

**PROPOSED AMENDMENTS TO  
SENATE BILL 1525**

1 On page 1 of the printed bill, line 3, after the semicolon insert “appro-  
2 priating money;”.

3 On page 11, after line 10, insert:

4 **“SECTION 14. (1) As used in this section, ‘financially troubled  
5 school district’ means a school district that:**

6 **“(a) Has an accumulated negative balance for the general fund of  
7 the school district; and**

8 **“(b) Does not have reserve funds that are sufficient to bring the  
9 balance of the general fund of the school district to a positive balance.**

10 **“(2) A financially troubled school district may request the Depart-  
11 ment of Education to provide financial assistance to the school district  
12 as provided by this section.**

13 **“(3)(a) Upon receiving a request for financial assistance from a fi-  
14 nancially troubled school district, the department shall form an advi-  
15 sory committee to review the school district’s financial condition and  
16 the causes that led to the school district’s financial situation.**

17 **“(b) An advisory committee formed under this subsection must in-  
18 clude members who represent:**

19 **“(A) The Department of Education;**

20 **“(B) The Division of Audits of the Office of the Secretary of State;**

21 **“(C) The Department of Revenue;**

22 **“(D) School administrators; and**

1       **“(E) School board members.**

2       **“(4)(a) If the advisory committee agrees with the request made by**  
3 **a financially troubled school district for financial assistance, the ad-**  
4 **visory committee may recommend to the State Board of Education**  
5 **that financial assistance be provided to the school district.**

6       **“(b) The board may provide financial assistance to a financially**  
7 **troubled school district by entering into an agreement with the school**  
8 **district to make a loan to the school district. A loan made as provided**  
9 **by this paragraph:**

10       **“(A) May not exceed \$400,000;**

11       **“(B) Shall be interest free;**

12       **“(C) Must be repaid within four years after entering into the**  
13 **agreement; and**

14       **“(D) Must be repaid from amounts that otherwise would have been**  
15 **distributed to the school district from the State School Fund.**

16       **“(5) The Superintendent of Public Instruction shall transfer from**  
17 **the State School Fund to the General Fund any amounts withheld**  
18 **from a financially troubled school district as repayment for a loan**  
19 **made under this section.**

20       **“(6) A school district that receives financial assistance under this**  
21 **section shall submit quarterly financial reports to the advisory com-**  
22 **mittee for review until the loan is repaid in full.**

23       **“(7) The State Board of Education, on recommendation of the ad-**  
24 **visory committee, may order changes in the financial policies of the**  
25 **school district until the loan is repaid in full.**

26       **“SECTION 15. Section 14 of this 2014 Act is repealed on December**  
27 **31, 2017.**

28       **“SECTION 16. In addition to and not in lieu of any other appropri-**  
29 **ation, there is appropriated to the Department of Education, for the**  
30 **biennium beginning July 1, 2013, out of the General Fund, the amount**

1 **of \$400,000, which may be expended for loans to financially troubled**  
2 **school districts as provided by section 14 of this 2014 Act.”.**

3 In line 11, delete “14” and insert “17”.

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