



**FPP: Chart of Accounts Discussion Item:**

**1. Question or Issue:**

Creation of Total Program Reserve Fund and related restricted fund balance code. At the time of initial discussion, no district would have been immediately impacted by the legislation. However beginning in 2019-2020, one school district will require this statutorily created fund. Pursuant to HB 16-1422, §22-45-103 (k), the following total program reserve fund is created for each school district, as needed:

A district shall deposit the property tax revenues that it collects from a tax levy imposed pursuant to §22-54-107(5) in the Total Program Reserve Fund. The district may expend money from the Total Program Reserve Fund only to offset the amount of a reduction in the district’s state share caused by application of the negative factor pursuant to §22-54-104(5)(g); except that, in a budget year in which the district levies for its total program the number of mills calculated pursuant to §22-54-106(2)(a)(II), if the balance of the total program reserve fund exceeds an amount equal to the district’s total program for that budget year multiplied by the negative factor calculated pursuant to §22-54-104(5)(g) for that budget year, the district may expend the amount of the excess balance. Any money remaining in the fund at the end of a fiscal year must remain in the fund and may be used in future years only as provided in this paragraph (k).

**2. Any Prior FPP Action:**

Discussed and tabled May 6, 2016  
 Discussed and no action taken June 24, 2016

**3. Discussion Points/Department Recommendation or Observations (if any)::**

§22-45-103(1)(k) creates a total program reserve fund. Property tax revenues collected from a tax levy imposed per §22-54-107(5) are deposited into this fund. The use of these funds are restricted by statute.

Fund 07 special revenue fund created as the Total Program Reserve Fund  
 The expenditures in the fund are restricted to specifically offset a revenue change as specified in statute. The expenditures, in total, are limited to this purpose and the fund is used to demonstrate that resources were expended, and limited in dollar amount, to this purpose.

Restricted fund balance code 6728 created as the Total Program Reserve

**4. FPP Action, Decision Made:**

**5. Further Action/Research Needed/Table for Future Meeting:**

**6. Effective Date:**

July 1, 2019

