

HOUSE BILL No. 2430

By Legislative Educational Planning Committee

1-10

1 AN ACT concerning school districts; relating to the contingency
2 reserve fund; amending K.S.A. 2011 Supp. 72-6426 and repealing the
3 existing section.

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

6 Section 1. K.S.A. 2011 Supp. 72-6426 is hereby amended to read as
7 follows: 72-6426. (a) There is hereby established in every district a fund
8 which shall be called the contingency reserve fund. Such fund shall consist
9 of all moneys deposited therein or transferred thereto according to law.
10 The fund shall be maintained for payment of expenses of a district
11 attributable to financial contingencies as determined by the board.

12 (b) (1) Except as otherwise provided in subsection (c), at no time in
13 school year 2008-2009 through school year ~~2011-2012~~2014-2015 shall the
14 amount maintained in the contingency reserve fund exceed an amount
15 equal to 10% of the general fund budget of the district for the school year.

16 (2) Except as otherwise provided in subsection (c), at no time in
17 school year ~~2012-2013~~2015-2016 or any school year thereafter shall the
18 amount maintained in the contingency reserve fund exceed an amount
19 equal to 6% of the general fund budget of the district for the school year.

20 (c) (1) If the amount in the contingency reserve fund of a district is in
21 excess of the amount authorized under subsection (b), and if such excess
22 amount is the result of a reduction in the general fund budget of the district
23 for the school year because of a decrease in enrollment, the district may
24 maintain the excess amount in the fund until depletion of such excess
25 amount by expenditure from the fund for the purposes thereof.

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

32 (d) Notwithstanding the provisions of subsection (c), any
33 unencumbered balance of moneys remaining in the contingency reserve
34 fund of a school district on June 30, 2011, may be expended in school year
35 2011-2012 by the school district for general operating expenses of the
36 school district as approved by the board of education.

1 Sec. 2. K.S.A. 2011 Supp. 72-6426 is hereby repealed.

2 Sec. 3. This act shall take effect and be in force from and after its
3 publication in the statute book.

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