

1 percent and shall provide a financial report for those districts at each meeting of the  
2 Kentucky Board of Education.

3 **26. Report on Local School District Administrative Expenditures:** It is the  
4 intent of the General Assembly that, pursuant to its constitutional mandate to provide for  
5 an efficient system of common schools, local school districts shall reduce their  
6 administrative costs to the extent feasible in order to provide quality instruction for all  
7 students in the Commonwealth.

8 Each local school district shall submit a report to the Legislative Research  
9 Commission and the Department of Education no later than December 1 of each fiscal  
10 year, which shall include:

11 (1) All expenses charged to the Instruction (1XXX), Student Support Services  
12 (21XX), Instructional Staff Support Services (22XX), District Administrative Support  
13 Services (23XX), School Administrative Support Services (24XX), and Business Support  
14 Services (25XX) function codes in the "MUNIS Uniform Chart of Accounts" (revised  
15 effective July 1, 2017), delineated by the relevant subfunction codes, for the previous  
16 fiscal year;

17 (2) A comparison of the previous fiscal year's expenses, as detailed in subsection  
18 (1) of this section, with the same expenses in the preceding fiscal year;

19 (3) A detailed section explaining steps taken to reduce administrative  
20 expenditures while maintaining and expanding instructional expenditures; and

21 (4) A copy of the district's policy for maintaining a reserve fund balance in  
22 compliance with appropriate government and accounting standards.

23 The Department of Education shall submit a report to the Legislative Research  
24 Commission by December 31 of each fiscal year verifying the information submitted by  
25 local school districts in subsections (1) and (2) of this section.

26 **27. Faculty Employment:** Notwithstanding KRS 164.230 and 164.360, each  
27 Board of Regents or Board of Trustees of a state-funded university or the Kentucky