  
36 amount of supplemental state aid determined under subsection (a)(1).

37 (b) The provisions of this section shall apply to school districts that  
38 have consolidated or disorganized on and after July 1, 2004.

39 (c) As used in this section, "school district" means: (1) Any school  
40 district formed by consolidation in accordance with article 87 of chapter  
41 72 of the Kansas Statutes Annotated, and amendments thereto; or (2) any  
42 school district formed by disorganization and attachment in accordance  
43 with article 73 of chapter 72 of the Kansas Statutes Annotated, and]

1 ~~amendments thereto, if all the territory which comprised a disorganized~~  
2 ~~school district is attached to a single school district.~~

3 ~~New Sec. 19. (a) There is hereby established in each school district a~~  
4 ~~supplemental general fund, which shall consist of all moneys deposited~~  
5 ~~therein or credited thereto according to law.~~

6 ~~(b) Subject to the limitations imposed under subsection (c), moneys~~  
7 ~~in the supplemental general fund may be expended for any purpose for~~  
8 ~~which expenditures from the general fund are authorized or may be~~  
9 ~~transferred to any categorical fund of the school district.~~

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

14 ~~(d) (1) Except as provided in subsection (d)(2), any unexpended~~  
15 ~~moneys remaining in the supplemental general fund of a school district at~~  
16 ~~the conclusion of any school year in which a local enhancement budget is~~  
17 ~~adopted shall be maintained in such fund.~~

18 ~~(2) If the school district received supplemental state aid in the school~~  
19 ~~year, the state board shall determine the ratio of the amount of~~  
20 ~~supplemental state aid received to the amount of the local enhancement~~  
21 ~~budget of the school district for the school year and multiply the total~~  
22 ~~amount of the unexpended moneys remaining by such ratio. An amount~~  
23 ~~equal to the amount of the product shall be transferred to the general fund~~  
24 ~~of the school district or remitted to the state treasurer in accordance with~~  
25 ~~the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt~~  
26 ~~of any such remittance, the state treasurer shall deposit the same in the~~  
27 ~~state treasury to the credit of the state school district finance fund.~~

28 ~~New Sec. 20. (a) Each school year, the board of education of a school~~  
29 ~~district may adopt a local activities budget by resolution. A local activities~~  
30 ~~budget shall not exceed 4% of the local activities budget computation~~  
31 ~~factor for the school district for the current school year as determined by~~  
32 ~~the state board under subsection (d).~~

33 ~~(b) (1) The adoption of a resolution pursuant to this subsection shall~~  
34 ~~require a majority vote of the members of the board. The resolution shall~~  
35 ~~be published at least once in a newspaper having general circulation in the~~  
36 ~~school district, and shall be in substantial compliance with the following~~  
37 ~~form:~~

38 ~~Unified School District No. \_\_\_\_\_~~

39 \_\_\_\_\_ County, Kansas.

40 **RESOLUTION**

41 **Be It Resolved that:**

42 ~~The board of education of the above-named school district shall be~~  
43 ~~authorized to adopt a local activities budget in each school year in an~~

1 [amount not to exceed \_\_\_\_\_% of the local activities budget computation  
2 factor for the school district for the current school year.

3 CERTIFICATE

4 This is to certify that the above resolution was duly adopted by the  
5 board of education of Unified School District No. \_\_\_\_\_, \_\_\_\_\_ County,  
6 Kansas, on the \_\_\_\_\_ day of \_\_\_\_\_,  
7 \_\_\_\_\_

8 \_\_\_\_\_  
9 Clerk of the board of education.

10 (2) All of the blanks in the resolution shall be filled appropriately.  
11 The blank preceding the percentage symbol shall be filled with a specific  
12 number. The percentage specified in the resolution shall not exceed 4%.

13 (c) Except as provided in subsection (d), a resolution adopted  
14 pursuant to this section shall not be effective unless it is submitted to and  
15 approved by a majority of the qualified electors of the school district  
16 voting on the question at an election thereon. If the resolution is not  
17 approved by a majority of the voters voting on the question at the election  
18 thereon, no like resolution shall be adopted by the board within the nine  
19 months following publication of the resolution. Any election called  
20 pursuant to this section shall be noticed, called and held in the manner  
21 provided by K.S.A. 10-120, and amendments thereto, for the noticing,  
22 calling and holding of elections upon the question of issuing bonds under  
23 the general bond law. Such election may be conducted in the manner  
24 provided by the mail ballot act.

25 (d) If a school district was authorized to adopt a local option budget  
26 in excess of 30% of such district's state financial aid for school year 2016-  
27 2017 pursuant to K.S.A. 2016 Supp. 72-6471, prior to its expiration, then  
28 any resolution adopted under this section shall be effective for school year  
29 2017-2018 upon approval by a majority of the members of the board of  
30 such district.

31 (e) Unless specifically stated otherwise in the resolution, the authority  
32 to adopt a local activities budget shall be continuous and permanent. The  
33 board of education of a school district may elect to not adopt a local  
34 activities budget or adopt such a budget in an amount less than that stated  
35 in the resolution. If an initial resolution has been adopted under this  
36 subsection, and such resolution specified a percentage less than the  
37 percentage allowed under subsection (a), the board of education of the  
38 school district may adopt one or more subsequent resolutions under the  
39 same procedure as provided for the initial resolution, subject to the same  
40 conditions. Any percentage specified in a subsequent resolution or in  
41 subsequent resolutions shall be limited so that the sum of the percentage  
42 authorized in the initial resolution and the percentage authorized in any  
43 subsequent resolution is not in excess of 40% of the budget computation  
44 factor for the district for the current school year.]



1 ~~(f) Each school year, the state board shall determine the local~~  
2 ~~activities budget computation factor for each school district as follows:~~

3 ~~(1) Determine the enrollment of the school district in the immediately~~  
4 ~~preceding school year; and~~

5 ~~(2) multiply the number determined under subsection (2)(1) by the~~  
6 ~~PASE aid. The resulting product is the local activities budget computation~~  
7 ~~factor of the school district for the current school year.~~

8 ~~New Sec. 21. (a) The board of education of a school district that has~~  
9 ~~adopted a local activities budget may levy an ad valorem tax on the taxable~~  
10 ~~targetable property of the school district for the following purposes:~~

11 ~~(1) Financing that portion of the school district's local activities~~  
12 ~~budget that is not financed from any other source provided by law; and~~

13 ~~(2) paying a portion of the principal and interest on bonds issued by~~  
14 ~~cities under authority of K.S.A. 12-1774, and amendments thereto, for the~~  
15 ~~financing of redevelopment projects upon property located within the~~  
16 ~~district.~~

17 ~~(b) The proceeds from the tax levied by a district under authority of~~  
18 ~~this section, except the proceeds of such tax levied for the purpose~~  
19 ~~described in subsection (2)(2), shall be deposited in the local activities~~  
20 ~~fund of the district.~~

21 ~~New Sec. 22. (a) Each school district that levies a tax pursuant to~~  
22 ~~section 21, and amendments thereto, shall receive activities state aid in an~~  
23 ~~amount determined by the state board as follows:~~

24 ~~(1) Determine the amount of the assessed valuation per student of~~  
25 ~~each school district in the state for the preceding school year and round~~  
26 ~~such amount to the nearest \$1,000. The rounded amount is the assessed~~  
27 ~~valuation per student of a school district for the purpose of this section;~~  
28 ~~(2) determine the median assessed valuation per student of all school~~  
29 ~~districts;~~

30 ~~(3) prepare a schedule of dollar amounts using the amount of the~~  
31 ~~median assessed valuation per student of all school districts as the point of~~  
32 ~~beginning. The schedule of dollar amounts shall range upward in equal~~  
33 ~~\$1,000 intervals from the point of beginning to and including an amount~~  
34 ~~that is equal to the amount of the assessed valuation per student of the~~  
35 ~~school district with the highest assessed valuation per student of all school~~  
36 ~~districts and shall range downward in equal \$1,000 intervals from the point~~  
37 ~~of beginning to and including an amount that is equal to the amount of the~~  
38 ~~assessed valuation per student of the school district with the lowest~~  
39 ~~assessed valuation per student of all school districts;~~

40 ~~(4) determine a state aid percentage factor for each school district by~~  
41 ~~assigning a state aid computation percentage to the amount of the median~~  
42 ~~assessed valuation per student shown on the schedule, decreasing the state~~  
43 ~~aid computation percentage assigned to the amount of the median assessed]~~

1 [valuation per student by one percentage point for each \$1,000 interval  
2 above the amount of the median assessed valuation per student, and  
3 increasing the state aid computation percentage assigned to the amount of  
4 the median assessed valuation per student by one percentage point for each  
5 \$1,000 interval below the amount of the median assessed valuation per  
6 student. The state aid percentage factor of a school district is the  
7 percentage assigned to the schedule amount that is equal to the amount of  
8 the assessed valuation per student of the school district, except that the  
9 state aid percentage factor of a school district shall not exceed 100%. The  
10 state aid computation percentage is 25%;

11 (5) determine the amount levied by each school district pursuant to  
12 section 21, and amendments thereto; and

13 (6) multiply the amount computed under subsection (a)(5) by the  
14 applicable state aid percentage factor. The resulting product is the amount  
15 of activities state aid the school district is to receive for the school year.

16 (b) If the amount of appropriations for activities state aid is less than  
17 the aggregate amount all school districts are to receive for the school year,  
18 the state board shall prorate the amount appropriated among the school  
19 districts in proportion to the amount each school district is to receive,

20 (c) Payments of activities state aid shall be distributed to school  
21 districts on the dates prescribed by the state board. The state board shall  
22 certify to the director of accounts and reports the amount due each school  
23 district, and the director of accounts and reports shall draw a warrant on  
24 the state treasurer payable to the treasurer of the school district. Upon  
25 receipt of the warrant, the treasurer of the school district shall credit the  
26 amount thereof to the local activities fund of the school district to be used  
27 for the purposes of such fund.

28 New Sec. 23. (a) There is hereby established in every school district  
29 that adopts a local activities budget a local activities fund, which shall  
30 consist of all moneys deposited therein or credited thereto according to  
31 law.

32 (b) Except as provided by subsection (c), moneys in the local  
33 activities fund may be expended for any purpose for which expenditures  
34 from the general fund are authorized or may be transferred to the general  
35 fund of the school district or to any categorical fund of the school district.

36 (c) For school year 2018-2019 and each school year thereafter,  
37 moneys in the local activities fund shall not be expended or transferred to  
38 the general fund of the school district for the purpose of funding the cost  
39 of providing the subjects or areas of instruction required by state law to be  
40 provided in accredited schools, including reasonable and necessary related  
41 instruction, administration, support staff, supplies, equipment and building  
42 costs.

43 (d) Any balance remaining in the local activities fund at the end of]

~~1 [the school year shall be carried forward into that fund for succeeding  
2 school years. Such fund shall not be subject to the provisions of K.S.A. 79-  
3 2925 through 79-2937, and amendments thereto. In preparing the local  
4 activities budget of such school district, the amounts credited to and the  
5 amount on hand in the local activities fund, and the amount expended  
6 therefrom shall be included in the annual local activities fund budget.  
7 Interest earned on the investment of moneys in any such fund shall be  
8 credited to that fund.]~~

See attached insert

9 New Sec. 24. (a) The transportation weighting of each school district  
10 shall be determined by the state board as follows:

11 (1) Determine the total expenditures of the school district during the  
12 preceding school year from all funds for transporting students of public  
13 and nonpublic schools on regular school routes;

14 (2) determine the sum of: (A) The number of students who were  
15 included in the enrollment of the school district in the preceding school  
16 year who resided less than 2½ miles by the usually traveled road from the  
17 school building such students attended and for whom transportation was  
18 made available by the school district; and (B) the number of nonresident  
19 students who were included in the enrollment of the school district for the  
20 preceding school year and for whom transportation was made available by  
21 the school district;

22 (3) determine the number of students who were included in the  
23 enrollment of the district in the preceding school year who resided 2½  
24 miles or more by the usually traveled road from the school building such  
25 students attended and for whom transportation was made available by the  
26 school district;

27 (4) multiply the number of students determined under subsection (a)  
28 (3) by 2.2;

29 (5) divide the amount determined under subsection (a)(2) by the  
30 product obtained under subsection (a)(4);

31 (6) add one to the quotient obtained under subsection (a)(5);

32 (7) multiply the sum obtained under subsection (a)(6) by the amount  
33 determined under subsection (a)(3);

34 (8) divide the amount determined under subsection (a)(1) by the  
35 product obtained under subsection (a)(7). The resulting quotient is the per-  
36 student cost of transportation;

37 (9) on a density-cost graph, plot the per-student cost of transportation  
38 for each school district;

39 (10) construct a curve of best fit for the points so plotted;

40 (11) locate the index of density for the school district on the base line  
41 of the density-cost graph and from the point on the curve of best fit  
42 directly above this point of index of density follow a line parallel to the  
43 base line to the point of intersection with the vertical line, which point is

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Insert

New Sec. 14. (a) In each school year, the board of education of a school district may adopt, by resolution, a local option budget that does not exceed the state prescribed percentage.

(b) Subject to the limitations of subsection (a), in each school year, the board of education of a school district may adopt, by resolution, a local option budget in an amount that does not exceed:

(1) The amount that the board was authorized to adopt under any resolution adopted pursuant to K.S.A. 2016 Supp. 72-6471, prior to its expiration; or

(2) the state-wide average for the preceding school year as determined by the state board pursuant to subsection (i). The adoption of a resolution pursuant to this section shall require a majority vote of the members of the board. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.

(c) If the board of a school district desires to increase its local option budget authority above the amount authorized under subsection (b), the board may adopt, by resolution, such budget in an amount not to exceed the state prescribed percentage. The adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. The resolution shall be published at least once in a newspaper having general circulation in the school district. The resolution shall be published in substantial compliance with the following form:

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

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

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year in an amount not to exceed \_\_\_\_\_% of the amount of total foundation aid. The local option budget authorized by this resolution may be

adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of unified school district No. \_\_\_\_\_, \_\_\_\_\_ County, Kansas, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

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

(d) Unless specifically stated otherwise in the resolution, the authority to adopt a local option budget shall be continuous and permanent. The board of any school district that is authorized to adopt a local option budget may choose not to adopt such a budget or may adopt a budget in an amount less than the amount authorized. If the board of any school district whose authority to adopt a local option budget is not continuous and permanent refrains from adopting a local option budget, the authority of such school district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget.

(e) The board of any school district may initiate procedures to renew or increase the authority to adopt a local option budget at any time during a school year after the tax levied pursuant to section 16, and amendments thereto, is certified to the county clerk under any existing authorization.

(f) The board of any school district authorized to adopt a local option budget prior to July 1, 2017, under a resolution that authorized the adoption of such budget in accordance with the provisions of K.S.A. 2016 Supp. 72-6471, prior to its expiration, may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section. Any such school district shall operate under the provisions of this section after the period of time specified in any previously adopted resolution has expired.

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

(h) (1) There is hereby established in each school district that adopts a supplemental general fund, which shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitations imposed under subsection (h)(3), amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to any categorical fund of the school district. Amounts in the supplemental general fund attributable to any percentage over 25% of total foundation aid determined for the current school year may be transferred to the capital improvements fund of the school district and the capital outlay fund of the school district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%.

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

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

(B) If the school district received supplemental state aid in the school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the school district for the school year and multiply the total amount of the unexpended moneys remaining by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the school district or remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.

(i) Each year, the state board shall determine the statewide average percentage of local option budgets legally adopted by school districts for the preceding school year.

(j) The provisions of this section shall be subject to the provisions of section 15, and amendments thereto.

(k) As used in this section:

(1) "Authorized to adopt a local option budget" means that a school district has adopted a resolution pursuant to subsection (c).

(2) "State prescribed percentage" means 33% of the total foundation aid of the school district in the current school year.

(3) "Total foundation aid" shall have the meaning provided in section 4, and amendments thereto.

New Sec. 15. (a) (1) The provisions of this subsection shall apply in any school year in which the amount of BASE aid is \$4,490 or less.

(2) The board of education of a school district may adopt a local option budget that does not exceed the local option budget calculated as if the BASE aid was \$4,490, or that does not exceed the local option budget as calculated pursuant to section 14, and amendments thereto, whichever is greater.

(b) The board of education of a school district may adopt a local option budget that does not exceed the local option budget calculated as if the school district received state aid for special education and related services equal to the amount of state aid for special education and related services received in school year 2008-2009, or that does not exceed the local option budget as calculated pursuant to section 14, and amendments thereto, whichever is greater.

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

(d) To the extent that the provisions of section 14, and amendments thereto, conflict with this section, this section shall control. New Sec. 16. (a) In each school year, each school district that has adopted a local option budget is eligible to receive supplemental state aid. Except as provided by section 17, and amendments thereto, supplemental state aid shall be determined by the state board as provided in subsection (b).

(b) The state board shall:

(1) (A) For school year 2017-2018, determine the amount of the assessed valuation per student in the preceding school year of each school district; and

(B) for school year 2018-2019 and each school year thereafter, determine the average assessed valuation per student of each school district by adding the assessed valuation per student for each of the three immediately preceding school years and dividing the resulting sum by three;

(2) rank the school districts from low to high on the basis of the amounts of assessed valuation per student determined under subsection (b)(1);

(3) identify the amount of the assessed valuation per student located at the 81.2 percentile of the amounts ranked under subsection (b)(2);

(4) divide the assessed valuation per student of the school district as determined under subsection (b)(1) by the amount identified under subsection (b)(3); and



(5) (A) If the quotient obtained under subsection (b)(4) equals or exceeds one, the school district shall not receive supplemental state aid; or

(B) if the quotient obtained under subsection (b)(4) is less than one, subtract the quotient obtained under subsection (b)(4) from one, and multiply the difference by the amount of the local option budget of the school district for the immediately preceding school year. The resulting product is the amount of supplemental state aid the school district is to receive for the school year.

(c) Payments of supplemental state aid shall be distributed to school districts on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due each school district, and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of the school district. Upon receipt of the warrant, the treasurer of the school district shall credit the amount thereof to the supplemental general fund of the school district to be used for the purposes of such fund.

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

New Sec. 17. (a) (1) For the purposes of determining the amount of supplemental state aid, the state board shall determine the ranking of each of the former school districts of which the school district is composed as required by section 16(b)(2), and amendments thereto, for the school year prior to the effectuation of the consolidation or attachment.

(2) For the school year in which the consolidation or attachment is effectuated and the next succeeding two school years, the ranking of the school district for the purposes of section 16(b)(2), and amendments thereto, shall be the ranking of the school district receiving the highest amount of supplemental state aid determined under subsection (a)(1).

(b) The provisions of this section shall apply to school districts that have consolidated or disorganized on and after July 1, 2004.

(c) As used in this section, "school district" means:

(1) Any school district formed by consolidation in accordance with article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto; or

(2) any school district formed by disorganization and attachment in accordance with article 73 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto, if all the territory which comprised a disorganized school district is attached to a single school district.

New Sec. 18. (a) In each school year, the board of each school district that has adopted a local option budget may levy an ad valorem tax on the taxable tangible property of the school district for the purposes of:

(1) Financing that portion of the school district's local option budget that is not financed from any other source provided by law;

(2) paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district; and

(3) funding transfers to the capital improvement fund of the school district and the capital outlay fund of the school district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25% of the total foundation aid determined for the current school year.

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

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