Session of 2011

HOUSE BILL No. 2395

By Committee on Appropriations

3-21

AN ACT concerning school districts; relating to the use of moneys by 1 2 school districts; amending K.S.A. 72-3607, 72-6420, 72-6423 and 72-3 8237 and K.S.A. 2010 Supp. 72-965, 72-3715, 72-6414a, 72-6414b, 4 72-6421, 72-6426, 72-8250, 72-9509 and 72-9609 and repealing the 5 existing sections.

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

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

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

30 (1) At-risk education fund, bilingual education fund, contingency reserve fund, driver training fund, parent education program fund, 31 preschool-aged at-risk education fund, professional development fund, 32 33 summer program fund, virtual school fund and vocational education fund; 34

- (2) textbook and student materials revolving fund; and
- 35 (3) special education fund.

The board of education of a school district shall not be limited to the 36

1 order of priority as listed in this subsection if the board so chooses. The 2 board of education of a school district shall not be required to use the total

3 amount of the unencumbered balance of moneys in a fund before using the 4 unencumbered balance of moneys in another fund.

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

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(1) Determine the adjusted enrollment of the district;

(2) subtract the amount of base state aid per pupil appropriated to the 11 12 department of education for fiscal year 2012 from \$4,012; and

13 (3) multiply the difference obtained under paragraph (2) by the number determined under paragraph (1). The product is the aggregate 14 amount of moneys that may be expended by a school district in school 15 year 2011-2012 from the unencumbered balance of moneys in the funds 16 17 under subsection (a) of this section.

Sec. 2. K.S.A. 2010 Supp. 72-965 is hereby amended to read as 18 19 follows: 72-965. (a) The state board shall be responsible for the 20 distribution and allocation of state and federal funds for special education. 21 Such moneys shall be expended only in accordance with and for the 22 purposes specified in federal or state law. Payments under this act may be 23 made in installments and in advance or by way of reimbursement, with 24 necessary adjustments for overpayments or underpayments. Federal funds 25 for special education shall be deposited in the state treasury.

26 (b) The state board is hereby authorized to accept from an individual 27 or individuals, the United States government or any of its agencies or any 28 other public or private body, grants or contributions of money, funds or 29 property which the state board may authorize to be used in accordance 30 with appropriation acts, for or in aid of special education or related 31 services or any of the purposes authorized by the federal law or this act.

32 (c) (1) Each board may use up to 15% of the amount it receives each 33 year under the federal law to develop and implement coordinated, early 34 intervening services for students in kindergarten through grade 12, with a 35 particular emphasis on students in kindergarten through grade 3 three, who 36 have not been identified as needing special education or related services 37 but who appear to need additional academic and behavioral support to 38 succeed in a general education environment.

39 (2) In implementing coordinated, early intervening services under this 40 subsection, a board may carry out activities that include:

41 (A) Providing professional development for teachers and other school staff to enable such personnel to deliver scientifically based academic 42 43 instruction and behavioral interventions, including scientifically based 1 literacy instruction and, where appropriate, instruction on the use of 2 adaptive and instructional software; and

3 (B) providing educational and behavioral evaluations, services and 4 supports, including scientifically based literacy instruction.

5 (3) Each board that develops and maintains coordinated, early 6 intervening services under this subsection shall annually report to the 7 department:

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

9 (B) the number of students served under this subsection who 10 subsequently receive special education and related services under this title 11 during the 2-year two-year period preceding each report.

12 (d) Except for moneys received under K.S.A. 72-978, and amendments thereto, from cooperative agreements entered into under 13 K.S.A. 72-968, and amendments thereto, any unencumbered balance of 14 moneys attributable to appropriations by the legislature for special 15 16 education or related services remaining in the special education fund of a school district on June 30, 2011, may be expended in school year 2011-17 2012 by the school district for general operating expenses of the school 18 19 district as approved by the board of education in an amount not to exceed 20 $\frac{1}{3}$ of the unencumbered balance of the school district's special education 21 fund.

22 Sec. 3. K.S.A. 72-3607 is hereby amended to read as follows: 72-23 3607. (a) There is hereby established in every school district which has developed and is operating a parent education program for which grants 24 25 are awarded under this act a fund which shall be called the parent education program fund, which fund shall consist of all moneys deposited 26 27 therein or transferred thereto according to law. Notwithstanding any other 28 provision of law, all moneys received by the school district from whatever 29 source for a parent education program operated under this act shall be credited to the fund established by this section. Amounts deposited in the 30 31 parent education program fund shall be used exclusively for the payment of expenses directly attributable to the program. 32

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

Sec. 4. K.S.A. 2010 Supp. 72-3715 is hereby amended to read as follows: 72-3715. (a) In order to be included in the full-time equivalent enrollment of a virtual school, a pupil shall be in attendance at the virtual school on (1) a single school day on or before September 19 of each school year and (2) on a single school day on or after September 20, but before October 4 of each school year. 1 (b) A school district which offers a virtual school shall determine the 2 full-time equivalent enrollment of each pupil enrolled in the virtual school 3 on September 20 of each school year as follows:

4 (1) Determine the number of hours the pupil was in attendance on a 5 single school day on or before September 19 of each school year;

6 (2) determine the number of hours the pupil was in attendance on a 7 single school day on or after September 20, but before October 4 of each 8 school year;

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

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

12 (c) The school days on which a district determines the full-time 13 equivalent enrollment of a pupil under paragraphs (1) and (2) of subsection 14 (b) shall be the school days on which the pupil has the highest number of 15 hours of attendance at the virtual school. No more than six hours of 16 attendance may be counted in a single school day. Attendance may be 17 shown by a pupil's on-line activity or entries in the pupil's virtual school 18 journal or log of activities.

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

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

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

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

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

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

36 (3) There is hereby established in every school district a fund which 37 shall be called the virtual school fund, which fund shall consist of all 38 moneys deposited therein or transferred thereto according to law. Moneys 39 received as virtual school state aid shall be deposited in the general fund of 40 the school district and transferred to the virtual school fund of the district. 41 The expenses of a district directly attributable to virtual schools offered by 42 a school district shall be paid from the virtual school fund. The cost of an 43 advance placement course provided to a pupil described in subsection (d)

1 (2)(D) shall be paid by the virtual school.

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

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

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

15 (e) For the purposes of this section, a pupil enrolled in a virtual 16 school who is not a resident of the state of Kansas shall not be counted in 17 the full-time equivalent enrollment of the virtual school.

18 Sec. 5. K.S.A. 2010 Supp. 72-6414a is hereby amended to read as 19 follows: 72-6414a. (a) There is hereby established in every district a fund 20 which shall be called the at-risk education fund, which fund shall consist 21 of all moneys deposited therein or transferred thereto according to law. 22 The expenses of a district directly attributable to providing at-risk 23 assistance or programs, including assistance or programs provided to 24 nonproficient pupils, shall be paid from the at-risk education fund.

25 (b) Any balance remaining in the at-risk education fund at the end of 26 the budget year shall be carried forward into the at-risk education fund for 27 succeeding budget years. Such fund shall not be subject to the provisions 28 of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing 29 the budget of such school district, the amounts credited to and the amount 30 on hand in the at-risk education fund, and the amount expended therefrom 31 shall be included in the annual budget for the information of the residents 32 of the school district. Interest earned on the investment of moneys in any 33 such fund shall be credited to that fund.

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

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

3 (d) In order to achieve uniform reporting of the number of at-risk 4 pupils and nonproficient pupils provided service or assistance by school 5 districts in at-risk programs, districts shall report the number of at-risk 6 pupils and nonproficient pupils served or assisted in the manner required 7 by the state board.

8 Sec. 6. K.S.A. 2010 Supp. 72-6414b is hereby amended to read as 9 follows: 72-6414b. (a) There is hereby established in every district a fund 10 which shall be called the preschool-aged at-risk education fund, which 11 fund shall consist of all moneys deposited therein or transferred thereto 12 according to law. The expenses of a district directly attributable to 13 providing preschool-aged at-risk assistance or programs shall be paid from 14 the preschool-aged at-risk education fund.

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

18 (c) Any balance remaining in the preschool-aged at-risk education 19 fund at the end of the budget year shall be carried forward into the 20 preschool-aged at-risk education fund for succeeding budget years. Such 21 fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-22 2937, and amendments thereto. In preparing the budget of such school 23 district, the amounts credited to and the amount on hand in the preschool-24 aged at-risk education fund, and the amount expended therefrom shall be 25 included in the annual budget for the information of the residents of the 26 school district. Interest earned on the investment of moneys in any such 27 fund shall be credited to that fund.

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

33 (d) Each year the board of education of each school district shall 34 prepare and submit to the state board a report on the preschool-aged at-risk 35 program or assistance provided by the district. Such report shall include 36 information specifying the number of pupils who were served or provided 37 assistance, the type of service provided, the research upon which the 38 district relied in determining that a need for service or assistance existed, 39 the results of providing such service or assistance and any other 40 information required by the state board.

41 Sec. 7. K.S.A. 72-6420 is hereby amended to read as follows: 72-42 6420. (a) There is hereby established in every district a fund which shall be 43 called the special education fund, which fund shall consist of all moneys

deposited therein or transferred thereto according to law. Notwithstanding 1 2 any other provision of law, all moneys received by the district from whatever source for special education shall be credited to the special 3 4 education fund established by this section, except that (1) amounts of payments received by a district under K.S.A. 72-979, and amendments 5 6 thereto, and amounts of grants, if any, received by a district under K.S.A. 7 72-983, and amendments thereto, shall be deposited in the general fund of 8 the district and transferred to the special education fund, and (2) moneys 9 received by a district pursuant to lawful agreements made under K.S.A. 10 72-968, and amendments thereto, shall be credited to the special fund established under the agreements. 11

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

15 (c) Obligations of a district pursuant to lawful agreements made 16 under K.S.A. 72-968, and amendments thereto, shall be paid from the 17 special education fund established by this section.

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

28 Sec. 8. K.S.A. 2010 Supp. 72-6421 is hereby amended to read as 29 follows: 72-6421. (a) There is hereby established in every district a fund 30 which shall be called the vocational education fund. All moneys received 31 by a district for any course or program authorized and approved under the 32 provisions of article 44 of chapter 72 of Kansas Statutes Annotated, and 33 amendments thereto, except for courses and programs conducted in an area 34 vocational school, shall be credited to the vocational education fund. All 35 moneys received by the district from tuition, fees or charges or from any 36 other source for vocational education courses or programs, except for 37 courses and programs conducted in an area vocational school, shall be 38 credited to the vocational education fund. The expenses of a district 39 directly attributable to vocational education shall be paid from the 40 vocational education fund.

41 (b) Obligations of a district pursuant to lawful agreements made 42 under K.S.A. 72-4421, and amendments thereto, shall be paid from the 43 vocational education fund established by this section. If any such 1 agreement expresses an obligation of a district in terms of a mill levy, such

obligation shall be construed to mean an amount equal to that which wouldbe produced by the levy.

4 (c) Any balance remaining in the vocational education fund at the end 5 of the budget year shall be carried forward into the vocational education 6 fund for succeeding budget years. Such fund shall not be subject to the 7 provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. 8 In preparing the budget of such school district, the amounts credited to and the amount on hand in the vocational education fund, and the amount 9 expended therefrom shall be included in the annual budget for the 10 information of the residents of the school district. Interest earned on the 11 investment of moneys in any such fund shall be credited to that fund. 12

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

Sec. 9. K.S.A. 72-6423 is hereby amended to read as follows: 72-18 19 6423. (a) There is hereby established in every district a fund which shall be 20 called the driver training fund which fund shall consist of all moneys 21 deposited therein or transferred thereto according to law. All moneys 22 received by the district from distributions made from the state safety fund 23 and the motorcycle safety fund and from tuition, fees or charges for driver 24 training courses shall be credited to the driver training fund. The expenses 25 of a district directly attributable to driver training shall be paid from the 26 driver training fund.

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

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

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

43 (2) Except as otherwise provided in subsection (c), at no time in

school year 2012-2013 or any school year thereafter shall the amount
 maintained in the contingency reserve fund exceed an amount equal to 6%
 of the general fund budget of the district for the school year.

4 (c) (1) If the amount in the contingency reserve fund of a district is in 5 excess of the amount authorized under subsection (b), and if such excess 6 amount is the result of a reduction in the general fund budget of the district 7 for the school year because of a decrease in enrollment, the district may 8 maintain the excess amount in the fund until depletion of such excess 9 amount by expenditure from the fund for the purposes thereof.

10 (2) The limitation on the amount which may be maintained in the 11 contingency reserve fund imposed under subsection (b) shall not apply to 12 any district whose state financial aid is computed under the provisions of 13 K.S.A. 72-6445a, and amendments thereto. Any such district may maintain 14 the excess amount in the fund until depletion of such excess amount by 15 expenditure from the fund for the purposes thereof.

16 (d) Notwithstanding the provisions of subsection (c), any 17 unencumbered balance of moneys remaining in the contingency reserve 18 fund of a school district on June 30, 2011, may be expended in school year 19 2011-2012 by the school district for general operating expenses of the 20 school district as approved by the board of education.

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

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

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

(d) There is hereby established in every district which establishes, operates and maintains a summer program a fund which shall be called the summer program fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by a district from fees collected under this section or from any other source for summer programs shall be credited to the summer program fund. The expenses of a district directly attributable to summer programs shall be 1 paid from the summer program fund.

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

6 (e) As used in this section, the term "summer program" means a 7 program which is established by the board of education of a school district 8 and operated during the summer months for the purpose of giving remedial 9 instruction to pupils or for the purpose of conducting special projects and 10 activities designed to enrich and enhance the educational experience of 11 pupils, or for both such purposes.

Sec. 12. K.S.A. 2010 Supp. 72-8250 is hereby amended to read as
follows: 72-8250. (a) There is hereby established in every school district a
textbook and student materials revolving fund. Moneys in such fund shall
be used to:

16 (1) Purchase any items designated in K.S.A. 72-5389, and 17 amendments thereto;

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

20 (3) purchase textbooks as authorized by K.S.A. 72-4141, and 21 amendments thereto.

22 (b) Any balance remaining in the textbook and student materials 23 revolving fund at the end of the budget year shall be carried forward into 24 that fund for succeeding budget years. Such fund shall not be subject to the 25 provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and 26 27 the amount on hand in the textbook and student materials revolving fund, 28 and the amount expended therefrom shall be included in the annual budget 29 for the information of the residents of the school district. Interest earned on 30 the investment of moneys in any such fund shall be credited to that fund.

Any unencumbered balance of moneys remaining in the textbook and student materials revolving fund of a school district on June 30, 2011, may be expended in school year 2011-2012 by the school district for general operating expenses of the school district as approved by the board of education in an amount not to exceed 1/3 of the unencumbered balance of the school district's textbook and student materials revolving fund.

Sec. 13. K.S.A. 2010 Supp. 72-9509 is hereby amended to read as follows: 72-9509. (a) There is hereby established in every school district a fund which shall be called the bilingual education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district directly attributable to such bilingual education programs shall be paid from the bilingual education fund.

43 (b) Any balance remaining in the bilingual education fund at the end

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

9 Any unencumbered balance of moneys remaining in the bilingual 10 education fund of a school district on June 30, 2011, may be expended in 11 school year 2011-2012 by the school district for general operating 12 expenses of the school district as approved by the board of education.

(c) Each year the board of education of each school district shall 13 prepare and submit to the state board a report on the bilingual education 14 program and assistance provided by the district. Such report shall include 15 16 information specifying the number of pupils who were served or provided assistance, the type of service provided, the research upon which the 17 18 district relied in determining that a need for service or assistance existed, 19 the results of providing such service or assistance and any other 20 information required by the state board.

21 Sec. 14. K.S.A. 2010 Supp. 72-9609 is hereby amended to read as 22 follows: 72-9609. There is hereby established in every school district a 23 fund which shall be called the professional development fund, which fund 24 shall consist of all moneys deposited therein or transferred thereto 25 according to law. All moneys received by the school district from whatever 26 source for professional development programs established under this act 27 shall be credited to the fund established by this section. The expenses of a 28 school district directly attributable to professional development programs 29 shall be paid from the professional development fund.

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

Sec. 15. K.S.A. 72-3607, 72-6420, 72-6423 and 72-8237 and K.S.A.
2010 Supp. 72-965, 72-3715, 72-6414a, 72-6414b, 72-6421, 72-6426, 728250, 72-9509 and 72-9609 are hereby repealed.

Sec. 16. This act shall take effect and be in force from and after itspublication in the statute book.

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