

SESSION OF 2012

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2773**

As Amended by House Committee on Education  
Budget

**Brief\***

HB 2773, as amended, would allow a school district to continue to transfer unencumbered cash balances for the 2011-2012 and 2012-2013 school years from each of the following funds: at-risk, bilingual, contingency reserve, driver training, preschool-aged at-risk parent education program, professional development, summer program, textbook and student materials, special education, virtual education, and vocational education for general operating expenses of the district. The textbook and student materials and special education funds transfer would be limited to one-third of the balance for general operating expenditures of the district.

In the 2011-2012 school year, a school district may transfer funds from its unencumbered cash balances but would be required to expend the funds to pay for costs incurred due to increases in the adjusted enrollment of the district and the at-risk pupil enrollment of the district when compared to the 2010-2011 school year. In the 2012-2013 school year, a school district would not be required to use the funds for increases in adjusted enrollment and at-risk pupil enrollment.

The bill would be in effect upon publication in the *Kansas Register*.

**Background**

The Speaker of the House, Representative Michael O'Neal, spoke in favor of the bill. Opponents of the bill were

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

representatives of Kansas Association of School Boards, Topeka Public Schools, Wichita Public Schools, and USD 437 Auburn-Washburn School District.

The House Education Budget Committee amended the bill to remove the provision that would require districts to transfer an amount equal to the difference between the aggregate amount of the unencumbered balance of the 12 funds as certified by the district and the amount of unencumbered balance of funds that the school district was authorized to spend for general operating expenses of the district to the Local Option Budget Fund of the district, and reduce any property tax levy imposed by the district for the local option budget.

The fiscal note provided by the Division of the Budget indicated that, according to the Department of Education, enactment of HB 2773 would not change state aid amounts school districts would receive in FY 2013. However, depending on how a school district would choose to use its unencumbered balances of funds listed in the bill, taxpayers may experience a reduction in the levy required to fund the local option budget. In addition, enactment of the bill would reduce the aggregate amount of unencumbered fund amounts at the school district level.