

SECOND REGULAR SESSION

SENATE BILL NO. 988

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

4355S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 165.011, RSMo, and to enact in lieu thereof one new section relating to school district bond proceeds.

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Section A. Section 165.011, RSMo, is repealed and one new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

165.011. 1. The following funds are created for the
2 accounting of all school moneys: "Teachers' Fund",
3 "Incidental Fund", "Capital Projects Fund" and "Debt Service
4 Fund". The treasurer of the school district shall open an
5 account for each fund specified in this section, and all
6 moneys received from the county school fund and all moneys
7 derived from taxation for teachers' wages shall be placed to
8 the credit of the teachers' fund. All tuition fees, state
9 moneys received under section 163.031, and all other moneys
10 received from the state except as herein provided shall be
11 placed to the credit of the teachers' and incidental funds
12 at the discretion of the district board of education, except
13 as provided in subsection 5 of section 163.031. Money
14 received from other districts for transportation and money
15 derived from taxation for incidental expenses shall be
16 credited to the incidental fund. All money derived from
17 taxation or received from any other source for the erection
18 of buildings or additions thereto and the remodeling or

19 reconstruction of buildings and the furnishing thereof, for
20 the payment of lease-purchase obligations, for the purchase
21 of real estate, or from sale of real estate, schoolhouses or
22 other buildings of any kind, or school furniture, from
23 insurance, from sale of bonds other than refunding bonds
24 shall be placed to the credit of the capital projects fund.

25 All moneys derived from the sale or lease of sites,
26 buildings, facilities, furnishings, and equipment by a
27 school district as authorized under section 177.088 shall be
28 credited to the capital projects fund. Money derived from
29 taxation for the retirement of bonds and the payment of
30 interest thereon shall be credited to the debt service fund,
31 which shall be maintained as a separate bank account.

32 Receipts from delinquent taxes shall be allocated to the
33 several funds on the same basis as receipts from current
34 taxes, except that where the previous years' obligations of
35 the district would be affected by such distribution, the
36 delinquent taxes shall be distributed according to the tax
37 levies made for the years in which the obligations were
38 incurred. All refunds received shall be placed to the
39 credit of the fund from which the original expenditures were
40 made. Money donated to the school districts shall be placed
41 to the credit of the fund where it can be expended to meet
42 the purpose for which it was donated and accepted. Money
43 received from any other source whatsoever shall be placed to
44 the credit of the fund or funds designated by the board.

45 2. The school board may transfer any portion of the
46 unrestricted balance remaining in the incidental fund to the
47 teachers' fund. Any district that uses an incidental fund
48 transfer to pay for more than twenty-five percent of the
49 annual certificated compensation obligation of the district
50 and has an incidental fund balance on June thirtieth in any

51 year in excess of fifty percent of the combined incidental
52 teachers' fund expenditures for the fiscal year just ended
53 shall be required to transfer the excess from the incidental
54 fund to the teachers' fund. If a balance remains in the
55 debt service fund, after the total outstanding indebtedness
56 for which the fund was levied is paid, the board may
57 transfer the unexpended balance to the capital projects
58 fund. If a balance remains in the bond proceeds after
59 completion of the project for which the bonds were issued,
60 **as specified in the bond offering documents**, the balance
61 shall be transferred from the incidental or capital projects
62 fund to the debt service fund. After making all placements
63 of interest otherwise provided by law, a school district may
64 transfer from the capital projects fund to the incidental
65 fund the interest earned from undesignated balances in the
66 capital projects fund. A school district may borrow from
67 one of the following funds: teachers' fund, incidental
68 fund, or capital projects fund, as necessary to meet
69 obligations in another of those funds; provided that the
70 full amount is repaid to the lending fund within the same
71 fiscal year.

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

75 4. Other provisions of law to the contrary
76 notwithstanding, the school board of a school district that
77 meets the provisions of subsection 5 of section 163.031 may
78 transfer from the incidental fund to the capital projects
79 fund the sum of:

80 (1) The amount to be expended for transportation
81 equipment that is considered an allowable cost under state

board of education rules for transportation reimbursements during the current year; plus

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

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

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

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

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

(b) Seven percent of the state adequacy target multiplied by the district's weighted average daily attendance,

provided that transfer amounts in excess of current year obligations of the capital projects fund authorized under this subdivision may be transferred only by a resolution of the school board approved by a majority of the board members in office when the resolution is voted on and identifying the specific capital projects to be funded directly by the district by the transferred funds and an estimated expenditure date.

113 5. Beginning in the 2006-07 school year, a district
114 meeting the provisions of subsection 5 of section 163.031
115 and not making the transfer under subdivision (5) of
116 subsection 4 of this section, nor making payments or
117 expenditures related to obligations made under section
118 177.088 may transfer from the incidental fund to the debt
119 service fund or the capital projects fund the greater of:

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

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

129 6. Beginning in the 2006-07 school year, the
130 department of elementary and secondary education shall
131 deduct from a school district's state aid calculated
132 pursuant to section 163.031 an amount equal to the amount of
133 any transfer of funds from the incidental fund to the
134 capital projects fund or debt service fund performed during
135 the previous year in violation of this section; except that
136 the state aid shall be deducted over no more than five
137 school years following the school year of an unlawful
138 transfer based on a plan from the district approved by the
139 commissioner of elementary and secondary education.

140 7. A school district may transfer unrestricted funds
141 from the capital projects fund to the incidental fund in any
142 year to avoid becoming financially stressed as defined in
143 subsection 1 of section 161.520. If on June thirtieth of
144 any fiscal year the sum of unrestricted balances in a school

145 district's incidental fund and teacher's fund is less than
146 twenty percent of the sum of the school district's
147 expenditures from those funds for the fiscal year ending on
148 that June thirtieth, the school district may, during the
149 next succeeding fiscal year, transfer to its incidental fund
150 an amount up to and including the amount of the unrestricted
151 balance in its capital projects fund on that June
152 thirtieth. For purposes of this subsection, in addition to
153 any other restrictions that may apply to funds in the school
154 district's capital projects fund, any funds that are derived
155 from the proceeds of one or more general obligation bond
156 issues shall be considered restricted funds and shall not be
157 transferred to the school district's incidental fund.

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