

HOUSE RESEARCH

Bill Summary

FILE NUMBER: HF 605

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Subject: Operating Capital Account Deficit; Austin School District

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Overview

Minnesota Statutes, section 123B.78, subdivision 5, prohibits a school district from running a deficit in its operating capital account in the general fund for more than three years in a row. Section 123B.78, subdivision 5, reads as follows:

Subd. 5. Deficit for capital projects. Upon approval by the commissioner, a district may incur a deficit in the reserve for operating capital account for a period not to exceed three years to provide money for capital projects. The commissioner shall approve a description of the project and a financial plan to recover the deficit prior to the initiation of the project.

HF 605 authorizes independent school district No. 492, Austin, to carry a deficit in its operating capital account in the general fund for up to ten years. The Austin school district is expecting to receive 10 annual payments from a local foundation to help pay for improvements to Westcott Field.

Section

- 1 **Operating capital account deficit; Austin.** Authorizes independent school district No. 492, Austin, to carry a deficit in its operating capital account in the general fund for up to ten years. Requires the district to deposit any contributions its receives for the Westcott Field renovation project into the operating capital account.