

Special Education Funding; Fund Flexibility

House Sub. for Sub. for SB 111 changes the starting date of the portion of the special education school finance formula that determines the minimum and maximum amount of special education state aid a school district may receive. This provision now goes into effect for the 2012-2013 and the 2013-2014 school years and ends on June 30, 2014. (Prior law would have made this section effective with the 2011–2012 school year with an expiration date of June 30, 2013.)

The bill also allows school districts to expend a portion of the unencumbered balances held in particular funds. The following funds would be considered the first priority for use: at-risk education; bilingual education; contingency reserve; driver training; parent education; preschool-aged at-risk; professional development; summer program; virtual school; and vocational education. The textbook and student materials revolving fund is the second priority with the special education fund the last priority for use. Local school boards are not limited to using the funds in the priority list and are not required to expend the total unencumbered balance before utilizing the unencumbered balance in another fund.

The bill limits the amount of money a school district can use from its unencumbered balance through a formula that will be calculated by the State Board of Education.

The formula follows:

- Determine the adjusted enrollment of the district, excluding special education and related services weighting;
- Subtract the amount of Base State Aid Per Pupil (BSAPP) appropriated to the Department of Education for FY 2012 from \$4,012; and
- Multiply the difference between the amount of BSAPP appropriated to the Department of Education and \$4,012 by the adjusted enrollment.

Implementation of the bill establishes the aggregate amount that can be expended from the unencumbered balance for the 2011-2012 school year. The bill also requires that 65.0 percent of the aggregate amount authorized to be spent would be used in the classroom or for instruction as defined in KSA 72-64c01.