

HB 333 -- Transfers of School District Funds

Co-Sponsors: Merideth, Myers, Hunter, Wallace

Currently, school districts must have a levy in the capital projects fund sufficient to cover any lease purchase made after January 1, 1997, in order to spend funds on such a purchase. This bill removes that requirement. Current law permits transfers from the incidental fund to the capital projects fund in amounts not to exceed 9% of the district's line 1 entitlement for state aid; the bill adds a requirement that amounts spent for classroom instructional capital outlay be subtracted from the entitlement amount and requires identification in a school board resolution of those capital projects that are funded directly by the district.

Transfers from the incidental fund to the capital project fund that are permitted before the transfers made under the conditions specified in subsection 4 (non-grandfathered transfers) currently require a school district to meet the minimum operating levy requirement; this requirement is deleted and replaced by a requirement that districts must be in compliance with certificated salary percentage requirements or have paid any penalties for their violation as of the second preceding year.

The bill also creates a new set of conditions under which transfers may be made to decrease interest costs on lease purchases. Among the conditions are a cash reserve in operating funds of at least 15% of expenditures, an operating levy of at least \$2.75 during the transfer year and each of the two previous years, demonstrated salary compliance, and equalling or exceeding the average teacher statewide or senatorial district salary for three consecutive years prior to the transfer year.