

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute for Senate Bill No. 243, Page 32, Section 162.1250, Line 100, by inserting after all of said section and line the following:

“165.011. 1. The following funds are created for the accounting of all school moneys: teachers' fund, incidental fund, capital projects fund and debt service fund. The treasurer of the school district shall open an account for each fund specified in this section, and all moneys received from the county school fund and all moneys derived from taxation for teachers' wages shall be placed to the credit of the teachers' fund. All tuition fees, state moneys received under section 163.031, and all other moneys received from the state except as herein provided shall be placed to the credit of the teachers' and incidental funds at the discretion of the district board of education, except as provided in subsection 6 of section 163.031. Money received from other districts for transportation and money derived from taxation for incidental expenses shall be credited to the incidental fund. All money derived from taxation or received from any other source for the erection of buildings or additions thereto and the remodeling or reconstruction of buildings and the furnishing thereof, for the payment of lease-purchase obligations, for the purchase of real estate, or from sale of real estate, schoolhouses or other buildings of any kind, or school furniture, from insurance, from sale of bonds other than refunding bonds shall be placed to the credit of the capital projects fund. All moneys derived from the sale or lease of sites, buildings, facilities, furnishings, and equipment by a school district as authorized under section 177.088 shall be credited to the capital projects fund. Money derived from taxation for the retirement of bonds and the payment of interest thereon shall be credited to the debt service fund, which shall be maintained as a separate bank account. Receipts from delinquent taxes shall be allocated to the several funds on the same basis as receipts from current taxes, except that where the previous years' obligations of the district would be affected by such distribution, the delinquent taxes shall be distributed according to the tax levies made for the years in which the obligations were incurred. All refunds received shall be placed to the credit of the fund from which the original expenditures were made. Money donated to the school districts shall be placed to the credit of the fund where it can be expended to meet the purpose for which it was donated

1 and accepted. Money received from any other source whatsoever shall be placed to the credit of
2 the fund or funds designated by the board.

3 2. The school board may transfer any portion of the unrestricted balance remaining in the
4 incidental fund to the teachers' fund. Any district that uses an incidental fund transfer to pay for
5 more than twenty-five percent of the annual certificated compensation obligation of the district
6 and has an incidental fund balance on June thirtieth in any year in excess of fifty percent of the
7 combined incidental teachers' fund expenditures for the fiscal year just ended shall be required to
8 transfer the excess from the incidental fund to the teachers' fund. If a balance remains in the debt
9 service fund, after the total outstanding indebtedness for which the fund was levied is paid, the
10 board may transfer the unexpended balance to the capital projects fund. If a balance remains in
11 the bond proceeds after completion of the project for which the bonds were issued, the balance
12 shall be transferred from the incidental or capital projects fund to the debt service fund. After
13 making all placements of interest otherwise provided by law, a school district may transfer from
14 the capital projects fund to the incidental fund the interest earned from undesignated balances in
15 the capital projects fund. A school district may borrow from one of the following funds: teachers'
16 fund, incidental fund, or capital projects fund, as necessary to meet obligations in another of those
17 funds; provided that the full amount is repaid to the lending fund within the same fiscal year.

18 3. Tuition shall be paid from either the teachers' or incidental funds. Employee benefits
19 for certificated staff shall be paid from the teachers' fund.

20 4. Other provisions of law to the contrary notwithstanding, the school board of a school
21 district that meets the provisions of subsection 6 of section 163.031 may transfer from the
22 incidental fund to the capital projects fund the sum of:

23 (1) The amount to be expended for transportation equipment that is considered an
24 allowable cost under state board of education rules for transportation reimbursements during the
25 current year; plus

26 (2) Any amount necessary to satisfy obligations of the capital projects fund for
27 state-approved area vocational- technical schools; plus

28 (3) Current year obligations for lease-purchase obligations entered into prior to January 1,
29 1997; plus

30 (4) The amount necessary to repay costs of one or more guaranteed energy savings
31 performance contracts to renovate buildings in the school district, provided that the contract is
32 only for energy conservation measures as defined in section 640.651 and provided that the
33 contract specifies that no payment or total of payments shall be required from the school district
34 until at least an equal total amount of energy and energy-related operating savings and payments
35 from the vendor pursuant to the contract have been realized by the school district; plus

36 (5) An amount not to exceed the greater of:

1 (a) One hundred sixty-two thousand three hundred twenty- six dollars; or

2 (b) Seven percent of the state adequacy target multiplied by the district's weighted average
3 daily attendance, provided that transfer amounts in excess of current year obligations of the capital
4 projects fund authorized under this subdivision may be transferred only by a resolution of the
5 school board approved by a majority of the board members in office when the resolution is voted
6 on and identifying the specific capital projects to be funded directly by the district by the
7 transferred funds and an estimated expenditure date.

8 5. Beginning in the 2006-07 school year, a district meeting the provisions of subsection 6
9 of section 163.031 and not making the transfer under subdivision (5) of subsection 4 of this
10 section, nor making payments or expenditures related to obligations made under section 177.088
11 may transfer from the incidental fund to the debt service fund or the capital projects fund the
12 greater of:

13 (1) The state aid received in the 2005-06 school year as a result of no more than eighteen
14 cents of the sum of the debt service and capital projects levy used in the foundation formula and
15 placed in the respective debt service or capital projects fund, whichever fund had the designated
16 tax levy; or

17 (2) Five percent of the state adequacy target multiplied by the district's weighted average
18 daily attendance.

19 6. Beginning in the 2006-07 school year, the department of elementary and secondary
20 education shall deduct from a school district's state aid calculated pursuant to section 163.031 an
21 amount equal to the amount of any transfer of funds from the incidental fund to the capital
22 projects fund or debt service fund performed during the previous year in violation of this section;
23 except that the state aid shall be deducted over no more than five school years following the
24 school year of an unlawful transfer based on a plan from the district approved by the
25 commissioner of elementary and secondary education.

26 7. A school district may transfer unrestricted funds from the capital projects fund to the
27 incidental fund in any year [in which that year's June thirtieth combined incidental and teachers'
28 funds unrestricted balance compared to the combined incidental and teachers' funds expenditures
29 would be less than ten percent without such transfer] to avoid becoming financially stressed as
30 defined in subsection 1 of section 161.520. If on June thirtieth of any fiscal year the sum of
31 unrestricted balances in a school district's incidental fund and teacher's fund is less than twenty
32 percent of the sum of the school district's expenditures from those funds for the fiscal year ending
33 on that June thirtieth, the school district may, during the next succeeding fiscal year, transfer to its
34 incidental fund an amount up to and including the amount of the unrestricted balance in its capital
35 projects fund on that June thirtieth. For purposes of this subsection, in addition to any other
36 restrictions that may apply to funds in the school district's capital projects fund, any funds that are

1 derived from the proceeds of one or more general obligation bond issues shall be considered
2 restricted funds and shall not be transferred to the school district's incidental fund.” ; and
3

4 Further amend said bill, Page 40, Section B, Line 1, by inserting immediately after the word “to”
5 the following:

6 “prevent districts from becoming classified as financially stressed and” ; and
7

8 Further amend said bill, page, and section, Lines 3 and 6, by deleting the words “section 167.131”
9 and inserting in lieu thereof the following:

10 “sections 165.011 and 167.131”; and
11

12 .
13 Further amend said bill by amending the title, enacting clause, and intersectional references
14 accordingly.
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