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4 **SENATE BILL No. 78**

5
6 By Committee on Education

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8 1-19

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10 AN ACT concerning school district finance; relating to the contingency
11 reserve fund; amending K.S.A. 2000 Supp. 72-6426 and repealing the
12 existing section.

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

15 Section 1. K.S.A. 2000 Supp. 72-6426 is hereby amended to read as
16 follows: 72-6426. (a) There is hereby established in every district a fund
17 which shall be called the contingency reserve fund, which fund shall con-
18 sist of all moneys deposited therein or transferred thereto according to
19 law. The fund shall be maintained for payment of expenses of a district
20 attributable to financial contingencies ~~which were not anticipated at the~~
21 ~~time of adoption of the general fund budget as determined by the board.~~
22 Except as otherwise provided in subsection (b), at no time in any school
23 year shall the amount maintained in the fund exceed an amount equal to
24 ~~4%~~ 7.5% of the *sum of the general fund budget and the local option*
25 *budget* of the district for the school year.

26 (b) In any school year, if the amount in the contingency reserve fund
27 of a district is in excess of the amount authorized under subsection (a) to
28 be maintained in the fund, and if such excess amount is the result of a
29 reduction in the *general fund budget or the local option budget or both*
30 *such budgets* of the district for the school year because of a decrease in
31 enrollment, the district may maintain the excess amount in the fund until
32 depletion of such excess amount by expenditure from the fund for the
33 purposes thereof.

34 Sec. 2. K.S.A. 2000 Supp. 72-6426 is hereby repealed.

35 Sec. 3. This act shall take effect and be in force from and after its
36 publication in the ~~statute book~~ ***Kansas register***.

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