



**Department of Public Instruction**  
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Dr. Wayne G. Sanstead  
State Superintendent

**To:** Education Committee

**From:** Jerry Coleman  
Director - School Finance

**Date:** October 12, 2010

**Re:** HB 1400 Section 51 – Use of New Money

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Section 51 of HB 1400 directs school districts to use at least 70% of all new money received by the district for per student payments and supplemental operations grants to increase the compensation paid to teachers, counselors, and career advisors and to provide compensation paid to teachers, counselors, and career advisors who begin employment with the district on or after July 1, 2009.

This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence is accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

Within ten days of the vote, the school board is required to notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination.

The Department has not received any notices related this requirement during the current biennium.