

HOUSE BILL No. 2773

By Committee on Taxation

3-6

1 AN ACT concerning school districts; authorizing the expenditure of
2 certain unencumbered funds; relating to the local option budget;
3 amending K.S.A. 2011 Supp. 72-965, 72-3607, 72-3715, 72-6414a, 72-
4 6414b, 72-6420, 72-6421, 72-6423, 72-6426, 72-6433, 72-6460, 72-
5 8237, 72-8250, 72-9509 and 72-9609 and repealing the existing
6 sections.

7

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

9 New Section 1. (a) On June 30, 2013, the clerk or superintendent of
10 each school district shall certify under oath to the state board a report
11 showing the unencumbered balance of moneys remaining in each of the
12 following funds: At-risk education fund, as provided in K.S.A. 76-6414a,
13 and amendments thereto; bilingual education fund, as provided in K.S.A.
14 72-9509, and amendments thereto; contingency reserve fund, as provided
15 in K.S.A. 72-6426, and amendments thereto; driver training fund, as
16 provided in K.S.A. 72-6423, and amendments thereto; parent education
17 program fund, as provided in K.S.A. 72-3607, and amendments thereto;
18 preschool-aged at-risk education fund, as provided in K.S.A. 72-6414b,
19 and amendments thereto; professional development fund, as provided in
20 K.S.A. 72-9609, and amendments thereto; summer program fund, as
21 provided in K.S.A. 72-8237, and amendments thereto; textbook and
22 student materials revolving fund, as provided in K.S.A. 72-8250, and
23 amendments thereto; special education fund, as provided in K.S.A. 72-965
24 and 72-6420, and amendments thereto; virtual school fund, as provided in
25 K.S.A. 72-3715, and amendments thereto; and vocational education fund,
26 as provided in K.S.A. 72-6421, and amendments thereto.

27 (b) Upon receipt of such report, the state board shall subtract the
28 aggregate amount of the unencumbered balance of moneys as certified by
29 the school district in the report from the amount of unencumbered balance
30 of moneys such school district was authorized to spend for general
31 operating expenses of the school district as determined pursuant to K.S.A.
32 2011 Supp. 72-6460, and amendments thereto.

33 (c) The state board shall notify each school district of the difference
34 determined under subsection (b), if any. If there is a difference between the
35 amount of the unencumbered balance of moneys as certified by the school
36 district and the amount of unencumbered balance of moneys such school

1 district was authorized to spend for general operating expenses of the
2 school district as determined pursuant to K.S.A. 2011 Supp. 72-6460, and
3 amendments thereto, then an amount equal to such difference shall be
4 transferred from the unencumbered balance of moneys in those funds set
5 forth in subsection (a) to the local option budget fund of such school
6 district, and any levy to be imposed by the school district pursuant to
7 K.S.A. 72-6435, and amendments thereto, for school year 2013-2014 shall
8 be reduced accordingly, except as otherwise provided in K.S.A. 72-6433,
9 and amendments thereto.

10 New Sec. 2. The provisions of section 1 and K.S.A. 2011 Supp. 72-
11 6460, and amendments thereto, shall be a part of and supplemental to the
12 school district finance and quality performance act.

13 Sec. 3. K.S.A. 2011 Supp. 72-965 is hereby amended to read as
14 follows: 72-965. (a) The state board shall be responsible for the
15 distribution and allocation of state and federal funds for special education.
16 Such moneys shall be expended only in accordance with and for the
17 purposes specified in federal or state law. Payments under this act may be
18 made in installments and in advance or by way of reimbursement, with
19 necessary adjustments for overpayments or underpayments. Federal funds
20 for special education shall be deposited in the state treasury.

21 (b) The state board is hereby authorized to accept from an individual
22 or individuals, the United States government or any of its agencies or any
23 other public or private body, grants or contributions of money, funds or
24 property which the state board may authorize to be used in accordance
25 with appropriation acts, for or in aid of special education or related
26 services or any of the purposes authorized by the federal law or this act.

27 (c) (1) Each board may use up to 15% of the amount it receives each
28 year under the federal law to develop and implement coordinated, early
29 intervening services for students in kindergarten through grade 12, with a
30 particular emphasis on students in kindergarten through grade three, who
31 have not been identified as needing special education or related services
32 but who appear to need additional academic and behavioral support to
33 succeed in a general education environment.

34 (2) In implementing coordinated, early intervening services under this
35 subsection, a board may carry out activities that include:

36 (A) Providing professional development for teachers and other school
37 staff to enable such personnel to deliver scientifically based academic
38 instruction and behavioral interventions, including scientifically based
39 literacy instruction and, where appropriate, instruction on the use of
40 adaptive and instructional software; and

41 (B) providing educational and behavioral evaluations, services and
42 supports, including scientifically based literacy instruction.

43 (3) Each board that develops and maintains coordinated, early

1 intervening services under this subsection shall annually report to the
2 department:

3 (A) The number of students served under this subsection; and

4 (B) the number of students served under this subsection who
5 subsequently receive special education and related services under this title
6 during the two-year period preceding each report.

7 (d) Except for moneys received under K.S.A. 72-978, and
8 amendments thereto, from cooperative agreements entered into under
9 K.S.A. 72-968, and amendments thereto, any unencumbered balance of
10 moneys attributable to appropriations by the legislature for special
11 education or related services remaining in the special education fund of a
12 school district on June 30, ~~2011~~ 2012, may be expended in school year
13 ~~2011-2012~~ 2012-2013 by the school district for general operating expenses
14 of the school district as approved by the board of education in an amount
15 not to exceed $\frac{1}{3}$ of the unencumbered balance of the school district's
16 special education fund.

17 Sec. 4. K.S.A. 2011 Supp. 72-3607 is hereby amended to read as
18 follows: 72-3607. (a) There is hereby established in every school district
19 which has developed and is operating a parent education program for
20 which grants are awarded under this act a fund which shall be called the
21 parent education program fund, which fund shall consist of all moneys
22 deposited therein or transferred thereto according to law. Notwithstanding
23 any other provision of law, all moneys received by the school district from
24 whatever source for a parent education program operated under this act
25 shall be credited to the fund established by this section. Amounts deposited
26 in the parent education program fund shall be used exclusively for the
27 payment of expenses directly attributable to the program.

28 (b) Any unencumbered balance of moneys remaining in the parent
29 education program fund of a school district on June 30, ~~2011~~ 2012, may be
30 expended in school year ~~2011-2012~~ 2012-2013 by the school district for
31 general operating expenses of the school district as approved by the board
32 of education.

33 Sec. 5. K.S.A. 2011 Supp. 72-3715 is hereby amended to read as
34 follows: 72-3715. (a) In order to be included in the full-time equivalent
35 enrollment of a virtual school, a pupil shall be in attendance at the virtual
36 school on; (1) A single school day on or before September 19 of each
37 school year; and (2) on a single school day on or after September 20, but
38 before October 4 of each school year.

39 (b) A school district which offers a virtual school shall determine the
40 full-time equivalent enrollment of each pupil enrolled in the virtual school
41 on September 20 of each school year as follows:

42 (1) Determine the number of hours the pupil was in attendance on a
43 single school day on or before September 19 of each school year;

1 (2) determine the number of hours the pupil was in attendance on a
2 single school day on or after September 20, but before October 4 of each
3 school year;

4 (3) add the numbers obtained under paragraphs (1) and (2);

5 (4) divide the sum obtained under paragraph (3) by 12. The quotient
6 is the full-time equivalent enrollment of the pupil.

7 (c) The school days on which a district determines the full-time
8 equivalent enrollment of a pupil under paragraphs (1) and (2) of subsection
9 (b) shall be the school days on which the pupil has the highest number of
10 hours of attendance at the virtual school. No more than six hours of
11 attendance may be counted in a single school day. Attendance may be
12 shown by a pupil's on-line activity or entries in the pupil's virtual school
13 journal or log of activities.

14 (d) (1) Subject to the availability of appropriations for virtual school
15 state aid and within the limits of any such appropriations, each school year
16 a school district which offers a virtual school shall be entitled to virtual
17 school state aid.

18 (2) The state board of education shall determine the amount of virtual
19 school state aid a school district is entitled to receive as follows:

20 (A) Multiply the full-time equivalent enrollment of the virtual school
21 by an amount equal to 105% of the amount of base state aid per pupil;

22 (B) multiply the full-time equivalent enrollment of nonproficient at-
23 risk pupils enrolled in an approved at-risk program offered by the virtual
24 school, if any, by an amount equal to 25% of the amount of base state aid
25 per pupil;

26 (C) add any amount determined under K.S.A. 2011 Supp. 72-3716,
27 and amendments thereto; and

28 (D) add the amounts obtained under ~~paragraphs~~ *subparagraphs* (A)
29 through (C). The sum is the amount of the virtual school state aid to which
30 the school district is entitled.

31 (3) There is hereby established in every school district a fund which
32 shall be called the virtual school fund, which fund shall consist of all
33 moneys deposited therein or transferred thereto according to law. Moneys
34 received as virtual school state aid shall be deposited in the general fund of
35 the school district and transferred to the virtual school fund of the district.
36 The expenses of a district directly attributable to virtual schools offered by
37 a school district shall be paid from the virtual school fund. The cost of an
38 advance placement course provided to a pupil described in subsection (d)
39 (2)(D) shall be paid by the virtual school.

40 Any balance remaining in the virtual school fund at the end of the
41 budget year shall be carried forward into the virtual school fund for
42 succeeding budget years. Such fund shall not be subject to the provisions
43 of K.S.A. 79-2925 through 79-2937, and amendments thereto.

1 Any unencumbered balance of moneys remaining in the virtual school
2 fund of a school district on June 30, ~~2011~~ 2012, may be expended in
3 school year ~~2011-2012~~ 2012-2013 by the school district for general
4 operating expenses of the school district as approved by the board of
5 education.

6 In preparing the budget of such school district, the amounts credited to
7 and the amount on hand in the virtual school fund, and the amount
8 expended therefrom shall be included in the annual budget for the
9 information of the residents of the school district. Interest earned on the
10 investment of moneys in any such fund shall be credited to that fund.

11 (e) For the purposes of this section, a pupil enrolled in a virtual
12 school who is not a resident of the state of Kansas shall not be counted in
13 the full-time equivalent enrollment of the virtual school.

14 Sec. 6. K.S.A. 2011 Supp. 72-6414a is hereby amended to read as
15 follows: 72-6414a. (a) There is hereby established in every district a fund
16 which shall be called the at-risk education fund, which fund shall consist
17 of all moneys deposited therein or transferred thereto according to law.
18 The expenses of a district directly attributable to providing at-risk
19 assistance or programs, including assistance or programs provided to
20 nonproficient pupils, shall be paid from the at-risk education fund.

21 (b) Any balance remaining in the at-risk education fund at the end of
22 the budget year shall be carried forward into the at-risk education fund for
23 succeeding budget years. Such fund shall not be subject to the provisions
24 of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing
25 the budget of such school district, the amounts credited to and the amount
26 on hand in the at-risk education fund, and the amount expended therefrom
27 shall be included in the annual budget for the information of the residents
28 of the school district. Interest earned on the investment of moneys in any
29 such fund shall be credited to that fund.

30 Any unencumbered balance of moneys remaining in the at-risk
31 education fund of a school district on June 30, ~~2011~~ 2012, may be
32 expended in school year ~~2011-2012~~ 2012-2013 by the school district for
33 general operating expenses of the school district as approved by the board
34 of education.

35 (c) Each year the board of education of each school district shall
36 prepare and submit to the state board a report on the at-risk program or
37 assistance provided by the district. Such report shall include information
38 specifying the number of at-risk pupils and nonproficient pupils who were
39 served or provided assistance, the type of service provided, the research
40 upon which the district relied in determining that a need for service or
41 assistance existed, the results of providing such service or assistance and
42 any other information required by the state board.

43 (d) In order to achieve uniform reporting of the number of at-risk

1 pupils and nonproficient pupils provided service or assistance by school
2 districts in at-risk programs, districts shall report the number of at-risk
3 pupils and nonproficient pupils served or assisted in the manner required
4 by the state board.

5 Sec. 7. K.S.A. 2011 Supp. 72-6414b is hereby amended to read as
6 follows: 72-6414b. (a) There is hereby established in every district a fund
7 which shall be called the preschool-aged at-risk education fund, which
8 fund shall consist of all moneys deposited therein or transferred thereto
9 according to law. The expenses of a district directly attributable to
10 providing preschool-aged at-risk assistance or programs shall be paid from
11 the preschool-aged at-risk education fund.

12 (b) A school district may expend amounts received from the
13 preschool-aged at-risk weighting to pay the cost of providing at-risk,
14 bilingual and vocational education programs and services.

15 (c) Any balance remaining in the preschool-aged at-risk education
16 fund at the end of the budget year shall be carried forward into the
17 preschool-aged at-risk education fund for succeeding budget years. Such
18 fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-
19 2937, and amendments thereto. In preparing the budget of such school
20 district, the amounts credited to and the amount on hand in the preschool-
21 aged at-risk education fund, and the amount expended therefrom shall be
22 included in the annual budget for the information of the residents of the
23 school district. Interest earned on the investment of moneys in any such
24 fund shall be credited to that fund.

25 Any unencumbered balance of moneys remaining in the preschool-aged
26 at-risk education fund of a school district on June 30, ~~2011~~ 2012, may be
27 expended in school year ~~2011-2012~~ 2012-2013 by the school district for
28 general operating expenses of the school district as approved by the board
29 of education.

30 (d) Each year the board of education of each school district shall
31 prepare and submit to the state board a report on the preschool-aged at-risk
32 program or assistance provided by the district. Such report shall include
33 information specifying the number of pupils who were served or provided
34 assistance, the type of service provided, the research upon which the
35 district relied in determining that a need for service or assistance existed,
36 the results of providing such service or assistance and any other
37 information required by the state board.

38 Sec. 8. K.S.A. 2011 Supp. 72-6420 is hereby amended to read as
39 follows: 72-6420. (a) There is hereby established in every district a fund
40 which shall be called the special education fund, which fund shall consist
41 of all moneys deposited therein or transferred thereto according to law.
42 Notwithstanding any other provision of law, all moneys received by the
43 district from whatever source for special education shall be credited to the

1 special education fund established by this section, except that: (1)
2 Amounts of payments received by a district under K.S.A. 72-979, and
3 amendments thereto, and amounts of grants, if any, received by a district
4 under K.S.A. 72-983, and amendments thereto, shall be deposited in the
5 general fund of the district and transferred to the special education fund;
6 and (2) moneys received by a district pursuant to lawful agreements made
7 under K.S.A. 72-968, and amendments thereto, shall be credited to the
8 special fund established under the agreements.

9 (b) The expenses of a district directly attributable to special education
10 shall be paid from the special education fund and from special funds
11 established under K.S.A. 72-968, and amendments thereto.

12 (c) Obligations of a district pursuant to lawful agreements made
13 under K.S.A. 72-968, and amendments thereto, shall be paid from the
14 special education fund established by this section.

15 (d) Except for moneys received under K.S.A. 72-978, and
16 amendments thereto, from cooperative agreements entered into under
17 K.S.A. 72-968, and amendments thereto, any unencumbered balance of
18 moneys attributable to appropriations by the legislature for special
19 education or related services remaining in the special education fund of a
20 school district on June 30, ~~2011~~ 2012, may be expended in school year
21 ~~2011-2012~~ 2012-2013 by the school district for general operating expenses
22 of the school district as approved by the board of education in an amount
23 not to exceed $\frac{1}{3}$ of the unencumbered balance of the school district's
24 special education fund.

25 Sec. 9. K.S.A. 2011 Supp. 72-6421 is hereby amended to read as
26 follows: 72-6421. (a) There is hereby established in every district a fund
27 which shall be called the vocational education fund. All moneys received
28 by a district for any course or program authorized and approved under the
29 provisions of article 44 of chapter 72 of Kansas Statutes Annotated, and
30 amendments thereto, except for courses and programs conducted in an area
31 vocational school, shall be credited to the vocational education fund. All
32 moneys received by the district from tuition, fees or charges or from any
33 other source for vocational education courses or programs, except for
34 courses and programs conducted in an area vocational school, shall be
35 credited to the vocational education fund. The expenses of a district
36 directly attributable to vocational education shall be paid from the
37 vocational education fund.

38 (b) Obligations of a district pursuant to lawful agreements made
39 under K.S.A. 72-4421, and amendments thereto, shall be paid from the
40 vocational education fund established by this section. If any such
41 agreement expresses an obligation of a district in terms of a mill levy, such
42 obligation shall be construed to mean an amount equal to that which would
43 be produced by the levy.

1 (c) Any balance remaining in the vocational education fund at the end
2 of the budget year shall be carried forward into the vocational education
3 fund for succeeding budget years. Such fund shall not be subject to the
4 provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto.
5 In preparing the budget of such school district, the amounts credited to and
6 the amount on hand in the vocational education fund, and the amount
7 expended therefrom shall be included in the annual budget for the
8 information of the residents of the school district. Interest earned on the
9 investment of moneys in any such fund shall be credited to that fund.

10 Any unencumbered balance of moneys attributable to appropriations by
11 the legislature in the vocational education fund of a school district on June
12 30, ~~2011~~ 2012, may be expended in school year ~~2011-2012~~ 2012-2013 by
13 the school district for general operating expenses of the school district as
14 approved by the board of education.

15 Sec. 10. K.S.A. 2011 Supp. 72-6423 is hereby amended to read as
16 follows: 72-6423. (a) There is hereby established in every district a fund
17 which shall be called the driver training fund which fund shall consist of
18 all moneys deposited therein or transferred thereto according to law. All
19 moneys received by the district from distributions made from the state
20 safety fund and the motorcycle safety fund and from tuition, fees or
21 charges for driver training courses shall be credited to the driver training
22 fund. The expenses of a district directly attributable to driver training shall
23 be paid from the driver training fund.

24 (b) Any unencumbered balance of moneys remaining in the driver
25 training fund of a school district on June 30, ~~2011~~ 2012, may be expended
26 in school year ~~2011-2012~~ 2012-2013 by the school district for general
27 operating expenses of the school district as approved by the board of
28 education.

29 Sec. 11. K.S.A. 2011 Supp. 72-6426 is hereby amended to read as
30 follows: 72-6426. (a) There is hereby established in every district a fund
31 which shall be called the contingency reserve fund. Such fund shall consist
32 of all moneys deposited therein or transferred thereto according to law.
33 The fund shall be maintained for payment of expenses of a district
34 attributable to financial contingencies as determined by the board.

35 (b) (1) Except as otherwise provided in subsection (c), at no time in
36 school year 2008-2009 through school year 2011-2012 shall the amount
37 maintained in the contingency reserve fund exceed an amount equal to
38 10% of the general fund budget of the district for the school year.

39 (2) Except as otherwise provided in subsection (c), at no time in
40 school year 2012-2013 or any school year thereafter shall the amount
41 maintained in the contingency reserve fund exceed an amount equal to 6%
42 of the general fund budget of the district for the school year.

43 (c) (1) If the amount in the contingency reserve fund of a district is in

1 excess of the amount authorized under subsection (b), and if such excess
2 amount is the result of a reduction in the general fund budget of the district
3 for the school year because of a decrease in enrollment, the district may
4 maintain the excess amount in the fund until depletion of such excess
5 amount by expenditure from the fund for the purposes thereof.

6 (2) The limitation on the amount which may be maintained in the
7 contingency reserve fund imposed under subsection (b) shall not apply to
8 any district whose state financial aid is computed under the provisions of
9 K.S.A. 72-6445a, and amendments thereto. Any such district may maintain
10 the excess amount in the fund until depletion of such excess amount by
11 expenditure from the fund for the purposes thereof.

12 (d) Notwithstanding the provisions of subsection (c), any
13 unencumbered balance of moneys remaining in the contingency reserve
14 fund of a school district on June 30, ~~2011~~ 2012, may be expended in
15 school year ~~2011-2012~~ 2012-2013 by the school district for general
16 operating expenses of the school district as approved by the board of
17 education.

18 Sec. 12. K.S.A. 2011 Supp. 72-6433 is hereby amended to read as
19 follows: 72-6433. (a) As used in this section:

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

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

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

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

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

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

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

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

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

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

10

11 Unified School District No. _____,
 12 _____ County, Kansas.

13

RESOLUTION

14

Be It Resolved that:

15

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

27

28

29

CERTIFICATE

30

31 This is to certify that the above resolution was duly adopted by the
 32 board of education of unified School District
 33 No. _____, _____ County,
 34 Kansas, on the _____ day of _____
 35 _____, _____.

35

36

 Clerk of the board of education.

37

38 All of the blanks in the resolution shall be filled as is appropriate. If a
 39 sufficient petition is not filed, the board may adopt a local option budget.
 40 If a sufficient petition is filed, the board may notify the county election
 41 officer of the date of an election to be held to submit the question of
 42 whether adoption of a local option budget shall be authorized. Any such
 43 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

1 election officer within 30 days after a sufficient petition is filed, the
2 resolution shall be deemed abandoned and no like resolution shall be
3 adopted by the board within the nine months following publication of the
4 resolution.

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

12 (2) *For any school district that is required to make a transfer of*
13 *moneys to the local option budget fund of such school district pursuant to*
14 *subsection (c) of section 1, and amendments thereto, any resolution*
15 *adopted during school year 2013-2014 authorizing the adoption of a local*
16 *option budget in excess of an amount equal to the local option budget*
17 *authorized for school year 2012-2013 less any amount transferred to the*
18 *local option budget fund of the school district pursuant to subsection (c) of*
19 *section 1, and amendments thereto, shall not become effective unless such*
20 *resolution has been submitted to and approved by a majority of the*
21 *qualified electors of the school district voting at an election called and*
22 *held thereon. The election shall be called and held in the manner provided*
23 *by K.S.A. 10-120, and amendments thereto.*

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

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

39 (h) The board of any district that is authorized to adopt a local option
40 budget prior to the effective date of this act under a resolution which
41 authorized the adoption of such budget in accordance with the provisions
42 of this section in effect prior to its amendment by this act may continue to
43 operate under such resolution for the period of time specified in the

1 resolution or may abandon the resolution and operate under the provisions
2 of this section as amended by this act. Any such district shall operate under
3 the provisions of this section as amended by this act after the period of
4 time specified in the resolution has expired.

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

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

15 (2) Subject to the limitation imposed under paragraph (3) and
16 subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in the
17 supplemental general fund may be expended for any purpose for which
18 expenditures from the general fund are authorized or may be transferred to
19 any program weighted fund or categorical fund of the district. Amounts in
20 the supplemental general fund attributable to any percentage over 25% of
21 state financial aid determined for the current school year may be
22 transferred to the capital improvements 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%.

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

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

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

42 (k) Each year the state board of education shall determine the
43 statewide average percentage of local option budgets legally adopted by

1 school districts for the preceding school year.

2 (l) The provisions of this section shall be subject to the provisions of
3 K.S.A. 2011 Supp. 72-6433d *and section I*, and amendments thereto.

4 Sec. 13. K.S.A. 2011 Supp. 72-6460 is hereby amended to read as
5 follows: 72-6460. (a) For school year ~~2011-2012~~ 2012-2013, subject to
6 any limitations as provided in this act, any school district may expend the
7 unencumbered balance of the moneys held in the at-risk education fund, as
8 provided in K.S.A. 76-6414a, and amendments thereto, bilingual education
9 fund, as provided in K.S.A. 72-9509, and amendments thereto,
10 contingency reserve fund, as provided in K.S.A. 72-6426, and
11 amendments thereto, driver training fund, as provided in K.S.A. 72-6423,
12 and amendments thereto, parent education program fund, as provided in
13 K.S.A. 72-3607, and amendments thereto, preschool-aged at-risk
14 education fund, as provided in K.S.A. 72-6414b, and amendments thereto,
15 professional development fund, as provided in K.S.A. 72-9609, and
16 amendments thereto, summer program fund, as provided in K.S.A. 72-
17 8237, and amendments thereto, textbook and student materials revolving
18 fund, as provided in K.S.A. 72-8250, and amendments thereto, special
19 education fund, as provided in K.S.A. 72-965 and 72-6420, and
20 amendments thereto, virtual school fund, as provided in K.S.A. 72-3715,
21 and amendments thereto, and vocational education fund, as provided in
22 K.S.A. 72-6421, and amendments thereto, to pay for general operating
23 expenses of the district out of the general fund as approved by the board of
24 education of such district, *provided, that any moneys transferred to the*
25 *general fund of a school district pursuant to this section shall be expended*
26 *first to pay for those costs incurred by the school district due to increases,*
27 *if any, in the adjusted enrollment of the district and the at-risk pupil*
28 *enrollment of the district compared to such enrollments in school year*
29 *2011-2012.*

30 The board of education of a school district shall consider the use of
31 such funds in the following order of priority:

32 (1) At-risk education fund, bilingual education fund, contingency
33 reserve fund, driver training fund, parent education program fund,
34 preschool-aged at-risk education fund, professional development fund,
35 summer program fund, virtual school fund and vocational education fund;

36 (2) textbook and student materials revolving fund; and

37 (3) special education fund.

38 The board of education of a school district shall not be limited to the
39 order of priority as listed in this subsection if the board so chooses. The
40 board of education of a school district shall not be required to use the total
41 amount of the unencumbered balance of moneys in a fund before using the
42 unencumbered balance of moneys in another fund.

43 (b) The amount of money expended by a school district in school

1 year ~~2011-2012~~ 2012-2013 from the unencumbered balance of moneys in
 2 the funds under subsection (a) of this section shall not exceed, in the
 3 aggregate, an amount determined by the state board of education. Such
 4 amount shall be determined by the state board as follows:

5 (1) Determine the adjusted enrollment of the district, excluding
 6 special education and related services weighting, *for school year 2012-*
 7 *2013;*

8 (2) subtract the amount of base state aid per pupil appropriated to the
 9 department of education for fiscal year ~~2012~~ 2013 from \$4,012; ~~and~~

10 (3) multiply the difference obtained under paragraph (2) by the
 11 number determined under paragraph (1);

12 (4) *determine the adjusted enrollment of the district, excluding*
 13 *special education and related services weighting, for school year 2011-*
 14 *2012;*

15 (5) *subtract the number determined under paragraph (4) from the*
 16 *number determined under paragraph (1);*

17 (6) *if the difference determined under paragraph (5) is greater than*
 18 *zero, then multiply such difference by the amount of base state aid per*
 19 *pupil appropriated to the department of education for fiscal year 2013;*

20 (7) *determine the enrollment of the district adjusted only by the at-*
 21 *risk pupil weighting determined pursuant to K.S.A. 72-6414, and*
 22 *amendments thereto, the high density at-risk pupil weighting determined*
 23 *pursuant to K.S.A. 72-6455, and amendments thereto, and the medium*
 24 *density at-risk pupil weighting determined pursuant to K.S.A. 72-6459,*
 25 *and amendments thereto, for school year 2011-2012;*

26 (8) *determine the enrollment of the district adjusted only by the at-*
 27 *risk pupil weighting determined pursuant to K.S.A. 72-6414, and*
 28 *amendments thereto, the high density at-risk pupil weighting determined*
 29 *pursuant to K.S.A. 72-6455, and amendments thereto, and the medium*
 30 *density at-risk pupil weighting determined pursuant to K.S.A. 72-6459,*
 31 *and amendments thereto, for school year 2012-2013;*

32 (9) *subtract the number determined under paragraph (7) from the*
 33 *number determined under paragraph (8);*

34 (10) *if the difference determined under paragraph (9) is greater than*
 35 *zero, then multiply such difference by the amount of base state aid per*
 36 *pupil appropriated to the department of education for fiscal year 2013;*
 37 *and*

38 (11) *add the products determined under paragraphs (3), (6) and (10).*
 39 The ~~product~~ sum is the aggregate amount of moneys that may be expended
 40 by a school district in school year ~~2011-2012~~ 2012-2013 from the
 41 unencumbered balance of moneys in the funds under subsection (a) of this
 42 section.

43 (c) It is the public policy goal of the state of Kansas that at least 65%

1 of the aggregate of all unencumbered balances authorized to be expended
2 for general operating expenses pursuant to subsection (a) shall be
3 expended in the classroom or for instruction, as provided in K.S.A. 2011
4 Supp. 72-64c01, and amendments thereto.

5 Sec. 14. K.S.A. 2011 Supp. 72-8237 is hereby amended to read as
6 follows: 72-8237. (a) The board of education of any school district may:
7 (1) Establish, operate and maintain a summer program for pupils; (2) enter
8 into cooperative or interlocal agreements with one or more other boards of
9 education for the establishment, operation and maintenance of a summer
10 program for pupils; and (3) prescribe and collect fees for providing a
11 summer program for pupils or provide such program without charge.

12 (b) Fees for providing a summer program for pupils shall be
13 prescribed and collected only to recover the costs incurred as a result of
14 and directly attributable to the establishment, operation and maintenance
15 of the program.

16 (c) No school district may collect fees for providing a summer
17 program for pupils required to attend such a program in accordance with
18 the provisions of law, rules and regulations of the state board of education,
19 policy of the board of education, or an individualized education plan
20 developed for an exceptional child.

21 (d) There is hereby established in every district which establishes,
22 operates and maintains a summer program a fund which shall be called the
23 summer program fund, which fund shall consist of all moneys deposited
24 therein or transferred thereto according to law. All moneys received by a
25 district from fees collected under this section or from any other source for
26 summer programs shall be credited to the summer program fund. The
27 expenses of a district directly attributable to summer programs shall be
28 paid from the summer program fund.

29 Any unencumbered balance of moneys remaining in the summer
30 program fund of a school district on June 30, ~~2011~~ 2012, may be expended
31 in school year ~~2011-2012~~ 2012-2013 by the school district for general
32 operating expenses of the school district as approved by the board of
33 education.

34 (e) As used in this section, the term "summer program" means a
35 program which is established by the board of education of a school district
36 and operated during the summer months for the purpose of giving remedial
37 instruction to pupils or for the purpose of conducting special projects and
38 activities designed to enrich and enhance the educational experience of
39 pupils, or for both such purposes.

40 Sec. 15. K.S.A. 2011 Supp. 72-8250 is hereby amended to read as
41 follows: 72-8250. (a) There is hereby established in every school district a
42 textbook and student materials revolving fund. Moneys in such fund shall
43 be used to:

1 (1) Purchase any items designated in K.S.A. 72-5389, and
2 amendments thereto;

3 (2) pay the cost of materials or other items used in curricular,
4 extracurricular or other school-related activities; and

5 (3) purchase textbooks as authorized by K.S.A. 72-4141, and
6 amendments thereto.

7 (b) Any balance remaining in the textbook and student materials
8 revolving fund at the end of the budget year shall be carried forward into
9 that fund for succeeding budget years. Such fund shall not be subject to the
10 provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto.
11 In preparing the budget of such school district, the amounts credited to and
12 the amount on hand in the textbook and student materials revolving fund,
13 and the amount expended therefrom shall be included in the annual budget
14 for the information of the residents of the school district. Interest earned on
15 the investment of moneys in any such fund shall be credited to that fund.

16 Any unencumbered balance of moneys remaining in the textbook and
17 student materials revolving fund of a school district on June 30, ~~2011~~
18 ~~2012~~, may be expended in school year ~~2011-2012~~ 2012-2013 by the school
19 district for general operating expenses of the school district as approved by
20 the board of education in an amount not to exceed $\frac{1}{3}$ of the unencumbered
21 balance of the school district's textbook and student materials revolving
22 fund.

23 Sec. 16. K.S.A. 2011 Supp. 72-9509 is hereby amended to read as
24 follows: 72-9509. (a) There is hereby established in every school district a
25 fund which shall be called the bilingual education fund, which fund shall
26 consist of all moneys deposited therein or transferred thereto according to
27 law. The expenses of a district directly attributable to such bilingual
28 education programs shall be paid from the bilingual education fund.

29 (b) Any balance remaining in the bilingual education fund at the end
30 of the budget year shall be carried forward into the bilingual education
31 fund for succeeding budget years. Such fund shall not be subject to the
32 provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto.
33 In preparing the budget of such school district, the amounts credited to and
34 the amount on hand in the bilingual education fund, and the amount
35 expended therefrom shall be included in the annual budget for the
36 information of the residents of the school district. Interest earned on the
37 investment of moneys in any such fund shall be credited to that fund.

38 Any unencumbered balance of moneys remaining in the bilingual
39 education fund of a school district on June 30, ~~2011~~ 2012, may be
40 expended in school year ~~2011-2012~~ 2012-2013 by the school district for
41 general operating expenses of the school district as approved by the board
42 of education.

43 (c) Each year the board of education of each school district shall

1 prepare and submit to the state board a report on the bilingual education
2 program and assistance provided by the district. Such report shall include
3 information specifying the number of pupils who were served or provided
4 assistance, the type of service provided, the research upon which the
5 district relied in determining that a need for service or assistance existed,
6 the results of providing such service or assistance and any other
7 information required by the state board.

8 Sec. 17. K.S.A. 2011 Supp. 72-9609 is hereby amended to read as
9 follows: 72-9609. There is hereby established in every school district a
10 fund which shall be called the professional development fund, which fund
11 shall consist of all moneys deposited therein or transferred thereto
12 according to law. All moneys received by the school district from whatever
13 source for professional development programs established under this act
14 shall be credited to the fund established by this section. The expenses of a
15 school district directly attributable to professional development programs
16 shall be paid from the professional development fund.

17 Any unencumbered balance of moneys remaining in the professional
18 development fund of a school district on June 30, ~~2011~~ 2012, may be
19 expended in school year ~~2011-2012~~ 2012-2013 by the school district for
20 general operating expenses of the school district as approved by the board
21 of education.

22 Sec. 18. K.S.A. 2011 Supp. 72-965, 72-3607, 72-3715, 72-6414a, 72-
23 6414b, 72-6420, 72-6421, 72-6423, 72-6426, 72-6433, 72-6460, 72-8237,
24 72-8250, 72-9509 and 72-9609 are hereby repealed.

25 Sec. 19. This act shall take effect and be in force from and after its
26 publication in the statute book.

27