

Harrisburg School District	NEPN Code: FC
Policy Manual	

FACILITIES CAPITALIZATION PROGRAM

To finance the facilities program, the Board, as established by law, may at its discretion authorize an annual tax levy not to exceed the levy set by the legislature on the taxable valuation of the district for the capital outlay fund. The Board may also issue and sell capital outlay certificates. Money received from the sale of these certificates will also be placed in the capital outlay fund.

The capital outlay fund is a fund provided by law to meet expenditures on one thousand dollars or more for the purchase of land; improvement of grounds; construction of, additions to and remodeling of facilities; or for the purchase of equipment. It may also be used for installment or lease-purchase payments for the purchase of real property, facilities or equipment, where the installment or lease purchase contract does not exceed 20 years, and for the payment of the principal and interest of capital outlay certificates. When used for the purchase of capital outlay certificates and the payment of installment or lease-purchase contracts, the total accumulated unpaid principal balances cannot exceed three percent of the taxable valuation.

During the period of time beginning on July 1, 2009, and ending on June 30, 2018, any school district may make payments from its capital outlay fund for the purchase of property insurance and casualty insurance, for payments for energy costs and the cost of utilities, and for motor fuel or for any portion of a contract providing transportation to students or for any mileage reimbursements. However, the total amount that a school district expends from its capital outlay fund for these expenses may not exceed forty-five percent of the total tax revenues deposited in that fund during the current school fiscal year, and for any school district with a current tax levy for the capital outlay fund that is greater than its tax levy for the capital outlay fund in the school fiscal year 2008, the total amount expended from the capital outlay fund for these expenses may not exceed forty-five percent of the total tax revenues that would have been deposited in that fund during the current school fiscal year if the tax levy for the capital outlay fund had not been increased since 2008.

The capital outlay fund may be used to purchase textbooks and instructional software. The capital outlay fund may be used to purchase warranties on capital assets only if the warranties do not include supplies.

Construction of new facilities, or of additions to facilities which will require advertising for bids, must have a public hearing at least 10 days prior to the advertisement of any contract specifications. Following this public hearing and approval of the Board, the district may use the capital outlay fund for payment of the new construction or addition; however, the district may not change the originally advertised use of the fund without holding another public hearing.

In accordance with law, the Board will develop and maintain a five-year plan on the annual projected revenues and expenditures for the capital outlay fund. The projected expenditures will itemize the projected costs for new or additional facilities.

Legal References: SDCL 13-16-6 (Definition and use of capital outlay fund)
SDCL 13-16-6.1 (Bidders on installment purchases or lease)
SDCL 13-16-6.2 (Capital outlay certificates authorized)
SDCL 13-16-6.3 (Hearing on installment purchase)
SDCL 13-16-6.4 (Referendum petition and election on installment purchase)
SDCL 13-16-7 (Additional tax levy for certain funds or obligations)
SDCL 13-16-8 (Bond and certificate proceeds placed in capital outlay fund)
SDCL 13-16-9.3 (Public hearing for use of capital outlay fund)

Adopted: April 28, 2014

Revised: