

1 AN ACT relating to school district finances.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) Each local board of education, with the assistance of the district superintendent
6 and district finance officer, shall establish a budget for each fiscal year as
7 follows:

8 (a) On or before January 31, the superintendent shall submit to the local board
9 for review at a public meeting a draft budget that provides line item
10 estimated revenues and proposed expenditures for the subsequent fiscal
11 year;

12 (b) On or before May 31:

13 1. And at least two (2) weeks prior to the public meeting required by
14 subparagraph 2. of this paragraph, the superintendent shall submit to
15 the local board a complete proposed tentative budget for the local
16 board's consideration; and

17 2. At a public meeting of the local board:

18 a. The local board shall review the proposed tentative budget; and

19 b. After any discussion or amendment, the local board shall adopt a
20 tentative budget for the subsequent fiscal year; and

21 (c) On or before September 30:

22 1. And at least two (2) weeks prior to the meeting required by
23 subparagraph 2. of this paragraph, the superintendent shall:

24 a. Submit to the local board a complete proposed working budget
25 for the local board's consideration;

26 b. Submit to the local board a report explaining:

27 i. The projected revenues from the various taxes levied by the

1 district;

2 ii. The appropriations that the district expects to receive from
3 state and federal sources;

4 iii. The projected expenditures for personnel, transportation,
5 maintenance, and materials for the operation of the
6 district;

7 iv. Any one (1) time major expenses expected for the year,
8 including those for special projects or programs;

9 v. The projected revenues and expenditures associated with
10 restricted funds, including facilities funds;

11 vi. The costs associated with debts incurred by the district; and

12 vii. How the minimum reserve required in subsection (2) of this
13 section shall be maintained; and

14 c. Deliver the items in subdivisions a. and b. of this subparagraph
15 in a digital format to local board members. However, if a local
16 board member requests the items also be delivered in physical
17 format, the superintendent shall provide those within one (1)
18 business day of the request in the format requested;

19 2. At a public meeting of the local board:

20 a. The superintendent shall present to the local board:

21 i. The proposed working budget; and

22 ii The report required in subparagraph 1.b. of this
23 paragraph;

24 b. The local board shall review the proposed working budget; and

25 c. After any discussion or amendment, the local board shall adopt a
26 working budget for the fiscal year; and

27 3. The local board shall submit to the Kentucky Board of Education the

1 *adopted working budget for final approval.*

2 *(2) A superintendent shall not propose and a local board of education shall not adopt*
3 *a draft, tentative, or working budget that does not include a minimum reserve of*
4 *at least two percent (2%) of the total budget.*

5 ➔Section 2. KRS 160.431 is amended to read as follows:

6 (1) The local district superintendent shall appoint a finance officer who shall be
7 responsible for the cash, investment, and financial management of the school
8 district.

9 (2) (a) A person initially employed as a school finance officer on or after July 1,
10 2015, shall obtain certification from the Department of Education prior to
11 holding the position and entering the duties of the position of school finance
12 officer.

13 (b) The Kentucky Board of Education shall promulgate administrative regulations
14 to prescribe the criteria and procedures to be used in the certification process
15 for a school finance officer.

16 (c) The administrative regulations promulgated under this subsection shall
17 specify:

- 18 1. The initial qualification requirements for school finance officer
19 certification;
20 2. The certification application and appeal process; and
21 3. The certification renewal process.

22 (3) The school finance officer shall be required to complete forty-two (42) hours of
23 continuing education every two (2) years from a provider approved by the
24 Department of Education. The Kentucky Board of Education shall promulgate
25 administrative regulations to identify and prescribe the criteria for fulfilling the
26 requirements of this subsection. The administrative regulations shall specify:

27 (a) The topics of continuing education;

- 1 (b) Qualifications for continuing education providers;
- 2 (c) Consequences for failure to meet the continuing education requirement; and
- 3 (d) Requirements for reinstatement of school finance officer certification.
- 4 (4) (a) The finance officer shall present a detailed monthly financial report for board
- 5 approval to include the previous month's revenues and expenditures of the
- 6 district. The monthly report shall be posted on the district's Web site for a
- 7 minimum of six (6) months after its approval.
- 8 (b) Within six (6) months following the end of each fiscal year, the finance
- 9 officer shall submit to the Kentucky Department of Education a detailed
- 10 annual financial report to include the district's total assets, liabilities,
- 11 revenues, and expenditures. The annual report shall be posted on the district's
- 12 financial disclosure website required in Section 3 of this Act~~[Web site]~~ and
- 13 department's website~~[Web site]~~ for a minimum of two (2) years.
- 14 (c) 1. The Department of Education shall review each district's annual
- 15 financial report and shall provide, within two (2) months of receipt, the
- 16 local board of education a written report indicating the financial status
- 17 of the district. The department's written report shall be posted on the
- 18 department's website~~[Web site]~~ and the district financial disclosure
- 19 website required in Section 3 of this Act~~[district's Web site]~~ for a
- 20 minimum of two (2) years.
- 21 2. The commissioner of education shall annually present to the Interim
- 22 Joint Committee on Education a copy of the department's written report
- 23 for each district.
- 24 (d) Nothing in this subsection shall lessen the obligation of a school district to
- 25 publish its financial statements in accordance with KRS 160.463.

26 ➔Section 3. KRS 160.463 is amended to read as follows:

- 27 (1) **The local board of education of each school district shall direct its superintendent**

1 to publish on the school district's main website a link to a district financial
2 disclosure website that contains:

3 (a) The following financial reports to be published monthly for the previous
4 month:

5 1. The accounts payable invoice vendor report;

6 2. The accounts payable check reconciliation report;

7 3. The balance sheet;

8 4. The vendor payment report from the start of the fiscal year to the date
9 of the report;

10 5. The monthly financial report required under Section 2 of this Act;

11 6. A summary of any purchases made through a district procurement
12 card; and

13 7. Credit card statements;

14 (b) The employment contract of the superintendent and any appendices or
15 amendments to the contract within five (5) days of the local board's
16 approval;

17 (c) The following annual reports:

18 1. By January 1 of each year, a report detailing any other compensation
19 provided to the superintendent during the past year beyond what is
20 reported under paragraph (b) of this subsection;

21 2. Upon receipt by the district under KRS 156.275, the district's
22 independent financial audit report; and

23 3. Upon adoption under Section 1 of this Act, the district's working
24 budget; and

25 (d) The reports required under Section 2 of this Act.

26 (2) (a) The ~~local[school]~~ board of education of each ~~school district~~[public school
27 system] shall direct its superintendent to publish the complete annual financial

1 statement and the school report card annually:

2 ~~1.1(a)~~ In the newspaper of the largest general circulation in the county;

3 ~~2.1(b)~~ Electronically on a website~~[Web-site]~~ of the school district; or

4 ~~3.1(c)~~ By printed copy at a prearranged site at the main branch of the
5 public library within the school district.

6 ~~(b)1(2)~~ If publication on a website~~[Web-site]~~ of the school district or by printed
7 copy at the public library is chosen, the superintendent shall be directed to
8 publish notification in the newspaper of the largest circulation in the county as
9 to the location where the document can be viewed by the public.

10 ~~(c)1(3)~~ The notification shall include the address of the library or the electronic
11 address of the website~~[Web-site]~~ where the documents can be viewed.

12 ~~(d)1(4)~~ Each system's financial statements shall be prepared and presented on a
13 basis consistent with that of the other systems.

14 ➔Section 4. KRS 157.440 is amended to read as follows:

15 (1) (a) Notwithstanding any statutory provisions to the contrary, effective for school
16 years beginning after July 1, 1990, the board of education of each school
17 district may levy an equivalent tax rate as defined in~~[subsection (9)(a) of]~~
18 KRS 160.470~~(8)~~(a) which will produce up to fifteen percent (15%) of those
19 revenues guaranteed by the program to support education excellence in
20 Kentucky. The levy for the 1990-91 school year shall be made no later than
21 October 1, 1989, and no later than October 1, 1990, for the 1991-92 school
22 year, and by October 1 of each odd-numbered year thereafter. Effective with
23 the 1990-91 school year, revenue generated by this levy shall be equalized at
24 one hundred fifty percent (150%) of the statewide average per pupil
25 assessment.

26 (b) To participate in the Facilities Support Program of Kentucky, the board of
27 education of each school district shall commit at least an equivalent tax rate of

1 five cents (\$0.05) to debt service, new facilities, or major renovations of
2 existing school facilities, or the purchase of land if approved by the
3 commissioner of education as provided in KRS 157.420(4)(b). The five cents
4 (\$0.05) shall be in addition to the thirty cents (\$0.30) required by KRS
5 160.470~~(8)~~~~(9)~~ and any levy pursuant to paragraph (a) of this subsection. The
6 levy shall be made no later than October 1 of each odd-numbered year.
7 Eligibility for equalization funds for the biennium shall be based on the
8 district funds committed to debt service on that date. The five cents (\$0.05)
9 shall be equalized at one hundred fifty percent (150%) of the statewide
10 average per pupil assessment. The equalization funds shall be committed to
11 debt service to the greatest extent possible, but any excess equalization funds
12 not needed for debt service shall be deposited to a restricted building fund
13 account. The funds may be escrowed for future debt service or used to address
14 categorical priorities listed in the approved facilities plan pursuant to KRS
15 157.420.

16 (c) The board of education of each school district may contribute the levy
17 equivalent tax rate of five cents (\$0.05) and equalization funds for energy
18 conservation measures under guaranteed energy savings contracts pursuant to
19 KRS 45A.345, 45A.352, and 45A.353. Use of these funds, as provided under
20 KRS 45A.353, 56.774, and 58.600 shall be based on the following guidelines:

- 21 1. Energy conservation measures shall include facility alteration;
- 22 2. Energy conservation measures shall be identified in the district's
23 approved facility plan pursuant to KRS 157.420;
- 24 3. The current facility systems are consuming excess maintenance and
25 operating costs;
- 26 4. The savings generated by the energy conservation measures are
27 guaranteed;

- 1 5. The levy equivalent tax rate of five cents (\$0.05) and equalization funds
2 contributed to the energy conservation measures shall be defined as
3 capital cost avoidance as provided in KRS 45A.345(2) and shall be
4 subject to the restrictions on usage as specified in KRS 45A.352(9); and
- 5 6. The equipment that is replaced has exceeded its useful life as
6 determined by a life cycle cost analysis.
- 7 (d) The rate levied by a district board of education under the provisions of this
8 subsection shall not be subject to the public hearing provisions of KRS
9 160.470~~(6)~~~~(7)~~ or to the recall provisions of KRS 160.470~~(7)~~~~(8)~~.
- 10 (e) A school district which is at or above the equivalent tax rates permitted under
11 the provisions of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts
12 ch. 476, shall not be required to levy an equivalent tax rate which is lower
13 than the rate levied during the 1989-90 school year.
- 14 (2) (a) A district may exceed the maximum provided by subsection (1) of KRS
15 160.470 provided that, upon request of the board of education of the district,
16 the county board of elections shall submit to the qualified voters of the
17 district, in the manner of submitting and voting as prescribed in paragraph (b)
18 of this subsection, the question whether a rate which would produce revenues
19 in excess of the maximum provided by subsection (1) of KRS 160.470 shall
20 be levied. The rate that may be levied under this section may produce revenue
21 up to no more than thirty percent (30%) of the revenue guaranteed by the
22 program to support education excellence in Kentucky plus the revenue
23 produced by the tax authorized by this section. Revenue produced by this levy
24 shall not be equalized with state funds. If a majority of those voting on the
25 question favor the increased rate, the tax levying authority shall, when the
26 next tax rate for the district is fixed, levy a rate not to exceed the rate
27 authorized by the voters.

1 (b) The election shall be held not less than fifteen (15) or more than thirty (30)
2 days from the time the request of the board is filed with the county clerk, and
3 reasonable notice of the election shall be given. The election shall be
4 conducted and carried out in the school district in all respects as required by
5 the general election laws and shall be held by the same officers as required by
6 the general election laws. The expense of the election shall be borne by the
7 school district.

8 (3) For the 1966 tax year and for all subsequent years for levies which were approved
9 prior to December 8, 1965, no district board of education shall levy a tax at a rate
10 under the provisions of this section which exceeds the compensating tax rate as
11 defined in KRS 132.010, except as provided in subsection (4) of this section and
12 except that a rate which has been approved by the voters under this section but
13 which was not levied by the district board of education in 1965 may be levied after
14 it has been reduced to the compensating tax rate as defined in KRS 132.010, and
15 except that in any school district where the rate levied in 1965 was less than the
16 maximum rate which had been approved by the voters, the compensating tax rate
17 shall be computed and may be levied as though the maximum approved rate had
18 been levied in 1965 and the amount of revenue which would have been produced
19 from such maximum levy had been derived therefrom.

20 (4) Notwithstanding the limitations contained in subsection (3) of this section, no tax
21 rate shall be set lower than that necessary to provide such funds as are required to
22 meet principal and interest payments on outstanding bonded indebtedness and
23 payments of rentals in connection with any outstanding school revenue bonds
24 issued under the provisions of KRS Chapter 162.

25 (5) The chief state school officer shall certify the compensating tax rate to the levying
26 authorities.

27 ➔Section 5. KRS 160.390 is amended to read as follows:

1 (1) The superintendent shall devote himself exclusively to his duties. He shall exercise
2 general supervision of the schools of his district, examine their condition and
3 progress, and keep himself informed of the progress in other districts. He shall
4 prepare or have prepared all budgets, salary schedules, and reports required of his
5 board by statute or the Kentucky Board of Education. He shall advise himself of
6 the need of extension of the school system of the district, shall receive and examine
7 reports from teachers and other school officers, and shall make reports from time to
8 time as required by the rules of his board or as directed by the board. He shall be
9 responsible to the board for the general condition of the schools. He shall be
10 responsible for all personnel actions including hiring, assignments, transfer,
11 dismissal, suspension, reinstatement, promotion, and demotion and reporting the
12 actions to the local board.

13 (2) All personnel actions by the superintendent as described in subsection (1) of this
14 section shall be recorded in the minutes of the local board of education at the next
15 meeting after the action is taken and shall not be effective prior to receipt of written
16 notice of the personnel action by the affected employee from the superintendent.

17 ➔Section 6. KRS 160.460 is amended to read as follows:

18 (1) All school taxes shall be levied by the board of education of each school district.
19 The tax-levying authority shall levy an ad valorem tax within the limits prescribed
20 in KRS 160.470, which will obtain for the school district the amount of money
21 needed as shown in the district's working~~[general-school]~~ budget submitted under
22 Section 1 of this Act~~[the provisions of KRS 160.470]~~.

23 (2) The tax-levying authority shall make an annual school levy not later than July 1.
24 The school levy shall not be made until the working~~[general-school]~~ budget has
25 been received and approved by the Kentucky Board of Education. The failure of the
26 authority to make the levy by the date prescribed shall not invalidate any levy made
27 thereafter.

1 (3) All school taxes shall be levied on all property subject to local taxation in the
2 jurisdiction of the tax-levying authority. If the school levy is to be made upon the
3 city assessment, which is hereby authorized for independent school districts
4 embraced by designated cities, the clerk of the city shall furnish to the school
5 district or districts which the city embraces, the assessed valuation of property
6 subject to local taxation in the school district, as determined by its tax assessor. If
7 the school levy is to be made upon the county assessment the county clerk shall
8 furnish to the proper school district or districts the assessed valuation of property
9 subject to local taxation in the district or districts, as certified by the Kentucky
10 Department of Revenue. No later than July 1, 1994, all real property located in the
11 state and subject to local taxation shall be assessed at one hundred percent (100%)
12 of fair cash value.

13 (4) As used in this section, "designated city" means a city classified as a city of the
14 first, second, third, or fourth class as of January 1, 2014, under the city
15 classification system in effect prior to January 1, 2015. The Department of
16 Education shall, on or before January 1, 2015, create an official registry listing the
17 cities that qualify as a "designated city" under this section and shall publish that
18 registry on its website~~[Web site]~~.

19 ➔Section 7. KRS 160.470 is amended to read as follows:

20 (1) (a) Notwithstanding any statutory provisions to the contrary, no district board of
21 education shall levy a general tax rate which will produce more revenue,
22 exclusive of revenue from net assessment growth as defined in KRS 132.010,
23 than would be produced by application of the general tax rate that could have
24 been levied in the preceding year to the preceding year's assessment, except as
25 provided in subsections (8) and (9)~~[(9) and (10)]~~ of this section and KRS
26 157.440.

27 (b) If an election is held as provided for in KRS 132.017 and the question should

1 fail, such failure shall not reduce the "...general tax rate that could have been
2 levied in the preceding year...", referred to in subsection (1)(a) of this section,
3 for purposes of computing the general tax rate for succeeding years.

4 In the event of a merger of school districts, the limitations contained in this section
5 shall be based upon the combined revenue of the merging districts, as computed
6 under the provisions of this section.

7 (2) No district board of education shall levy a general tax rate within the limits imposed
8 in subsection (1) of this section which respectively exceeds the compensating tax
9 rate defined in KRS 132.010, except as provided in subsections (8) and (9)~~[(9) and~~
10 ~~(10)]~~ of this section, KRS 157.440, and KRS 157.621, until the district board of
11 education has complied with the provisions of subsection (6)~~[(7)]~~ of this section.

12 (3) Upon receipt of property assessments from the Department of Revenue, the
13 commissioner of education shall certify the following to each district board of
14 education:

15 (a) The general tax rate that a district board of education could levy under the
16 provisions of subsection (1) of this section, and the amount of revenue
17 expected to be produced;

18 (b) The compensating tax rate as defined in KRS 132.010 for a district's general
19 tax rate the amount of revenue expected to be produced;

20 (c) The general tax rate which will produce, respectively, no more revenue from
21 real property, exclusive of revenue from new property, than four percent (4%)
22 over the amount of revenue produced by the compensating tax rate defined in
23 KRS 132.010, and the amount of revenue expected to be produced.

24 (4) Upon completion of action on property assessment data, the Department of
25 Revenue shall submit certified property assessment data as required in KRS
26 133.125 to the chief state school officer.

27 (5) Within thirty (30) days after the district board of education has received its

1 assessment data, the rates levied shall be forwarded to the Kentucky Board of
2 Education for its approval or disapproval. The failure of the district board of
3 education to furnish the rates within the time prescribed shall not invalidate any
4 levy made thereafter.

5 (6) ~~[(a) Each district board of education shall, on or before January 31 of each~~
6 ~~calendar year, formally and publicly examine detailed line item estimated~~
7 ~~revenues and proposed expenditures for the subsequent fiscal year. On or~~
8 ~~before May 30 of each calendar year, each district board of education shall~~
9 ~~adopt a tentative working budget which shall include a minimum reserve of~~
10 ~~two percent (2%) of the total budget.~~

11 ~~(b) Each district board of education shall submit to the Kentucky Board of~~
12 ~~Education no later than September 30, a close estimate or working budget~~
13 ~~which shall conform to the administrative regulations prescribed by the~~
14 ~~Kentucky Board of Education.~~

15 ~~(7)~~ (a) Except as provided in subsections (8) and (9) ~~[(9) and (10)]~~ of this section and
16 KRS 157.440, a district board of education proposing to levy a general tax
17 rate within the limits of subsection (1) of this section which exceed the
18 compensating tax rate defined in KRS 132.010 shall hold a public hearing to
19 hear comments from the public regarding the proposed tax rate. The hearing
20 shall be held in the principal office of the taxing district or, in the event the
21 taxing district has no office, or the office is not suitable for such a hearing, the
22 hearing shall be held in a suitable facility as near as possible to the geographic
23 center of the district.

24 (b) The district board of education shall advertise the hearing by causing the
25 following to be published at least twice for two (2) consecutive weeks, in the
26 newspaper of largest circulation in the county, a display type advertisement of
27 not less than twelve (12) column inches:

- 1 1. The general tax rate levied in the preceding year, and the revenue
- 2 produced by that rate;
- 3 2. The general tax rate for the current year, and the revenue expected to be
- 4 produced by that rate;
- 5 3. The compensating general tax rate, and the revenue expected from it;
- 6 4. The revenue expected from new property and personal property;
- 7 5. The general areas to which revenue in excess of the revenue produced in
- 8 the preceding year is to be allocated;
- 9 6. A time and place for the public hearing which shall be held not less than
- 10 seven (7) days nor more than ten (10) days after the day that the second
- 11 advertisement is published;
- 12 7. The purpose of the hearing; and
- 13 8. A statement to the effect that the General Assembly has required
- 14 publication of the advertisement and the information contained herein.
- 15 (c) In lieu of the two (2) published notices, a single notice containing the required
- 16 information may be sent by first-class mail to each person owning real
- 17 property, addressed to the property owner at his residence or principal place
- 18 of business as shown on the current year property tax roll.
- 19 (d) The hearing shall be open to the public. All persons desiring to be heard shall
- 20 be given an opportunity to present oral testimony. The district board of
- 21 education may set reasonable time limits for testimony.
- 22 ~~(7)~~~~(8)~~ (a) That portion of a general tax rate, except as provided in subsections (8)
- 23 and (9)~~(9) and (10)~~ of this section, KRS 157.440, and KRS 157.621, levied
- 24 by an action of a district board of education which will produce, respectively,
- 25 revenue from real property, exclusive of revenue from new property, more
- 26 than four percent (4%) over the amount of revenue produced by the
- 27 compensating tax rate defined in KRS 132.010, shall be subject to a recall

1 vote or reconsideration by the district board of education as provided for in
2 KRS 132.017, and shall be advertised as provided for in paragraph (b) of this
3 subsection.

4 (b) The district board of education shall, within seven (7) days following adoption
5 of an ordinance, order, resolution, or motion to levy a general tax rate, except
6 as provided in subsections (8) and (9)~~[(9) and (10)]~~ of this section and KRS
7 157.440, which will produce revenue from real property, exclusive of revenue
8 from new property as defined in KRS 132.010, more than four percent (4%)
9 over the amount of revenue produced by the compensating tax rate defined in
10 KRS 132.010, cause the following to be published, in the newspaper of largest
11 circulation in the county, a display type advertisement of not less than twelve
12 (12) column inches:

- 13 1. The fact that the district board of education has adopted such a rate;
- 14 2. The fact that the part of the rate which will produce revenue from real
15 property, exclusive of new property as defined in KRS 132.010, in
16 excess of four percent (4%) over the amount of revenue produced by the
17 compensating tax rate defined in KRS 132.010 is subject to recall; and
- 18 3. The name, address, and telephone number of the county clerk of the
19 county or urban-county in which the school district is located, with a
20 notation to the effect that that official can provide the necessary
21 information about the petition required to initiate recall of the tax rate.

22 (8)~~[(9)]~~ (a) Notwithstanding any statutory provisions to the contrary, effective for
23 school years beginning after June 30, 1990, the board of education of each
24 school district shall levy a minimum equivalent tax rate of thirty cents (\$0.30)
25 for general school purposes. Equivalent tax rate is defined as the rate which
26 results when the income collected during the prior year from all taxes levied
27 by the district for school purposes is divided by the total assessed value of

1 property plus the assessment for motor vehicles certified by the Department of
2 Revenue. School districts collecting school taxes authorized by KRS 160.593
3 to 160.597, 160.601 to 160.633, or 160.635 to 160.648 for less than twelve
4 (12) months during a school year shall have included in income collected
5 under this section the pro rata tax collection for twelve (12) months.

6 (b) Failure of a board to comply with paragraph (a) of this subsection may
7 constitute a forfeiture of office by its members pursuant to KRS 415.050 and
8 415.060.

9 ~~(9)~~~~(10)~~ A district board of education may levy a general tax rate that will produce
10 revenue from real property, exclusive of revenue from new property, that is four
11 percent (4%) over the amount of the revenue produced by the compensating tax rate
12 as defined in KRS 132.010.

13 ➔Section 8. KRS 160.473 is amended to read as follows:

14 (1) In the event that a general tax rate applicable to real property levied by a district
15 board of education will produce a percentage increase in revenue from personal
16 property less than the percentage increase in revenue from real property, the district
17 board of education may levy a general tax rate applicable to personal property
18 which will produce the same percentage increase in revenue from personal property
19 as the percentage increase in revenue from real property; however, in no event shall
20 the general tax rate levied by the district board of education applicable to personal
21 property exceed the prior year general tax rate applicable to personal property
22 levied by the respective district board of education.

23 (2) The general tax rate applicable to personal property levied by a district board of
24 education under the provisions of subsection (1) of this section shall not be subject
25 to the public hearing provisions of KRS 160.470~~(6)~~~~(7)~~ and to the recall provisions
26 of KRS 160.470~~(7)~~~~(8)~~.

27 ➔Section 9. KRS 160.530 is amended to read as follows:

1 The money collected by taxation under the provisions of KRS 160.460 to 160.520 and
2 other school money shall be expended by the board of education in accordance with the
3 working~~[recommendations contained in the]~~ budget submitted to and approved by the
4 Kentucky Board of Education.

5 ➔Section 10. KRS 160.550 is amended to read as follows:

6 (1) No superintendent shall recommend and no board member shall knowingly vote for
7 an expenditure in excess of the income and revenue of any year, as shown by the
8 working budget adopted by the board and approved by the Kentucky Board of
9 Education, except for a purpose for which bonds have been voted or in case of an
10 emergency declared by the Kentucky Board of Education.

11 (2) Any school district having authorized an expenditure in violation of subsection (1)
12 of this section may be so certified at any time by the Kentucky Board of Education.
13 A district so certified shall thereafter, any contrary statutory provisions
14 notwithstanding, make no expenditure of money, give no authorization involving
15 the expenditure of money, and make no employment, purchase, or contract, unless
16 the chief state school officer has approved in writing, as fiscally sound and
17 necessary, the expenditure, authorization, employment, purchase, or contract. Any
18 expenditure, authorization, employment, purchase, or contract made in violation of
19 this subsection shall be void.

20 (3) Any school district subject to the provisions of subsection (2) of this section shall so
21 remain until such time as the Kentucky Board of Education has approved, in
22 conformity with KRS 160.470, a working budget for the district for a succeeding
23 fiscal year.

24 (4) In addition to the penalties set forth in KRS 160.990, any person who knowingly
25 expends or authorizes the expenditure of school district funds or who knowingly
26 authorizes or executes any employment, purchase, or contract, in violation of this
27 section, shall be jointly and severably liable in person and upon any official bond he

1 has given to such district to the extent of any payments on the void claim. For
2 purposes of this section, "knowingly" shall mean a person acts with respect to
3 conduct or to a circumstance described by a statute defining an offense when he is
4 aware that his conduct is of that nature or that the circumstance exists.

5 ➔Section 11. Upon the effective date of this Act, the school board of each school
6 district shall direct its superintendent publish on the district financial disclosure website
7 required in Section 3 of this Act the most recent information available to the district for
8 the items listed in subsection (1) of Section 3 of this Act.