

# HOUSE RESEARCH

## Bill Summary

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### Overview

**“Statutory operating debt” is the term that is used to describe a district’s financial condition when a district’s net negative unreserved general fund balance is more than 2.5 percent of its total expenditures for the same funds. A school district that is in statutory operating debt must develop a special operating plan to eliminate the debt. The district’s plan must be approved by the commissioner of education. As of June 30, 2008, 13 school districts and five charter schools were in statutory operating debt. This bill authorizes districts in statutory operating debt to suspend the contents of their special operating plans for fiscal years 2010 and 2011 only.**

### Section

- 1 Special operating plan.** Authorizes a school board of a district in statutory operating debt to suspend its special operating plan for fiscal years 2010 and 2011 after conducting a public meeting on the topic. Requires the district to notify the Department of Education of its action within 30 days of the school district vote to suspend the plan.