HOUSE BILL No. 2862

By Representative Boston

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AN ACT concerning education; providing for certain grant programs for boards of education; providing for use of certain lottery revenues therefor; amending K.S.A. 2001 Supp. 74-8711 and repealing the existing section.

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

New Section 1. (a) The Kansas lottery commission shall designate lottery games the revenues from which shall be used for the purposes provided by this act. The commission shall designate such games so that at all times the proceeds of one, and only one, such game are used for such purposes.

- (b) On or before the 15th day of each month, the executive director shall certify to the director of accounts and reports the amount of revenue collected from the sale of lottery tickets and shares during the preceding month from lottery games designated pursuant to subsection (a), less amounts described in subsections (c)(1), (c)(2) and (c)(3) of K.S.A. 74-8711, and amendments thereto, which are attributable to such games. Upon receipt of the certification, the director of accounts and reports shall transfer the amount so certified from the lottery operating fund to the lottery education fund established by section 2, and amendments thereto.
- New Sec. 2. (a) There is hereby established in the state treasury the lottery education fund.
- (b) Moneys in the lottery education fund shall be expended only to pay for grants awarded pursuant to section 3, and amendments thereto.
- (c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the lottery education fund interest earnings based on:
- (1) The average daily balance of moneys in the lottery education fund for the preceding month; and
- (2) the net earnings rate for the pooled money investment portfolio for the preceding month.
- (d) All expenditures from the lottery education fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the state

board of education or by a person or persons designated by the state board for the purposes set forth in this section.

New Sec. 3. (a) The state board of education shall establish and maintain grant programs for:

- (1) Enhancement of salaries of elementary and secondary school teachers who are graduates of a college or university located in this state and who have not previously taught elementary or secondary school;
- (2) rewarding elementary and secondary school teachers for excellence in classroom teaching; and
 - (3) paying for classroom materials and equipment.
- (b) The board of education of any school district may apply for a grant for any of the purposes provided by subsection (a). To be eligible for any such grant, the board of education of the school district shall submit to the state board of education an application for a grant and a description of the plan for use of such grant. The application and plan description shall be prepared in such form and manner as required by the state board of education and shall be submitted at the time specified by the state board. The state board's approval of the plan and the application is prerequisite to the award of a grant.
- (c) Each board of education which is awarded a grant under this section shall make periodic and special reports of statistical and financial information to the state board of education as it may request.
- (d) (1) The state board of education shall adopt rules and regulations for the administration of this section and shall:
- (A) Establish standards and criteria for reviewing, evaluating and approving school districts' plans for the use of grants pursuant to this section and applications for such grants;
- (B) evaluate and approve plans for the use of grants pursuant to this section:
- (C) in evaluating and approving applications of school districts for grants, consider the endeavors of boards of education to enlist assistance and support from teachers, administrators, members of school site councils, district patrons and representatives of community organizations and private sector corporations and foundations in developing the plan;
 - (D) be responsible for awarding grants to school districts; and
- (E) request of and receive from each school district which is awarded a grant reports containing information with regard to the effectiveness of the plan.
- (2) Within the limits of appropriations for such purpose, the state board of education shall determine the amount of grants to be awarded school districts pursuant to this section. Upon receipt of a grant of state moneys pursuant to this section, the amount of the grant shall be deposited in the general fund of the school district. Moneys deposited in the

general fund of a school district under this subsection shall be considered reimbursements for the purpose of the school district finance and quality performance act.

- (e) The state board of education may provide any board, upon request, with technical advice and assistance regarding the establishment and maintenance of a plan for the use of grants pursuant to this section or an application for any such grant.
- Sec. 4. K.S.A. 2001 Supp. 74-8711 is hereby amended to read as follows: 74-8711. (a) There is hereby established in the state treasury the lottery operating fund.
- (b) The executive director shall remit all moneys collected from the sale of lottery tickets and shares and any other moneys received by or on behalf of the Kansas lottery to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the lottery operating fund. Moneys credited to the fund shall be expended or transferred only as provided by this act. Expenditures from such fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director or by a person designated by the executive director.
 - (c) Moneys in the lottery operating fund shall be used for:
- (1) The payment of expenses of the lottery, which shall include all costs incurred in the operation and administration of the Kansas lottery; all costs resulting from contracts entered into for the purchase or lease of goods and services needed for operation of the lottery, including but not limited to supplies, materials, tickets, independent studies and surveys, data transmission, advertising, printing, promotion, incentives, public relations, communications and distribution of tickets and shares; and reimbursement of costs of facilities and services provided by other state agencies;
 - (2) the payment of compensation to lottery retailers;
- (3) transfers of moneys to the lottery prize payment fund pursuant to K.S.A. 74-8712, and amendments thereto;
- (4) transfers to the state general fund pursuant to K.S.A. 74-8713, and amendments thereto;
- (5) transfers to the lottery education fund pursuant to section 1, and amendments thereto;
- (6) transfers to the state gaming revenues fund pursuant to subsection (d) of this section and as otherwise provided by law; and
 - (6) (7) transfers to the county reappraisal fund as prescribed by law.
- (d) The director of accounts and reports shall transfer moneys in the lottery operating fund to the state gaming revenues fund created by

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K.S.A. 79-4801, and amendments thereto, on or before the 15th day of each month in an amount certified monthly by the executive director and determined as follows, whichever is greater:

- (1) An amount equal to the moneys in the lottery operating fund in excess of those needed for the purposes described in subsections (c)(1) through $\frac{(e)(4)}{(c)(5)}$; or
- (2) except for pull-tab lottery tickets and shares, an amount equal to not less than 30% of total monthly revenues from the sales of lottery tickets and shares less estimated returned tickets. In the case of pull-tab lottery tickets and shares, an amount equal to not less than 20% of the total monthly revenues from the sales of pull-tab lottery tickets and shares less estimated returned tickets.
 - Sec. 5. K.S.A. 2001 Supp. 74-8711 is hereby repealed.
- Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.