

House Substitute for Substitute SENATE BILL No. 111

By Committee on Appropriations

4-28

1 AN ACT concerning school districts; relating to the use of moneys by
2 school districts; relating to special education state aid; **[relating to**
3 **capital outlay;]** amending K.S.A. 72-3607, 72-6420, 72-6423 ~~and 72-~~
4 ~~8237~~**[, 72-8237, 72-8804 and 72-8808]** and K.S.A. 2010 Supp. 72-965,
5 72-978, 72-3715, 72-6414a, 72-6414b, 72-6421, 72-6426, 72-8250,
6 **[72-8814,]** 72-9509 and 72-9609 and repealing the existing sections.
7

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

9 New Section 1. (a) For school year 2011-2012, subject to any
10 limitations as provided in this act, any school district may expend the
11 unencumbered balance of the moneys held in the at-risk education fund, as
12 provided in K.S.A. 76-6414a, and amendments thereto, bilingual education
13 fund, as provided in K.S.A. 72-9509, and amendments thereto,
14 contingency reserve fund, as provided in K.S.A. 72-6426, and
15 amendments thereto, driver training fund, as provided in K.S.A. 72-6423,
16 and amendments thereto, parent education program fund, as provided in
17 K.S.A. 72-3607, and amendments thereto, preschool-aged at-risk
18 education fund, as provided in K.S.A. 72-6414b, and amendments thereto,
19 professional development fund, as provided in K.S.A. 72-9609, and
20 amendments thereto, summer program fund, as provided in K.S.A. 72-
21 8237, and amendments thereto, textbook and student materials revolving
22 fund, as provided in K.S.A. 72-8250, and amendments thereto, special
23 education fund, as provided in K.S.A. 72-965 and 72-6420, and
24 amendments thereto, virtual school fund, as provided in K.S.A. 72-3715,
25 and amendments thereto, and vocational education fund, as provided in
26 K.S.A. 72-6421, and amendments thereto, to pay for general operating
27 expenses of the district out of the general fund as approved by the board of
28 education of such district.

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

- 31 (1) At-risk education fund, bilingual education fund, contingency
32 reserve fund, driver training fund, parent education program fund,
33 preschool-aged at-risk education fund, professional development fund,
34 summer program fund, virtual school fund and vocational education fund;
35 (2) textbook and student materials revolving fund; and
36 (3) special education fund.

1 The board of education of a school district shall not be limited to the
2 order of priority as listed in this subsection if the board so chooses. The
3 board of education of a school district shall not be required to use the total
4 amount of the unencumbered balance of moneys in a fund before using the
5 unencumbered balance of moneys in another fund.

6 (b) The amount of money expended by a school district in school
7 year 2011-2012 from the unencumbered balance of moneys in the funds
8 under subsection (a) of this section shall not exceed, in the aggregate, an
9 amount determined by the state board of education. Such amount shall be
10 determined by the state board as follows:

11 (1) Determine the adjusted enrollment of the district, excluding
12 special education and related services weighting;

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

15 (3) multiply the difference obtained under paragraph (2) by the
16 number determined under paragraph (1). The product is the aggregate
17 amount of moneys that may be expended by a school district in school
18 year 2011-2012 from the unencumbered balance of moneys in the funds
19 under subsection (a) of this section.

20 (c) It is the public policy goal of the state of Kansas that at least 65%
21 of the aggregate of all unencumbered balances authorized to be expended
22 for general operating expenses pursuant to subsection (a) shall be
23 expended in the classroom or for instruction, as provided in K.S.A. 2010
24 Supp. 72-64c01, and amendments thereto.

25 Sec. 2. K.S.A. 2010 Supp. 72-965 is hereby amended to read as
26 follows: 72-965. (a) The state board shall be responsible for the
27 distribution and allocation of state and federal funds for special education.
28 Such moneys shall be expended only in accordance with and for the
29 purposes specified in federal or state law. Payments under this act may be
30 made in installments and in advance or by way of reimbursement, with
31 necessary adjustments for overpayments or underpayments. Federal funds
32 for special education shall be deposited in the state treasury.

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

39 (c) (1) Each board may use up to 15% of the amount it receives each
40 year under the federal law to develop and implement coordinated, early
41 intervening services for students in kindergarten through grade 12, with a
42 particular emphasis on students in kindergarten through grade ~~3~~ *three*, who
43 have not been identified as needing special education or related services

1 but who appear to need additional academic and behavioral support to
2 succeed in a general education environment.

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

5 (A) Providing professional development for teachers and other school
6 staff to enable such personnel to deliver scientifically based academic
7 instruction and behavioral interventions, including scientifically based
8 literacy instruction and, where appropriate, instruction on the use of
9 adaptive and instructional software; and

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

12 (3) Each board that develops and maintains coordinated, early
13 intervening services under this subsection shall annually report to the
14 department:

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

16 (B) the number of students served under this subsection who
17 subsequently receive special education and related services under this title
18 during the ~~2-year~~ two-year period preceding each report.

19 (d) *Except for moneys received under K.S.A. 72-978, and*
20 *amendments thereto, from cooperative agreements entered into under*
21 *K.S.A. 72-968, and amendments thereto, any unencumbered balance of*
22 *moneys attributable to appropriations by the legislature for special*
23 *education or related services remaining in the special education fund of a*
24 *school district on June 30, 2011, may be expended in school year 2011-*
25 *2012 by the school district for general operating expenses of the school*
26 *district as approved by the board of education in an amount not to exceed*
27 *1/3 of the unencumbered balance of the school district's special education*
28 *fund.*

29 Sec. 3. K.S.A. 2010 Supp. 72-978 is hereby amended to read as
30 follows: 72-978. (a) Each year, the state board of education shall determine
31 the amount of state aid for the provision of special education and related
32 services each school district shall receive for the ensuing school year. The
33 amount of such state aid shall be computed by the state board as provided
34 in this section. The state board shall:

35 (1) Determine the total amount of general fund and local option
36 budgets of all school districts;

37 (2) subtract from the amount determined in paragraph (1) the total
38 amount attributable to assignment of transportation weighting, program
39 weighting, special education weighting and at-risk pupil weighting to
40 enrollment of all school districts;

41 (3) divide the remainder obtained in paragraph (2) by the total
42 number of full-time equivalent pupils enrolled in all school districts on
43 September 20;

1 (4) determine the total full-time equivalent enrollment of exceptional
2 children receiving special education and related services provided by all
3 school districts;

4 (5) multiply the amount of the quotient obtained in paragraph (3) by
5 the full-time equivalent enrollment determined in paragraph (4);

6 (6) determine the amount of federal funds received by all school
7 districts for the provision of special education and related services;

8 (7) determine the amount of revenue received by all school districts
9 rendered under contracts with the state institutions for the provisions of
10 special education and related services by the state institution;

11 (8) add the amounts determined under paragraphs (6) and (7) to the
12 amount of the product obtained under paragraph (5);

13 (9) determine the total amount of expenditures of all school districts
14 for the provision of special education and related services;

15 (10) subtract the amount of the sum obtained under paragraph (8)
16 from the amount determined under paragraph (9); and

17 (11) multiply the remainder obtained under paragraph (10) by 92%.

18 The computed amount is the amount of state aid for the provision of
19 special education and related services aid a school district is entitled to
20 receive for the ensuing school year.

21 (b) Each school district shall be entitled to receive:

22 (1) Reimbursement for actual travel allowances paid to special
23 teachers at not to exceed the rate specified under K.S.A. 75-3203, and
24 amendments thereto, for each mile actually traveled during the school year
25 in connection with duties in providing special education or related services
26 for exceptional children; such reimbursement shall be computed by the
27 state board by ascertaining the actual travel allowances paid to special
28 teachers by the school district for the school year and shall be in an
29 amount equal to 80% of such actual travel allowances;

30 (2) reimbursement in an amount equal to 80% of the actual travel
31 expenses incurred for providing transportation for exceptional children to
32 special education or related services; such reimbursement shall not be paid
33 if such child has been counted in determining the transportation weighting
34 of the district under the provisions of the school district finance and
35 quality performance act;

36 (3) reimbursement in an amount equal to 80% of the actual expenses
37 incurred for the maintenance of an exceptional child at some place other
38 than the residence of such child for the purpose of providing special
39 education or related services; such reimbursement shall not exceed \$600
40 per exceptional child per school year; and

41 (4) subject to the provisions of subsection (f) and except for those
42 school districts entitled to receive reimbursement under subsection (c) or
43 (d), after subtracting the amounts of reimbursement under paragraphs (1),

1 (2) and (3) of this subsection (a) from the total amount appropriated for
2 special education and related services under this act, an amount which
3 bears the same proportion to the remaining amount appropriated as the
4 number of full-time equivalent special teachers who are qualified to
5 provide special education or related services to exceptional children and
6 are employed by the school district for approved special education or
7 related services bears to the total number of such qualified full-time
8 equivalent special teachers employed by all school districts for approved
9 special education or related services.

10 Each special teacher who is qualified to assist in the provision of
11 special education or related services to exceptional children shall be
12 counted as $\frac{2}{5}$ full-time equivalent special teacher who is qualified to
13 provide special education or related services to exceptional children.

14 (c) Each school district which has paid amounts for the provision of
15 special education and related services under an interlocal agreement shall
16 be entitled to receive reimbursement under subsection (b)(4). The amount
17 of such reimbursement for the district shall be the amount which bears the
18 same relation to the aggregate amount available for reimbursement for the
19 provision of special education and related services under the interlocal
20 agreement, as the amount paid by such district in the current school year
21 for provision of such special education and related services bears to the
22 aggregate of all amounts paid by all school districts in the current school
23 year who have entered into such interlocal agreement for provision of such
24 special education and related services.

25 (d) Each contracting school district which has paid amounts for the
26 provision of special education and related services as a member of a
27 cooperative shall be entitled to receive reimbursement under subsection (b)
28 (4). The amount of such reimbursement for the district shall be the amount
29 which bears the same relation to the aggregate amount available for
30 reimbursement for the provision of special education and related services
31 by the cooperative, as the amount paid by such district in the current
32 school year for provision of such special education and related services
33 bears to the aggregate of all amounts paid by all contracting school
34 districts in the current school year by such cooperative for provision of
35 such special education and related services.

36 (e) No time spent by a special teacher in connection with duties
37 performed under a contract entered into by the Kansas juvenile
38 correctional complex, the Atchison juvenile correctional facility, the
39 Larned juvenile correctional facility, or the Topeka juvenile correctional
40 facility and a school district for the provision of special education services
41 by such state institution shall be counted in making computations under
42 this section.

43 (f) (1) In school year ~~2011-2012~~ 2012-2013 and in each school year

1 thereafter, the state board of education shall determine the minimum and
2 maximum amount of state aid that a school district may receive under
3 paragraph (4) of subsection (b) for the current school year as follows:

4 (A) Determine the total amount of moneys appropriated as state aid
5 for the provision of special education and related services to all school
6 districts for the current school year;

7 (B) subtract the amount of moneys paid to all school districts under
8 paragraphs (1), (2) and (3) of subsection (b) of this section, 72-983 and
9 K.S.A. 2010 Supp. 72-998, and amendments thereto, for the current school
10 year;

11 (C) divide the remainder obtained under (B) by the total full-time
12 equivalent enrollment of all school districts in the current school year;

13 (2) (A) multiply the quotient obtained under (1) (C) by the full-time
14 equivalent enrollment of the school district in the current school year;

15 (B) multiply the product obtained under (2) (A) by .75. The product is
16 the minimum amount of state aid the district may receive under paragraph
17 (4) of subsection (b) for the current school year;

18 (C) multiply the quotient obtained under (2) (A) by 1.50. The product
19 is the maximum amount of state aid the district may receive under
20 paragraph (4) of subsection (b) for the current school year.

21 (3) If the amount determined under paragraph (4) of subsection (b) is
22 less than the product obtained under (2)(B), the district shall receive state
23 aid in an amount equal to the product obtained under (2)(B), plus any
24 amount determined under paragraph (5) of this subsection.

25 (4) If the amount determined under paragraph (4) of subsection (b),
26 plus any amount determined under paragraph (5) of this subsection, is
27 greater than the product obtained under (2)(C), the district shall receive
28 state aid in an amount equal to the product obtained under (2)(C). The
29 balance of state aid remaining after determining the amount of state aid
30 payable to districts under this paragraph shall be reallocated to districts as
31 provided by paragraph (5) of this subsection.

32 (5) The balance of state aid remaining after determining the amount
33 of state aid payable to districts under paragraph (4) of this subsection shall
34 be reallocated to districts which have not received state aid in an amount
35 equal to the product obtained under (2)(B). Such state aid shall be
36 reallocated to such districts in the same manner as the original allocation.
37 If the balance is insufficient to pay each such district the minimum amount
38 specified in this subsection, the state board shall prorate the balance
39 among such districts.

40 (6) The provisions of this subsection (f) shall expire on June 30, ~~2013~~
41 2014.

42 Sec. 4. K.S.A. 72-3607 is hereby amended to read as follows: 72-
43 3607. (a) There is hereby established in every school district which has

1 developed and is operating a parent education program for which grants
2 are awarded under this act a fund which shall be called the parent
3 education program fund, which fund shall consist of all moneys deposited
4 therein or transferred thereto according to law. Notwithstanding any other
5 provision of law, all moneys received by the school district from whatever
6 source for a parent education program operated under this act shall be
7 credited to the fund established by this section. Amounts deposited in the
8 parent education program fund shall be used exclusively for the payment
9 of expenses directly attributable to the program.

10 *(b) Any unencumbered balance of moneys remaining in the parent*
11 *education program fund of a school district on June 30, 2011, may be*
12 *expended in school year 2011-2012 by the school district for general*
13 *operating expenses of the school district as approved by the board of*
14 *education.*

15 Sec. 5. K.S.A. 2010 Supp. 72-3715 is hereby amended to read as
16 follows: 72-3715. (a) In order to be included in the full-time equivalent
17 enrollment of a virtual school, a pupil shall be in attendance at the virtual
18 school on (1) a single school day on or before September 19 of each
19 school year and (2) on a single school day on or after September 20, but
20 before October 4 of each school year.

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

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

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

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

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

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

39 (d) (1) Subject to the availability of appropriations for virtual school
40 state aid and within the limits of any such appropriations, each school year
41 a school district which offers a virtual school shall be entitled to virtual
42 school state aid.

43 (2) The state board of education shall determine the amount of virtual

1 school state aid a school district is entitled to receive as follows:

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

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

8 (C) add any amount determined under K.S.A. 2010 Supp. 72-3716,
9 and amendments thereto; and

10 (D) add the amounts obtained under paragraphs (A) through (C). The
11 sum is the amount of the virtual school state aid to which the school
12 district is entitled.

13 (3) There is hereby established in every school district a fund which
14 shall be called the virtual school fund, which fund shall consist of all
15 moneys deposited therein or transferred thereto according to law. Moneys
16 received as virtual school state aid shall be deposited in the general fund of
17 the school district and transferred to the virtual school fund of the district.
18 The expenses of a district directly attributable to virtual schools offered by
19 a school district shall be paid from the virtual school fund. The cost of an
20 advance placement course provided to a pupil described in subsection (d)
21 (2)(D) shall be paid by the virtual school.

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

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

30 In preparing the budget of such school district, the amounts credited to
31 and the amount on hand in the virtual school fund, and the amount
32 expended therefrom shall be included in the annual budget for the
33 information of the residents of the school district. Interest earned on the
34 investment of moneys in any such fund shall be credited to that fund.

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

38 Sec. 6. K.S.A. 2010 Supp. 72-6414a is hereby amended to read as
39 follows: 72-6414a. (a) There is hereby established in every district a fund
40 which shall be called the at-risk education fund, which fund shall consist
41 of all moneys deposited therein or transferred thereto according to law.
42 The expenses of a district directly attributable to providing at-risk
43 assistance or programs, including assistance or programs provided to

1 nonproficient pupils, shall be paid from the at-risk education fund.

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

11 *Any unencumbered balance of moneys remaining in the at-risk*
12 *education fund of a school district on June 30, 2011, may be expended in*
13 *school year 2011-2012 by the school district for general operating*
14 *expenses of the school district as approved by the board of education.*

15 (c) Each year the board of education of each school district shall
16 prepare and submit to the state board a report on the at-risk program or
17 assistance provided by the district. Such report shall include information
18 specifying the number of at-risk pupils and nonproficient pupils who were
19 served or provided assistance, the type of service provided, the research
20 upon which the district relied in determining that a need for service or
21 assistance existed, the results of providing such service or assistance and
22 any other information required by the state board.

23 (d) In order to achieve uniform reporting of the number of at-risk
24 pupils and nonproficient pupils provided service or assistance by school
25 districts in at-risk programs, districts shall report the number of at-risk
26 pupils and nonproficient pupils served or assisted in the manner required
27 by the state board.

28 Sec. 7. K.S.A. 2010 Supp. 72-6414b is hereby amended to read as
29 follows: 72-6414b. (a) There is hereby established in every district a fund
30 which shall be called the preschool-aged at-risk education fund, which
31 fund shall consist of all moneys deposited therein or transferred thereto
32 according to law. The expenses of a district directly attributable to
33 providing preschool-aged at-risk assistance or programs shall be paid from
34 the preschool-aged at-risk education fund.

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

38 (c) Any balance remaining in the preschool-aged at-risk education
39 fund at the end of the budget year shall be carried forward into the
40 preschool-aged at-risk education fund for succeeding budget years. Such
41 fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-
42 2937, and amendments thereto. In preparing the budget of such school
43 district, the amounts credited to and the amount on hand in the preschool-

1 aged at-risk education fund, and the amount expended therefrom shall be
2 included in the annual budget for the information of the residents of the
3 school district. Interest earned on the investment of moneys in any such
4 fund shall be credited to that fund.

5 *Any unencumbered balance of moneys remaining in the preschool-aged*
6 *at-risk education fund of a school district on June 30, 2011, may be*
7 *expended in school year 2011-2012 by the school district for general*
8 *operating expenses of the school district as approved by the board of*
9 *education.*

10 (d) Each year the board of education of each school district shall
11 prepare and submit to the state board a report on the preschool-aged at-risk
12 program or assistance provided by the district. Such report shall include
13 information specifying the number of pupils who were served or provided
14 assistance, the type of service provided, the research upon which the
15 district relied in determining that a need for service or assistance existed,
16 the results of providing such service or assistance and any other
17 information required by the state board.

18 Sec. 8. K.S.A. 72-6420 is hereby amended to read as follows: 72-
19 6420. (a) There is hereby established in every district a fund which shall be
20 called the special education fund, which fund shall consist of all moneys
21 deposited therein or transferred thereto according to law. Notwithstanding
22 any other provision of law, all moneys received by the district from
23 whatever source for special education shall be credited to the special
24 education fund established by this section, except that (1) amounts of
25 payments received by a district under K.S.A. 72-979, and amendments
26 thereto, and amounts of grants, if any, received by a district under K.S.A.
27 72-983, and amendments thereto, shall be deposited in the general fund of
28 the district and transferred to the special education fund, and (2) moneys
29 received by a district pursuant to lawful agreements made under K.S.A.
30 72-968, and amendments thereto, shall be credited to the special fund
31 established under the agreements.

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

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

38 (d) *Except for moneys received under K.S.A. 72-978, and*
39 *amendments thereto, from cooperative agreements entered into under*
40 *K.S.A. 72-968, and amendments thereto, any unencumbered balance of*
41 *moneys attributable to appropriations by the legislature for special*
42 *education or related services remaining in the special education fund of a*
43 *school district on June 30, 2011, may be expended in school year 2011-*

1 *2012 by the school district for general operating expenses of the school*
2 *district as approved by the board of education in an amount not to exceed*
3 *1/3 of the unencumbered balance of the school district's special education*
4 *fund.*

5 Sec. 9. K.S.A. 2010 Supp. 72-6421 is hereby amended to read as
6 follows: 72-6421. (a) There is hereby established in every district a fund
7 which shall be called the vocational education fund. All moneys received
8 by a district for any course or program authorized and approved under the
9 provisions of article 44 of chapter 72 of Kansas Statutes Annotated, *and*
10 *amendments thereto*, except for courses and programs conducted in an area
11 vocational school, shall be credited to the vocational education fund. All
12 moneys received by the district from tuition, fees or charges or from any
13 other source for vocational education courses or programs, except for
14 courses and programs conducted in an area vocational school, shall be
15 credited to the vocational education fund. The expenses of a district
16 directly attributable to vocational education shall be paid from the
17 vocational education fund.

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

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

33 *Any unencumbered balance of moneys attributable to appropriations*
34 *by the legislature in the vocational education fund of a school district on*
35 *June 30, 2011, may be expended in school year 2011-2012 by the school*
36 *district for general operating expenses of the school district as approved*
37 *by the board of education.*

38 Sec. 10. K.S.A. 72-6423 is hereby amended to read as follows: 72-
39 6423. (a) There is hereby established in every district a fund which shall be
40 called the driver training fund which fund shall consist of all moneys
41 deposited therein or transferred thereto according to law. All moneys
42 received by the district from distributions made from the state safety fund
43 and the motorcycle safety fund and from tuition, fees or charges for driver

1 training courses shall be credited to the driver training fund. The expenses
2 of a district directly attributable to driver training shall be paid from the
3 driver training fund.

4 ~~(b) The provisions of this section shall take effect and be in force~~
5 ~~from and after July 1, 1992. Any unencumbered balance of moneys~~
6 ~~remaining in the driver training fund of a school district on June 30, 2011,~~
7 ~~may be expended in school year 2011-2012 by the school district for~~
8 ~~general operating expenses of the school district as approved by the board~~
9 ~~of education.~~

10 Sec. 11. K.S.A. 2010 Supp. 72-6426 is hereby amended to read as
11 follows: 72-6426. (a) There is hereby established in every district a fund
12 which shall be called the contingency reserve fund. Such fund shall consist
13 of all moneys deposited therein or transferred thereto according to law.
14 The fund shall be maintained for payment of expenses of a district
15 attributable to financial contingencies as determined by the board.

16 (b) (1) Except as otherwise provided in subsection (c), at no time in
17 school year 2008-2009 through school year 2011-2012 shall the amount
18 maintained in the contingency reserve fund exceed an amount equal to
19 10% of the general fund budget of the district for the school year.

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

24 (c) (1) If the amount in the contingency reserve fund of a district is in
25 excess of the amount authorized under subsection (b), and if such excess
26 amount is the result of a reduction in the general fund budget of the district
27 for the school year because of a decrease in enrollment, the district may
28 maintain the excess amount in the fund until depletion of such excess
29 amount by expenditure from the fund for the purposes thereof.

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

36 *(d) Notwithstanding the provisions of subsection (c), any*
37 *unencumbered balance of moneys remaining in the contingency reserve*
38 *fund of a school district on June 30, 2011, may be expended in school year*
39 *2011-2012 by the school district for general operating expenses of the*
40 *school district as approved by the board of education.*

41 Sec. 12. K.S.A. 72-8237 is hereby amended to read as follows: 72-
42 8237. (a) The board of education of any school district may: (1) Establish,
43 operate and maintain a summer program for pupils; (2) enter into

1 cooperative or interlocal agreements with one or more other boards of
2 education for the establishment, operation and maintenance of a summer
3 program for pupils; and (3) prescribe and collect fees for providing a
4 summer program for pupils or provide such program without charge.

5 (b) Fees for providing a summer program for pupils shall be
6 prescribed and collected only to recover the costs incurred as a result of
7 and directly attributable to the establishment, operation and maintenance
8 of the program.

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

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

22 *Any unencumbered balance of moneys remaining in the summer*
23 *program fund of a school district on June 30, 2011, may be expended in*
24 *school year 2011-2012 by the school district for general operating*
25 *expenses of the school district as approved by the board of education.*

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

32 Sec. 13. K.S.A. 2010 Supp. 72-8250 is hereby amended to read as
33 follows: 72-8250. (a) There is hereby established in every school district a
34 textbook and student materials revolving fund. Moneys in such fund shall
35 be used to:

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

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

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

42 (b) Any balance remaining in the textbook and student materials
43 revolving fund at the end of the budget year shall be carried forward into

1 that fund for succeeding budget years. Such fund shall not be subject to the
2 provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto.
3 In preparing the budget of such school district, the amounts credited to and
4 the amount on hand in the textbook and student materials revolving fund,
5 and the amount expended therefrom shall be included in the annual budget
6 for the information of the residents of the school district. Interest earned on
7 the investment of moneys in any such fund shall be credited to that fund.

8 *Any unencumbered balance of moneys remaining in the textbook and*
9 *student materials revolving fund of a school district on June 30, 2011, may*
10 *be expended in school year 2011-2012 by the school district for general*
11 *operating expenses of the school district as approved by the board of*
12 *education in an amount not to exceed $\frac{1}{3}$ of the unencumbered balance of*
13 *the school district's textbook and student materials revolving fund.*

14 **[Sec. 14. K.S.A. 72-8804 is hereby amended to read as follows: 72-**
15 **8804. Except as provided in subsection (b) of K.S.A. 72-8808, and**
16 **amendments thereto, any moneys in the capital outlay fund of any**
17 **school district and any moneys received from issuance of bonds under**
18 **K.S.A. 72-8805 or 72-8810, and amendments thereto, may be used for**
19 **the purpose of the acquisition, construction, reconstruction, repair,**
20 **remodeling, additions to, furnishing and equipping of buildings**
21 **necessary for school district purposes, including housing and boarding**
22 **pupils enrolled in an area vocational school operated under the board**
23 **of education, architectural expenses incidental thereto, the acquisition**
24 **of building sites, the undertaking and maintenance of asbestos control**
25 **projects, the acquisition of school buses, and the acquisition of other**
26 **equipment. The board of education of any school district is hereby**
27 **authorized to invest any portion of the capital outlay fund of the**
28 **school district which is not currently needed in investments authorized**
29 **by K.S.A. 12-1675, and amendments thereto, in the manner prescribed**
30 **therein or may invest the same in direct obligations of the United**
31 **States government maturing or redeemable at par and accrued**
32 **interest within three years from date of purchase, the principal and**
33 **interest whereof is guaranteed by the government of the United States.**
34 **All interest received on any such investment shall upon receipt thereof**
35 **be credited to the capital outlay fund.**

36 **Sec. 15. K.S.A. 72-8808 is hereby amended to read as follows: 72-**
37 **8808. (a) Except as provided in subsection (b), whenever an initial**
38 **resolution has been adopted under K.S.A. 72-8801, and amendments**
39 **thereto, and such resolution specified a lesser mill rate than the**
40 **statutorily prescribed mill rate or a lesser number of years than five,**
41 **the board of education of the school district may adopt a second**
42 **resolution under the same procedure as is provided in K.S.A. 72-8801,**
43 **and amendments thereto, for the initial resolution and subject to the**

1 same conditions and for the same purposes as provided in K.S.A. 72-
2 8801, and amendments thereto, and shall be authorized to make such
3 additional tax levy as is specified in such second resolution for the
4 remainder of the five years succeeding the adoption of the initial
5 resolution. Any such second resolution shall be limited in amount as
6 specified in K.S.A. 72-8801, and amendments thereto, less such
7 amount as has been authorized in the initial resolution, and not to
8 exceed the statutorily prescribed mill rate in any one year. In the event
9 that any such resolution is so adopted and the tax levy therein
10 specified is approved under the conditions specified in K.S.A. 72-8801,
11 and amendments thereto, the amount of bonds which may be issued
12 under K.S.A. 72-8805, and amendments thereto, may be increased
13 accordingly.

14 (b) Notwithstanding the provisions of K.S.A. 72-8801, and
15 amendments thereto, during school year 2011-2012, any resolution
16 adopted pursuant to subsection (a) may include, in addition to those
17 purposes set forth in K.S.A. 72-8804, and amendments thereto, the
18 payment of utility services and the acquisition of errors and omissions,
19 property, fire, casualty and liability insurance as purposes for which
20 the tax is being levied. Any such resolution shall be for a period not to
21 exceed one year.]]

22 Sec. 16. K.S.A. 72-8814 is hereby amended to read as follows: 72-
23 8814. (a) There is hereby established in the state treasury the school
24 district capital outlay state aid fund. Such fund shall consist of all
25 amounts transferred thereto under the provisions of subsection (c).

26 (b) In each school year, each school district which levies a tax
27 pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall be
28 entitled to receive payment from the school district capital outlay state
29 aid fund in an amount determined by the state board of education as
30 provided in this subsection. The state board of education shall:

31 (1) Determine the amount of the assessed valuation per pupil
32 (AVPP) of each school district in the state and round such amount to
33 the nearest \$1,000. The rounded amount is the AVPP of a school
34 district for the purposes of this section;

35 (2) determine the median AVPP of all school districts;

36 (3) prepare a schedule of dollar amounts using the amount of the
37 median AVPP of all school districts as the point of beginning. The
38 schedule of dollar amounts shall range upward in equal \$1,000
39 intervals from the point of beginning to and including an amount that
40 is equal to the amount of the AVPP of the school district with the
41 highest AVPP of all school districts and shall range downward in equal
42 \$1,000 intervals from the point of beginning to and including an
43 amount that is equal to the amount of the AVPP of the school district

1 with the lowest AVPP of all school districts;

2 (4) determine a state aid percentage factor for each school district
3 by assigning a state aid computation percentage to the amount of the
4 median AVPP shown on the schedule, decreasing the state aid
5 computation percentage assigned to the amount of the median AVPP
6 by one percentage point for each \$1,000 interval above the amount of
7 the median AVPP, and increasing the state aid computation percentage
8 assigned to the amount of the median AVPP by one percentage point
9 for each \$1,000 interval below the amount of the median AVPP. Except
10 as provided by K.S.A. 2010 Supp. 72-8814b, and amendments thereto,
11 the state aid percentage factor of a school district is the percentage
12 assigned to the schedule amount that is equal to the amount of the
13 AVPP of the school district, except that the state aid percentage factor
14 of a school district shall not exceed 100%. The state aid computation
15 percentage is 25%;

16 (5) determine the amount levied by each school district pursuant
17 to K.S.A. 72-8801 et seq., and amendments thereto, *excluding any*
18 *amount levied pursuant to subsection (b) of K.S.A. 72-8808, and*
19 *amendments thereto;*

20 (6) multiply the amount computed under (5), but not to exceed 8
21 mills, by the applicable state aid percentage factor. The product is the
22 amount of payment the school district is entitled to receive from the
23 school district capital outlay state aid fund in the school year.

24 (c) The state board shall certify to the director of accounts and
25 reports the entitlements of school districts determined under the
26 provisions of subsection (b), and an amount equal thereto shall be
27 transferred by the director from the state general fund to the school
28 district capital outlay state aid fund for distribution to school districts,
29 except that no transfers shall be made from the state general fund to
30 the school district capital outlay state aid fund during the fiscal years
31 ending June 30, 2011, or June 30, 2012. All transfers made in
32 accordance with the provisions of this subsection shall be considered
33 to be demand transfers from the state general fund.

34 (d) Payments from the school district capital outlay state aid fund
35 shall be distributed to school districts at times determined by the state
36 board of education. The state board of education shall certify to the
37 director of accounts and reports the amount due each school district
38 entitled to payment from the fund, and the director of accounts and
39 reports shall draw a warrant on the state treasurer payable to the
40 treasurer of the school district. Upon receipt of the warrant, the
41 treasurer of the school district shall credit the amount thereof to the
42 capital outlay fund of the school district to be used for the purposes of
43 such fund.

1 (e) **Amounts transferred to the capital outlay fund of a school**
2 **district as authorized by K.S.A. 72-6433, and amendments thereto,**
3 **shall not be included in the computation when determining the**
4 **amount of state aid to which a district is entitled to receive under this**
5 **section.]**

6 Sec. ~~14.~~ [17.] K.S.A. 2010 Supp. 72-9509 is hereby amended to read
7 as follows: 72-9509. (a) There is hereby established in every school district
8 a fund which shall be called the bilingual education fund, which fund shall
9 consist of all moneys deposited therein or transferred thereto according to
10 law. The expenses of a district directly attributable to such bilingual
11 education programs shall be paid from the bilingual education fund.

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

21 *Any unencumbered balance of moneys remaining in the bilingual*
22 *education fund of a school district on June 30, 2011, may be expended*
23 *in school year 2011-2012 by the school district for general operating*
24 *expenses of the school district as approved by the board of education.*

25 (c) Each year the board of education of each school district shall
26 prepare and submit to the state board a report on the bilingual education
27 program and assistance provided by the district. Such report shall include
28 information specifying the number of pupils who were served or provided
29 assistance, the type of service provided, the research upon which the
30 district relied in determining that a need for service or assistance existed,
31 the results of providing such service or assistance and any other
32 information required by the state board.

33 Sec. ~~15.~~ [18.] K.S.A. 2010 Supp. 72-9609 is hereby amended to read
34 as follows: 72-9609. There is hereby established in every school district a
35 fund which shall be called the professional development fund, which fund
36 shall consist of all moneys deposited therein or transferred thereto
37 according to law. All moneys received by the school district from whatever
38 source for professional development programs established under this act
39 shall be credited to the fund established by this section. The expenses of a
40 school district directly attributable to professional development programs
41 shall be paid from the professional development fund.

42 *Any unencumbered balance of moneys remaining in the professional*
43 *development fund of a school district on June 30, 2011, may be expended*

1 *in school year 2011-2012 by the school district for general operating*
2 *expenses of the school district as approved by the board of education.*

3 Sec. ~~16~~. **[19.]** K.S.A. 72-3607, 72-6420, 72-6423 ~~and 72-8237~~, **72-**
4 **8237, 72-8804 and 72-8808** and K.S.A. 2010 Supp. 72-965, 72-978, 72-
5 3715, 72-6414a, 72-6414b, 72-6421, 72-6426, 72-8250, **[72-8814,** 72-
6 9509 and 72-9609 are hereby repealed.

7 Sec. ~~17~~. **[20.]** This act shall take effect and be in force from and after
8 its publication in the statute book.

9