

SESSION OF 2013

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2261**

As Amended by House Committee on Education

**Brief\***

HB 2261, as amended, would allow a school district to continue to transfer unencumbered cash balances for the 2013-2014 school year and each school year thereafter for general operating expenses of the district from each of the following funds: at-risk education, bilingual education, contingency reserve, professional development, summer program, one-third of textbook and student materials, one-third of special education, virtual school, and vocational education. The maximum amount allowed to be transferred from the unencumbered funds would not exceed \$250 multiplied by the adjusted enrollment of the district.

The bill would state the public policy goal of the State of Kansas is at least 65 percent of the aggregate of all unencumbered balances authorized for expenditure by the bill would be expended in the classroom or for instruction as defined in KSA 72-64c01.

The bill would remove any cap on the amount of moneys that could be maintained in the contingency reserve fund. (Current law allows a district to keep up to 10 percent of the district's general fund budget in a contingency reserve fund.)

Finally, the bill would require the superintendent of a school district to report the unencumbered balances in each of the funds named in the bill to the local board of education at the board's June meeting.

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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>

## **Background**

The House Committee on Education introduced this bill as a continuation, in perpetuity, of fund flexibility first put into place for the 2011-12 school year. Proponents of the bill included representatives of the Kansas Association of School Boards, Kansas Policy Institute, and United School Administrators of Kansas. A representative of the Wichita School District presented neutral testimony. There were no opponents.

The House Committee amended the bill by removing a requirement that 65 percent of the aggregate of all unencumbered balances authorized to be expended by the bill be spent in the classroom or for instruction. Instead, the Committee added to the bill a statement indicating the 65 percent was a “public policy goal.”

The fiscal note by the the Division of the Budget, on the bill as introduced, stated enactment of the bill would have no effect on state aid payments to school districts.