

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 937
95TH GENERAL ASSEMBLY

2314L.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 165.011, RSMo, and to enact in lieu thereof one new section relating to the capital projects fund.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 165.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 165.011, to read as follows:

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, RSMo, 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, RSMo. 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, RSMo, shall be credited to the capital projects fund. Money derived from taxation for the retirement of bonds and the payment of interest thereon

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 shall be credited to the debt service fund, which shall be maintained as a separate bank account.
20 Receipts from delinquent taxes shall be allocated to the several funds on the same basis as
21 receipts from current taxes, except that where the previous years' obligations of the district would
22 be affected by such distribution, the delinquent taxes shall be distributed according to the tax
23 levies made for the years in which the obligations were incurred. All refunds received shall be
24 placed to the credit of the fund from which the original expenditures were made. Money donated
25 to the school districts shall be placed to the credit of the fund where it can be expended to meet
26 the purpose for which it was donated and accepted. Money received from any other source
27 whatsoever shall be placed to the credit of the fund or funds designated by the board.

28 2. The school board may transfer any portion of the unrestricted balance remaining in
29 the incidental fund to the teachers' fund. Any district that uses an incidental fund transfer to pay
30 for more than twenty-five percent of the annual certificated compensation obligation of the
31 district and has an incidental fund balance on June thirtieth in any year in excess of fifty percent
32 of the combined incidental teachers' fund expenditures for the fiscal year just ended shall be
33 required to transfer the excess from the incidental fund to the teachers' fund. If a balance remains
34 in the debt service fund, after the total outstanding indebtedness for which the fund was levied
35 is paid, the board may transfer the unexpended balance to the capital projects fund. If a balance
36 remains in the bond proceeds after completion of the project for which the bonds were issued,
37 the balance shall be transferred from the incidental or capital projects fund to the debt service
38 fund. After making all placements of interest otherwise provided by law, a school district may
39 transfer from the capital projects fund to the incidental fund the interest earned from
40 undesignated balances in the capital projects fund. A school district may borrow from one of the
41 following funds: teachers' fund, incidental fund, or capital projects fund, as necessary to meet
42 obligations in another of those funds; provided that the full amount is repaid to the lending fund
43 within the same fiscal year.

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

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

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

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

54 (3) Current year obligations for lease-purchase obligations entered into prior to January
55 1, 1997; plus

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

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

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

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

70 5. Beginning in the 2006-07 school year, a district meeting the provisions of subsection
71 6 of section 163.031, RSMo, and not making the transfer under subdivision (5) of subsection 4
72 of this section, nor making payments or expenditures related to obligations made under section
73 177.088, RSMo, may transfer from the incidental fund to the debt service fund or the capital
74 projects fund the greater of:

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

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

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

88 7. A school district may transfer unrestricted funds from the capital projects fund to the
89 incidental fund in any year in which that year's June thirtieth combined incidental and teachers'

90 funds unrestricted balance compared to the combined incidental and teachers' funds expenditures
91 would be less than ten percent without such transfer.

92 **8. The transfer limitations of subdivision (5) of subsection 4 of this section are**
93 **waived for the 2009-2010 and 2010-2011 school years to allow the district flexibility as it**
94 **expends money from the American Recovery and Reinvestment Act of 2009 limited to**
95 **funds received from such act, provided that transfer amounts in excess of current year**
96 **obligations of the capital projects fund authorized under subdivision (5) of subsection 4 of**
97 **this section may be transferred only by a resolution of the school board approved by a**
98 **majority of the board members in office when the resolution is voted on and identifying the**
99 **specific capital projects to be funded directly by the district by the transferred funds and**
100 **an estimated expenditure date.**

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