

1 [As Amended by House Committee of the Whole]

2  
3 As Amended by House Committee

4  
5 [As Amended by Senate Committee of the Whole]

6 *Session of 2003*

7  
8 **Substitute for SENATE BILL No. 83**

9  
10 By Committee on Education

11  
12 2-25

13  
14 AN ACT concerning school districts; relating to certain funds; **enacting**  
15 **the school budgeting best practices reform act**; amending K.S.A.  
16 **12-1663**, 12-2615, 44-505c, 72-4141, 72-5390, 72-6409, 72-6425, 72-  
17 6428, 72-8209, **72-8223**, 72-8302, 72-8316, 72-8317, 72-8415a, 72-  
18 8415b, 75-6110 and 79-2927 and repealing the existing sections; also  
19 repealing K.S.A. 72-3703.

20  
21 *Be it enacted by the Legislature of the State of Kansas:*

22 New Section 1. (a) There is hereby established in every school dis-  
23 trict a special liability expense fund. Moneys in such fund shall be used  
24 to:

25 (1) Pay the cost of providing for its defense and the defense of em-  
26 ployees pursuant to the Kansas tort claims act and for the payment of  
27 claims and other direct and indirect costs resulting from the implemen-  
28 tation of such act; and

29 (2) pay judgments rendered against the district.

30 (b) The district shall credit to the special liability expense fund any  
31 moneys received by the district from any source which may be lawfully  
32 utilized for the purposes specified by this section including the proceeds  
33 of tax levies hereinafter authorized and provided. Any balance remaining  
34 in the special liability expense fund at the end of the budget year shall  
35 be carried forward into that fund for succeeding budget years. Such fund  
36 shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937,  
37 and amendments thereto. In making the budget of the district, the  
38 amounts credited to and the amount on hand in such special fund, and  
39 the amount expended therefrom, shall be included in the annual budget  
40 for the information of the residents of the district. Interest earned on the  
41 investment of moneys in any such fund shall be credited to that fund.

42 (c) Whenever the governing body of any school district determines  
43 that moneys from other sources will be insufficient to pay such costs, the

1 governing body is hereby authorized to levy an annual tax upon all taxable  
2 tangible property within the district in an amount determined by the  
3 governing body to be necessary for such purpose and to pay a portion of  
4 the principal and interest on bonds issued by cities under the authority  
5 of K.S.A. 12-1774, and amendments thereto, for the financing of rede-  
6 velopment projects upon property located in such school district.

7 New Sec. 2. (a) There is hereby established in every school district  
8 a special reserve fund. Moneys in such fund shall be used to:

9 (1) Pay claims, judgments, expenses and other purposes relating to  
10 health care services, disability income benefits and group life insurance  
11 benefits as authorized by K.S.A. 72-8415a, and amendments thereto;

12 (2) pay costs relating to uninsured losses; and

13 (3) pay the cost of workers compensation insurance and workers com-  
14 pensation claims, awards, expenses and other purposes authorized by the  
15 workers compensation act.

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

25 New Sec. 3. (a) There is hereby established in every school district  
26 a textbook and student materials revolving fund. Moneys in such fund  
27 shall be used to:

28 (1) Purchase any items designated in K.S.A. 72-5389, and amend-  
29 ments thereto;

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

32 (3) purchase textbooks as authorized by K.S.A. 72-4141, and amend-  
33 ments thereto.

34 (b) Any balance remaining in the textbook and student materials re-  
35 volving fund at the end of the budget year shall be carried forward into  
36 that fund for succeeding budget years. Such fund shall not be subject to  
37 the provisions of K.S.A. 79-2925 through 79-2937, and amendments  
38 thereto. In preparing the budget of such school district, the amounts  
39 credited to and the amount on hand in the textbook and student materials  
40 revolving fund, and the amount expended therefrom shall be included in  
41 the annual budget for the information of the residents of the school dis-  
42 trict. Interest earned on the investment of moneys in any such fund shall  
43 be credited to that fund.

1 Sec. 4. K.S.A. 12-2615 is hereby amended to read as follows: 12-  
2 2615. (a) The governing body of any city, county or school district may  
3 ~~establish by resolution a risk management reserve fund for the purpose~~  
4 ~~of providing moneys to reimburse such city, county or school district, in~~  
5 ~~whole or in part, from insurable losses not otherwise insured~~ *pay the costs*  
6 *relating to any uninsured loss. The governing body of a city or county*  
7 *may pay such costs from the risk management reserve fund of the city or*  
8 *county. The board of education of any school district may pay such costs*  
9 *from the special reserve fund of the district.* The resolution establishing  
10 such risk management reserve fund shall prescribe the purposes for which  
11 moneys in the fund may be used, and any expenditure therefrom shall  
12 require the approval of the governing body. Moneys may be paid into  
13 such risk management reserve fund *or special reserve fund* from any  
14 source which may be lawfully utilized for such purposes, including trans-  
15 fers from the general fund, from any special liability expense fund estab-  
16 lished in accordance with the provisions of K.S.A. 75-6110, *and amend-*  
17 *ments thereto*, or from any other fund or grant program account of the  
18 governmental unit in reasonable proportion to the estimated cost of self  
19 insuring the risk losses covered by such ~~reserve fund. Such fund funds.~~  
20 *Such funds* shall not be subject to the provisions of K.S.A. 79-2925 to 79-  
21 ~~2937, inclusive, and acts amendatory thereof or supplemental thereto,~~  
22 ~~except that through 79-2937, and amendments thereto.~~ In making the  
23 budget of such city, county or school district, the amounts credited to and  
24 the amount on hand in such reserve fund, and the amount expended  
25 therefrom, shall be included in the annual budget for the information of  
26 the residents. Interest earned on the investment of moneys in such re-  
27 serve fund shall be credited to such fund.

28 (b) If the governing body of any city, county or school district ~~shall~~  
29 ~~determine~~ *determines* on an actuarial basis that money which has been  
30 credited to such fund, or any part thereof, is no longer needed for the  
31 purposes for which it was established, ~~said~~ *the* governing body may trans-  
32 fer such amount not needed to the funds or accounts from which the  
33 money was received. Any money so transferred shall be budgeted in ac-  
34 cordance with the provisions of K.S.A. 79-2925 to 79-2937, inclusive, and  
35 ~~acts amendatory thereof or supplemental~~ *through 79-2937, and amend-*  
36 *ments thereto.*

37 Sec. 5. K.S.A. 44-505c is hereby amended to read as follows: 44-  
38 505c. Any city, county, school district or other political subdivision or  
39 municipality is hereby authorized to pay the cost of workmen's compen-  
40 sation coverage for its employees as provided by this act and may pay  
41 such costs from the various funds from which compensation is paid to its  
42 employees. *School districts may pay such costs from the special reserve*  
43 *fund of the school district.* Any such city, county, political subdivision or

1 municipality, except a school district, may levy annually at the time of its  
2 levy of taxes an additional tax for such purpose and, in the case of cities,  
3 counties and school districts, for the purpose of paying a portion of the  
4 principal and interest on bonds issued by a city under the authority of  
5 K.S.A. 12-1774, and amendments thereto, which, together with any other  
6 fund available shall be sufficient to provide the cost thereof. Any taxing  
7 subdivision authorized to levy a tax under this section, in lieu of levying  
8 such tax, may pay such costs from any employee benefits contribution  
9 fund established pursuant to K.S.A. 12-16,102, *and amendments thereto*.  
10 Counties shall provide for coverage of district court officers and employ-  
11 ees whose total salary is payable by counties. Such tax shall not be subject  
12 to any tax levy limit prescribed by article 19 of chapter 79 of the Kansas  
13 Statutes Annotated, ~~or acts amendatory thereof or supplemental thereto~~.  
14 ~~Taxes levied by counties and cities under the authority of this act shall be~~  
15 ~~exempt from the limitations imposed under the provisions of K.S.A. 79-~~  
16 ~~5001 to 79-5016, inclusive, and amendments thereto.~~

17 Sec. 6. K.S.A. 72-4141 is hereby amended to read as follows: 72-  
18 4141. The board of education of any school district may establish a school  
19 textbook rental plan for such grades as are maintained by the district  
20 whereby such board shall purchase school textbooks to be used by the  
21 pupils upon the payment by such pupils of a rental fee. *Moneys received*  
22 *by the board of education under this section shall be deposited in the*  
23 *textbook and student materials revolving fund of the school district.*

24 Sec. 7. K.S.A. 72-5390 is hereby amended to read as follows: 72-  
25 5390. (a) The board of education of any school district may prescribe,  
26 assess and collect fees and supplemental charges for:

27 (1) The use, rental or purchase by pupils of any of the items desig-  
28 nated in K.S.A. 72-5389, and amendments thereto, to offset, in part or in  
29 total, the expense of purchasing such items; and

30 (2) participation in activities, or the use of facilities, materials and  
31 equipment, which participation or use is not mandatory, but optional to  
32 pupils, whether incidental to curricular, extracurricular or other school-  
33 related activities.

34 (b) ~~Except as otherwise provided in this section,~~ Moneys received by  
35 a board of education under this section shall be deposited in the ~~general~~  
36 *textbook and student materials revolving* fund of the school district ~~and~~  
37 ~~shall be considered reimbursements to the district for the purpose of the~~  
38 ~~school district finance and quality performance act and may be expended~~  
39 ~~whether the same have been budgeted or not and amounts so expended~~  
40 ~~shall not be considered operating expenses.~~

41 ~~—(c) Moneys received by a board of education under this section for~~  
42 ~~the use, rental or purchase by pupils of any of the items designated in~~  
43 ~~paragraph (a) of K.S.A. 72-5389, and amendments thereto, may be de-~~

1 posited in the revolving fund established by the board for the purpose of  
2 purchasing textbooks under the provisions of article 41 of chapter 72 of  
3 Kansas Statutes Annotated, and the board may expend moneys from such  
4 revolving fund for the purpose of purchasing the items.

5 —(d) The board of education may establish a revolving fund for the  
6 purpose of purchasing any of the items designated in paragraphs (b)  
7 through (c) of K.S.A. 72-5389, and amendments thereto, and moneys  
8 received by the board of education under this section for use, rental or  
9 purchase by pupils of any of the items may be deposited in such revolving  
10 fund.

11 Sec. 8. K.S.A. 72-6409 is hereby amended to read as follows: 72-  
12 6409. (a) “General fund” means the fund of a district from which oper-  
13 ating expenses are paid and in which is deposited the proceeds from the  
14 tax levied under K.S.A. 72-6431, and amendments thereto, all amounts  
15 of general state aid under this act, payments under K.S.A. 72-7105a, and  
16 amendments thereto, payments of federal funds made available under  
17 the provisions of title I of public law 874, except amounts received for  
18 assistance in cases of major disaster and amounts received under the low-  
19 rent housing program, and such other moneys as are provided by law.

20 (b) “Operating expenses” means the total expenditures and lawful  
21 transfers from the general fund of a district during a school year for all  
22 purposes, except expenditures for the purposes specified in K.S.A. 72-  
23 6430, and amendments thereto.

24 (c) “General fund budget” means the amount budgeted for operating  
25 expenses in the general fund of a district.

26 (d) “Budget per pupil” means the general fund budget of a district  
27 divided by the enrollment of the district.

28 (e) “Program weighted fund” means and includes the following funds  
29 of a district: ~~Transportation fund~~, Vocational education fund, and bilin-  
30 gual education fund.

31 (f) “Categorical fund” means and includes the following funds of a  
32 district: Special education fund, food service fund, driver training fund,  
33 adult education fund, adult supplementary education fund, area voca-  
34 tional school fund, inservice education fund, parent education program  
35 fund, summer program fund, extraordinary school program fund, and  
36 educational excellence grant program fund.

37 Sec. 9. K.S.A. 72-6425 is hereby amended to read as follows: 72-  
38 6425. (a) ~~There is hereby established in every district a fund which shall~~  
39 ~~be called the transportation fund which fund shall consist of all moneys~~  
40 ~~deposited therein or transferred thereto according to law.~~ All moneys  
41 received by the district for pupil transportation shall be credited to the  
42 ~~transportation~~ *general* fund. The expenses of a district attributable to  
43 pupil transportation shall be paid from the ~~transportation~~ *general* fund.

1 Any district may transfer moneys from its capital outlay fund to its trans-  
2 portation fund for the purpose of purchasing buses and bus equipment.  
3 If a board determines that any moneys which have been transferred to  
4 its transportation fund from its capital outlay fund are not needed for the  
5 purchase of buses or bus equipment, the board may transfer the moneys  
6 back to the capital outlay fund.

7 ~~—(b) The provisions of this section shall take effect and be in force~~  
8 ~~from and after July 1, 1992.~~

9 *(b) The transportation fund of each district is hereby abolished. Any*  
10 *moneys in such fund shall be transferred and credited to the general fund*  
11 *of the school district.*

12 Sec. 10. K.S.A. 72-6428 is hereby amended to read as follows: 72-  
13 6428. (a) Any lawful transfer of moneys from the general fund of a district  
14 to any other fund shall be an operating expense in the year the transfer  
15 is made. The board of any district may transfer moneys from the general  
16 fund to any categorical fund of the district in any school year. The board  
17 of any district may transfer moneys from the general fund to any program  
18 weighted fund of the district ~~in any school year~~, subject to the following  
19 conditions:

20 (1) No board shall transfer moneys in any amount from the general  
21 fund to a program weighted fund prior to maturation of the obligation of  
22 the fund necessitating the transfer.

23 (2) The board may transfer moneys in an amount not to exceed the  
24 amount of the obligation of the program weighted fund necessitating the  
25 transfer.

26 ~~(b) The board of any district may transfer moneys from the general~~  
27 ~~fund to the technology education fund of the district in any school year,~~  
28 ~~subject to the conditions imposed upon transferability of moneys from~~  
29 ~~the general fund to program weighted funds of the district.~~

30 ~~—(c) The board of any district may transfer moneys from the general~~  
31 ~~fund to the contingency reserve fund of the district in any school year,~~  
32 ~~subject to the limitations imposed upon the amount authorized to be~~  
33 ~~maintained in the contingency reserve fund under K.S.A. 72-6426, and~~  
34 ~~amendments thereto.~~

35 ~~(d)~~ (c) The board of any district may transfer moneys from the general  
36 fund to the capital outlay fund of the district ~~in any school year, subject~~  
37 ~~to the following conditions:~~

38 ~~—(1) No board shall transfer moneys in any amount from the general~~  
39 ~~fund to the capital outlay fund prior to June 1 in any school year.~~

40 ~~—(2) The board of any of the districts with 10,000 or more enrollment~~  
41 ~~may transfer moneys in an amount not to exceed an amount equal to 1%~~  
42 ~~of the general fund budget.~~

43 ~~—(3) The board of any district, other than the districts with 10,000 or~~

1 more enrollment, may transfer moneys in an amount not to exceed an  
2 amount equal to 2% of the general fund budget.

3 —(4) No board shall transfer moneys in any amount from the general  
4 fund to the capital outlay fund in any school year commencing after June  
5 30, 1993, unless such board, in its adopted budget for such year, shall  
6 have budgeted a capital outlay levy at (A) not less than a 3.5 mill rate or  
7 (B) not less than the mill rate necessary to produce the same amount of  
8 money that would have been produced by a 3.5 mill rate in the 1988-89  
9 school year, whichever of (A) or (B) is the greater mill rate.

10 —(c) Any district may make capital outlay expenditures from the gener-  
11 al fund for acquisition of equipment and repair of school buildings.

12 (f) The provisions of this section shall take effect and be in force from  
13 and after July 1, 1992.

14 (d) *The board of any district may transfer moneys from the general*  
15 *fund to the special reserve fund.*

16 (e) *The board of any district may transfer moneys from the general*  
17 *fund to the special liability expense fund.*

18 (f) *The board of any district may transfer moneys from the general*  
19 *fund to the textbook and student materials revolving fund.*

20 ***[(g) The board of any district may make capital outlay expend-***  
21 ***itures for the acquisition of equipment and repair of school build-***  
22 ***ings from the general fund.]***

23 Sec. 11. K.S.A. 72-8209 is hereby amended to read as follows: 72-  
24 8209. Whenever any judgment rendered against any school district shall  
25 become *becomes* final, the governing body thereof shall make a tax levy  
26 *board of education may levy a tax* at the first tax levying period after such  
27 judgment becomes final, sufficient to pay such amount and for the pur-  
28 pose of paying a portion of the principal and interest on bonds issued by  
29 cities under the authority of K.S.A. 12-1774, and amendments thereto,  
30 for the financing of redevelopment projects upon property located within  
31 the school district and such tax levy may be levied outside of tax levy  
32 limitations prescribed by law. ~~Such tax shall be collected as other school~~  
33 ~~district taxes, but no execution shall issue on such judgment against the~~  
34 ~~school district. In case the governing body neglects to levy the tax as~~  
35 ~~hereinbefore provided, then the judgment creditor may have and recover~~  
36 ~~a judgment against the officer or officers so in default, for the amount~~  
37 ~~due him or her on such judgment, with costs. ***[Revenue from such fund***~~  
38 ~~***shall be deposited in the special liability expense fund of the school***~~  
39 ~~***district.]***~~

40 Sec. 12. K.S.A. 72-8302 is hereby amended to read as follows: 72-  
41 8302. (a) The board of education of a school district may provide or  
42 furnish transportation for pupils who are enrolled in the school district  
43 to or from any school of the school district or to or from any school of

1 another school district attended by such pupils in accordance with the  
2 provisions of an agreement entered into under authority of K.S.A. 72-  
3 8233, and amendments thereto.

4 (b) (1) When any or all of the conditions specified in this provision  
5 exist, the board of education of a school district shall provide or furnish  
6 transportation for pupils who reside in the school district and who attend  
7 any school of the school district or who attend any school of another  
8 school district in accordance with the provisions of an agreement entered  
9 into under authority of K.S.A. 72-8233, and amendments thereto. The  
10 conditions which apply to the requirements of this provision are as  
11 follows:

12 (A) The residence of the pupil is inside or outside the corporate limits  
13 of a city, the school building attended is outside the corporate limits of a  
14 city and the school building attended is more than 2½ miles by the usually  
15 traveled road from the residence of the pupil; or

16 (B) the residence of the pupil is outside the corporate limits of a city,  
17 the school building attended is inside the corporate limits of a city and  
18 the school building attended is more than 2½ miles by the usually traveled  
19 road from the residence of the pupil; or

20 (C) the residence of the pupil is inside the corporate limits of one  
21 city, the school building attended is inside the corporate limits of a dif-  
22 ferent city and the school building attended is more than 2½ miles by  
23 the usually traveled road from the residence of the pupil.

24 (2) The provisions of this subsection are subject to the provisions of  
25 subsections (c) and (d).

26 (c) The board of education of every school district is authorized to  
27 adopt rules and regulations to govern the conduct, control and discipline  
28 of all pupils while being transported in school buses. The board may  
29 suspend or revoke the transportation privilege or entitlement of any pupil  
30 who violates any rules and regulations adopted by the board under au-  
31 thority of this subsection.

32 (d) The board of education of every school district may suspend or  
33 revoke the transportation privilege or entitlement of any pupil who is  
34 detained at school at the conclusion of the school day for violation of any  
35 rules and regulations governing pupil conduct or for disobedience of an  
36 order of a teacher or other school authority. Suspension or revocation of  
37 the transportation privilege or entitlement of any pupil specified in this  
38 subsection shall be limited to the school day or days on which the pupil  
39 is detained at school. The provisions of this subsection do not apply to  
40 any pupil who has been determined to be an exceptional child, except  
41 gifted children, under the provisions of the special education for excep-  
42 tional children act.

43 (e) (1) Subject to the limitations specified in this subsection, the



1 board of education of any school district may prescribe and collect fees  
2 to offset, totally or in part, the costs incurred for the provision or fur-  
3 nishing of transportation for pupils. The limitations which apply to the  
4 authorization granted by this subsection are as follows:

5 (A) Fees for the provision or furnishing of transportation for pupils  
6 shall be prescribed and collected only to recover the costs incurred as a  
7 result of and directly attributable to the provision or furnishing of trans-  
8 portation for pupils and only to the extent that such costs are not reim-  
9 bursed from any other source provided by law;

10 (B) fees for the provision or furnishing of transportation may not be  
11 assessed against or collected from any pupil who is counted in determin-  
12 ing the transportation weighting of the school district under the provisions  
13 of the school district finance and quality performance act or any pupil  
14 who is determined to be a child with disabilities under the provisions of  
15 the special education for exceptional children act or any pupil who is  
16 eligible for free or reduced price meals under the national school lunch  
17 act or any pupil who is entitled to transportation under the provisions of  
18 subsection (a) of K.S.A. 72-8306, and amendments thereto, and who re-  
19 sides 2½ miles or more by the regular route of a school bus from the  
20 school attended;

21 (C) fees for the provision or furnishing of transportation for pupils in  
22 accordance with the provisions of an agreement entered into under au-  
23 thority of K.S.A. 72-8233 or 72-8307, and amendments thereto, shall be  
24 controlled by the provisions of the agreement.

25 (2) All moneys received by a school district from fees collected under  
26 this subsection shall be deposited in the ~~transportation~~ *general* fund of  
27 the district.

28 Sec. 13. K.S.A. 72-8316 is hereby amended to read as follows: 72-  
29 8316. (a) Any board of education, pursuant to a policy developed and  
30 adopted by it, may provide for the use of district-owned or leased school  
31 buses when such buses are not being used for regularly required school  
32 purposes. The policy may provide for:

33 (1) (A) Transporting parents and other adults to or from school-re-  
34 lated functions or activities, (B) transporting pupils to or from functions  
35 or activities sponsored by organizations, the membership of which is prin-  
36 cipally composed of children of school age, and (C) transporting persons  
37 engaged in field trips in connection with their participation in an adult  
38 education program maintained by the transporting school district or by  
39 any other school district, within or outside the boundaries of the trans-  
40 porting school district; and

41 (2) contracting with (A) the governing body of any township, city or  
42 county for transportation of individuals, groups or organizations, (B) the  
43 governing authority of any nonpublic school for transportation of pupils

1 attending such nonpublic school to or from interschool or intraschool  
2 functions or activities, (C) the board of trustees of any community college  
3 for transportation of students enrolled in such community college to or  
4 from attendance at class at the community college or to and from func-  
5 tions or activities of the community college, (D) a public recreation com-  
6 mission established and operated under the laws of this state, for any  
7 purposes related to the operation of the recreation commission and all  
8 programs and services thereof, (E) the board of education of any other  
9 school district for transportation, on a cooperative and shared-cost basis,  
10 of pupils, school personnel, parents and other adults to or from school-  
11 related functions or activities, or (F) a four-year college or university, area  
12 vocational school or area vocational-technical school for transportation of  
13 students to or from attendance at class at the four-year college or uni-  
14 versity, area vocational school or area vocational-technical school or for  
15 transportation of students, alumni and other members of the public to or  
16 from functions or activities of the four-year college or university, area  
17 vocational school or area vocational-technical school.

18 (b) The costs related to the use of school buses under authority of  
19 this section shall not be considered in determining the transportation  
20 weighting of a school district under article 64 of chapter 72 of Kansas  
21 Statutes Annotated.

22 (c) Transportation fees may be charged by the board to offset, totally  
23 or in part, the costs incurred for the use of school buses under authority  
24 of this section.

25 (d) Any revenues received by a board of education as transportation  
26 fees or under any contract entered into pursuant to this section shall be  
27 deposited in the ~~transportation~~ *general* fund of the district and *shall be*  
28 *considered reimbursements to the district for the purpose of the school*  
29 *district finance and quality performance act. Such revenues* may be ex-  
30 pended whether the same have been budgeted or not.

31 (e) The provisions of subsection (c) of K.S.A. 8-1556, and amend-  
32 ments thereto, apply to the use of school buses under authority of this  
33 section.

34 Sec. 14. K.S.A. 72-8317 is hereby amended to read as follows: 72-  
35 8317. (a) The board of education of any school district, pursuant to a  
36 policy developed and adopted by the board, may provide that whenever  
37 the school district furnishes school bus transportation for pupils of the  
38 school district to or from attendance at class in an area vocational school,  
39 area vocational-technical school, technical college, community college, or  
40 four-year college or university, adults who are students enrolled at any  
41 such educational institution may be furnished such school bus transpor-  
42 tation to or from attendance at class, on a space available basis, along with  
43 the pupils of the school district. Whenever any school district shall furnish

1 transportation for adult students pursuant to a policy adopted under au-  
2 thority of this section, such transportation shall be furnished subject to  
3 such terms and conditions as the board of education of the school district  
4 shall impose.

5 (b) Fees for the furnishing of transportation for adult students pur-  
6 suant to a policy adopted under authority of this section may be charged  
7 such adult students to offset, totally or in part, any costs incurred by a  
8 school district in the furnishing of such transportation, or such transpor-  
9 tation may be furnished free of charge. Any revenues received by a board  
10 of education as fees charged adult students for transportation furnished  
11 under authority of this section shall be deposited in the ~~transportation~~  
12 *general* fund of the district and may be expended whether the same have  
13 been budgeted or not.

14 Sec. 15. K.S.A. 72-8415a is hereby amended to read as follows: 72-  
15 8415a. (a) *If the board of education of any school district elects to act as*  
16 *a self-insurer for the provision of health care services, disability income*  
17 *benefits or a group life insurance benefit as authorized by K.S.A. 72-8414,*  
18 *and amendments thereto, the board shall make payments for claims, judg-*  
19 *ments and expenses for health care services, disability income benefits or*  
20 *group life insurance benefits, whichever is applicable from the special*  
21 *reserve fund of the school district.*

22 *The board of education may enter into a trust agreement with any*  
23 *corporate entity having the powers of a trust company within the state of*  
24 *Kansas, and may transfer from time to time amounts held in the special*  
25 *reserve fund to the custody of the trustee for safeguarding and investment.*  
26 *Any such trust agreement may grant the trustee the power to exercise*  
27 *such fiscal management and administrative control as may be necessary*  
28 *for the lawful and efficient management of any such amounts transferred*  
29 *to the custody of the trustee.*

30 (b) ~~If the board of education of any school district or the board of~~  
31 ~~trustees of any community college elects to act as a self-insurer for the~~  
32 ~~provision of health care services or, disability income benefits; or a group~~  
33 ~~life insurance benefit, or all three, as authorized by K.S.A. 72-8414, and~~  
34 ~~amendments thereto, it shall by resolution~~ *the board shall* create a sep-  
35 arate health care services reserve fund or disability income benefits re-  
36 serve fund, or a separate group life insurance benefit reserve fund, or all  
37 three, in the budget of the ~~school district or community college, which~~  
38 ~~ever is applicable,~~ which shall be reserve funds for the payments of claims,  
39 judgments and expenses for health care services or disability income ben-  
40 efits or group life insurance benefits, whichever is applicable. Any balance  
41 remaining in any such reserve fund at the end of the fiscal year shall be  
42 carried forward into that reserve fund for succeeding fiscal years. No such  
43 fund shall be subject to the provisions of K.S.A. 79-2925 through 79-2937,

1 and amendments thereto, ~~except that~~. In preparing the budget of such  
2 ~~school district or~~ community college, the amounts credited to and the  
3 amount on hand in any such reserve fund, and the amount expended  
4 therefrom shall be included in the annual budget for the information of  
5 the residents. Interest earned on the investment of moneys in any such  
6 fund shall be credited to that fund.

7 ~~(b) In the discretion of the board of education or~~ The board of trust-  
8 tees, ~~it~~ may enter into a trust agreement with any corporate entity having  
9 the powers of a trust company within the state of Kansas, and may transfer  
10 from time to time amounts held in the health care services reserve fund  
11 or the disability income benefits reserve fund, or the group life insurance  
12 benefit reserve fund, or all three, to the custody of the trustee for safe-  
13 guarding and investment. Any such trust agreement may grant the trustee  
14 the power to exercise such fiscal management and administrative control  
15 as may be necessary for the lawful and efficient management of any such  
16 amounts transferred to the custody of the trustee.

17 Sec. 16. K.S.A. 72-8415b is hereby amended to read as follows: 72-  
18 8415b. ~~(a) Any school district or community college that elects to become~~  
19 ~~a self-insurer under the provisions of K.S.A. 72-8414, and amendments~~  
20 ~~thereto, may transfer such amounts moneys from its general fund to the~~  
21 ~~health care services reserve fund or the disability income benefits reserve~~  
22 ~~fund, or the group life benefit reserve fund, or all three, as may be~~  
23 ~~deemed necessary to meet the cost of health care services or disability~~  
24 ~~income benefits, or group life insurance claims, whichever is applicable~~  
25 *special liability expense fund of the district as provided by K.S.A. 72-6428,*  
26 *and amendments thereto.*

27 *(b) Any community college that elects to become a self-insurer under*  
28 *the provisions of K.S.A. 72-8414, and amendments thereto, may transfer*  
29 *such amounts from its general fund to the health care services reserve*  
30 *fund or the disability income benefits reserve fund, or the group life ben-*  
31 *efit reserve fund, or all three, as may be deemed necessary to meet the*  
32 *cost of health care services or disability income benefits, or group life*  
33 *insurance claims, whichever is applicable.*

34 Sec. 17. K.S.A. 75-6110 is hereby amended to read as follows: 75-  
35 6110. (a) *Except as provided for school districts,* payments by municipal-  
36 ities for the cost of providing for its defense and the defense of employees  
37 pursuant to this act and for the payment of claims and other direct and  
38 indirect costs resulting from the implementation of this act may be paid  
39 from the general or other existing fund of such municipality or from a  
40 special liability expense fund established for such purpose pursuant to  
41 subsection (b). *School districts shall make such payments from the special*  
42 *liability expense fund of the school district.*

43 (b) Whenever the governing body of any municipality shall determine

1 that it is advisable to establish a special fund for the payment of such  
2 costs and to establish a reserve therefor, in lieu of paying the same out  
3 of the general or other existing fund of the municipality, such governing  
4 body may create and establish a special liability expense fund for the  
5 payment of such costs and may place therein any moneys received by the  
6 municipality from any source whatsoever which may be lawfully utilized  
7 for such purpose including the proceeds of tax levies hereinafter author-  
8 ized and provided. Such fund shall not be subject to the provisions of  
9 K.S.A. 79-2925 to ~~79-2937, inclusive, and any acts amendatory thereof or~~  
10 ~~supplemental thereto, except that~~ *through 79-2937, and amendments*  
11 *thereto.* In making the budget of such municipality, the amounts credited  
12 to and the amount on hand in such special fund, and the amount ex-  
13 pended therefrom, shall be included in the annual budget for the infor-  
14 mation of the residents of such municipality.

15 (c) Whenever the governing body of any municipality which is au-  
16 thorized by law to levy taxes upon property has established a special li-  
17 ability expense fund under the provisions of this section and ~~shall deter-~~  
18 ~~mine~~ *determines* that moneys from other sources will be insufficient to  
19 pay such costs, the governing body ~~is hereby authorized to~~ *may* levy an  
20 annual tax upon all taxable tangible property within the municipality in  
21 an amount determined by the governing body to be necessary for such  
22 purpose and in the case of cities, ~~counties and school districts~~ *and coun-*  
23 *ties,* to pay a portion of the principal and interest on bonds issued by cities  
24 under the authority of K.S.A. 12-1774, and amendments thereto, for the  
25 financing of redevelopment projects upon property located in such *city*  
26 *or county or such school district.*

27 Sec. 18. K.S.A. 79-2927 is hereby amended to read as follows: 79-  
28 2927. (a) The governing body of each taxing subdivision or municipality  
29 shall meet not later than the first day of August of each year, and shall  
30 prepare in writing on forms furnished by the director of accounts and  
31 reports a budget itemized and classified by funds and showing amounts  
32 to be raised by taxation and from other sources for the ensuing budget  
33 year. The budget shall show in parallel columns all amounts and items to  
34 be expended for the ensuing budget year and the amounts appropriated  
35 for corresponding or other items during the current budget year and  
36 amounts expended for corresponding or other items during the preceding  
37 budget year. The budget for each fund shall not include any item for  
38 sundry or miscellaneous purposes in excess of 10% of the total. Except  
39 for school districts, municipal universities and community colleges, the  
40 budget for each fund may include a non-appropriated balance of not to  
41 exceed 5% of the total of each fund.

42 (b) The budget shall show in parallel columns the amount of revenue  
43 actually received from taxation and from other sources, with the amount

1 from each source separately stated for the preceding budget year and the  
2 amount actually received and estimated to be received from taxation and  
3 from sources other than direct taxation with the amount for each source  
4 separately stated for the current budget year and also the amount esti-  
5 mated to be received during the ensuing budget year, with the amount  
6 estimated to be received from each source separately stated. *Except as*  
7 *provided by section ~~19~~ 20, and amendments thereto,* the budget of ex-  
8 penditures for each fund shall balance with the budget of revenues for  
9 such fund and that portion of the budget of revenues to be derived from  
10 ad valorem property taxation shall not exceed the amount of tax which  
11 can be raised by any fund limit or aggregate limit placed upon such fund.

12 ~~New Sec. 19. (a) When preparing the budget for a school district,~~  
13 ~~the board of education of the district shall budget to expend only the~~  
14 ~~amount estimated to be spent from each fund of the school district.~~

15 ~~— (b) Except as provided by this subsection, any unexpended moneys~~  
16 ~~remaining in a fund of a school district at the end of the budget year may~~  
17 ~~be carried forward into such fund for succeeding budget years. The pro-~~  
18 ~~visions of this subsection shall not apply to the general fund or the sup-~~  
19 ~~plemental general fund of the school district.~~

20 ~~— (c) Whenever unexpended moneys in a school district fund are car-~~  
21 ~~ried forward into such fund for the succeeding budget year, the budget~~  
22 ~~of the school district shall reflect the ending balance in such fund which~~  
23 ~~the school district estimates will be carried forward to the succeeding~~  
24 ~~budget year.~~

25 ~~— (d) If the board of education determines it is necessary to expend~~  
26 ~~moneys which had been budgeted to be carried forward into the next~~  
27 ~~succeeding budget year, the board shall amend its previously adopted~~  
28 ~~budget. Any amended budget shall be subject to the same publication,~~  
29 ~~notice and public hearing requirements as is required by K.S.A. 79-2020,~~  
30 ~~and amendments thereto, for the adoption of the original budget.~~

31 ~~— New Sec. 20. (a) Each year the board of education of a school district~~  
32 ~~shall prepare a profile of the school district. The profile shall include any~~  
33 ~~information specified by the state board of education to be included in~~  
34 ~~such profile, including but not limited to, information relating to the gov-~~  
35 ~~erning body of the school district, an overview of the budget of the school~~  
36 ~~district and the budgetary process.~~

37 ~~— (b) The profile of the school district shall be on file at the adminis-~~  
38 ~~trative offices of the school district. Copies of the profile of the school~~  
39 ~~district shall be available upon request.~~

40 ~~— (c) The notice required to be published by K.S.A. 79-2020, and~~  
41 ~~amendments thereto, shall include a statement that a profile of the school~~  
42 ~~district is on file at the administrative offices of the district and that copies~~  
43 ~~are available upon request.~~

1     **New Sec. 19. Sections 19 through 22, and amendments**  
2 **thereto, shall be known and may be cited as the school budgeting**  
3 **best practices reform act.**

4     **New Sec. 20. (a) When preparing the budget for the ensuing**  
5 **budget year of the school district, the board shall budget to expend**  
6 **only the amount estimated to be spent from each fund of the school**  
7 **district.**

8     **(b) Whenever it is otherwise authorized by law that unex-**  
9 **pended moneys in a fund of a school district may be carried for-**  
10 **ward into such fund for the next budget year, the budget of the**  
11 **school district shall reflect any ending balance in such fund which**  
12 **the school district estimates will be carried forward to the next**  
13 **budget year.**

14     **New Sec. 21. (a) For the 2004-2005 school year, and any suc-**  
15 **ceeding school year, the state department of education shall pre-**  
16 **pare and prescribe standards and formats for an at-a-glance**  
17 **budget for all school districts. The state department of education's**  
18 **standards and formats shall be developed directly from the best**  
19 **practices and standards established by the government finance of-**  
20 **ficers association, the association of school business officials and**  
21 **other best practices and standards for an at-a-glance budget.**

22     **(b) For the 2004-2005 school year, and any succeeding school**  
23 **year, all school districts shall prepare and publish the at-a-glance**  
24 **budget based on the state department of education standards and**  
25 **formats. Such at-a-glance budget shall include internet website ad-**  
26 **resses for the building-by-building reports and results compiled**  
27 **by the department of education.**

28     **(c) On or before August 5 of each such year, the board shall**  
29 **prepare a proposed full school budget document and the at-a-**  
30 **glance budget. Prior to adopting such proposed budget, the board**  
31 **shall meet for the purpose of answering and hearing testimony of**  
32 **taxpayers relating to the proposed budget. The board shall give at**  
33 **least 10 days notice of the time and place of the meeting by pub-**  
34 **lication in a newspaper of general circulation within the district.**  
35 **Such notice shall include where the public can obtain the at-a-**  
36 **glance and full proposed budget documents. Such documents shall**  
37 **be on file at the administrative offices of the school district. Copies**  
38 **of such documents shall be available upon request. If necessary,**  
39 **boards shall have the ability to estimate revenues and expenditures**  
40 **for the purpose of preparing this proposed budget for the public**  
41 **hearing.**

42     **New Sec. 22. (a) By the 2004-2005 school year, the depart-**  
43 **ment of education shall create a budget format document that con-**

1 forms to the budget award standards and criteria of the govern-  
2 ment finance officers association and the association of school  
3 business officials. When establishing this budget format, the de-  
4 partment of education shall directly incorporate the compatible  
5 features of the government finance officers association and asso-  
6 ciation of school business officials budget award criteria and es-  
7 tablish new criteria based on government finance officers associ-  
8 ation and association of school business officials standards  
9 whenever the individual criteria is different. As part of such budget  
10 format, the department of education shall establish checklists of  
11 additional criteria and standards of the government finance offi-  
12 cers association and association of school business officials that are  
13 needed for schools to have a best practices budget that conforms  
14 to the requirements of this section.

15 (b) In addition to the government finance officers association  
16 and association of school business officials budget award standards  
17 and criteria, such budget format shall include, but not be limited  
18 to, a separate table outlining the salary and wage expenditures for  
19 all district personnel divided into the following categories: (1) Cer-  
20 tified and non-certified administrators; (2) ~~teachers and~~ [persons  
21 employed full-time as classroom teachers; (3)] other certified em-  
22 ployees [who are not employed full-time as classroom teachers];  
23 ~~(3)~~ [(4)] classified employees; ~~(4)~~ [(5)] substitutes and other tem-  
24 porary employees. For categories (1), (2) ~~and~~ [,] (3) [and (4)], the  
25 school districts shall report full-time employee positions and av-  
26 erage salaries.

27 (c) For the 2005-2006 school year, and any succeeding school  
28 year, all school districts shall comply with the budget format and  
29 standards established by the state department of education pur-  
30 suant to subsection (a). The department of education shall provide  
31 technical advice and assistance to school districts concerning the  
32 budget format and related standards and criteria.

33 (d) The state board of education shall develop and adopt rules  
34 and regulations to insure that all school districts will comply with  
35 the required budget format, standards and criteria and to imple-  
36 ment the provisions of this section.

37 (e) Nothing in this act shall be construed to limit the ability of  
38 school districts to develop and publish additional budget materials  
39 and documents that go above and beyond the standards, criteria  
40 and budget format required by the department of education.

41 (f) For the purposes of complying with such budget format, in  
42 any year that a school district obtains a budget award from either  
43 the government finance officers association or association of



1 school business officials, that school district's budget shall be con-  
2 sidered in compliance with the requirements of this section.

3 **Sec. 23. K.S.A. 12-1663 is hereby amended to read as follows:**  
4 **12-1663. (a) Where any public agency receives federal aid through**  
5 **any federal agency for any purpose to be used alone or with funds**  
6 **of the public agency, such federal aid may be expended without**  
7 **regard to budget limitations and over, above or outside the budget,**  
8 **and such expenditures shall not be charged against the budget of**  
9 **the current or any other budget year of the public agency, and.**  
10 **Where a public agency spends from budgeted funds and later is**  
11 **reimbursed by federal aid, such expenditure from budgeted funds**  
12 **shall be a reimbursed expense and if received after the budget**  
13 **year, shall increase the current budget to the same amount unless**  
14 **the budget had anticipated and included the reimbursement as**  
15 **income.**

16 *(b) In addition to the requirements of subsection (a), a school district*  
17 *shall include all revenues and expenditures, including, but not limited to,*  
18 *federal aid and other grants, gifts and miscellaneous income, in all budget*  
19 *documents prepared by the school district, including documents submit-*  
20 *ted to the department of education. In order to account for such revenues*  
21 *and expenditures separately, each school district shall budget for federal*  
22 *aid and other grants and gifts, other than scholarships, received, which*  
23 *funds shall not be subject to limitations on the expenditure of moneys in*  
24 *such funds.*

25 **Sec. 24. K.S.A. 72-8223 is hereby amended to read as follows:**  
26 **72-8223. (a) The secretary of social and rehabilitation services shall**  
27 **pay tuition to the board of education of any school district for chil-**  
28  **dren in any institution under the jurisdiction of the secretary who**  
29 **attend any of the schools of such school district. The amount of**  
30 **tuition shall be determined on the basis of the average operating**  
31 **cost per pupil of the school district, less the proportionate amount**  
32 **of state aid received by such school district as determined by the**  
33 **state board of education. Whenever feasible, the board of education of**  
34 *such school district shall work with the department of social and reha-*  
35 *bilitation services to maximize federal matching funds.*

36 **(b) Payments of tuition received under this section by the**  
37 **board of education of any school district for attendance of children**  
38 **at school in regular educational programs shall be deposited in the**  
39 ~~general fund of the school district and considered as reimbursements of~~  
40 ~~the district for the purpose of the school district finance and quality per-~~  
41 ~~formance act. tuition reimbursement fund.~~

42 *(c) There is hereby established in every district a fund which shall be*  
43 *called the tuition reimbursement fund, which fund shall consist of all*

1 *moneys deposited therein or transferred thereto according to law. The*  
2 *expenses of a district attributable to the costs of providing educational*  
3 *services to a child in an institution under the jurisdiction of the secretary*  
4 *who attends the school shall be paid from the tuition reimbursement fund.*

5 Sec. ~~21~~ **25**. K.S.A. **12-1663**, 12-2615, 44-505c, 72-3703, 72-4141,  
6 72-5390, 72-6409, 72-6425, 72-6428, 72-8209, **72-8223**, 72-8302, 72-  
7 8316, 72-8317, 72-8415a, 72-8415b, 75-6110 and 79-2927 are hereby  
8 repealed.

9 Sec. ~~22~~ **26**. This act shall take effect and be in force from and after  
10 its publication in the statute book.

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