**123B.83 EXPENDITURE LIMITATIONS.**

Subdivision 1. MS 2004 [Repealed, 1Sp2005 c 5 art 1 s 55]

Subd. 2. **Net unreserved general fund balances.** A school district must limit its expenditures so that its net unreserved general fund balance does not constitute statutory operating debt under section 123B.81.

Subd. 3. **Failure to limit expenditures.** If a district does not limit its expenditures in accordance with this section, the commissioner may so notify the appropriate committees of the legislature by no later than February 15 of the year following the end of that fiscal year.

Subd. 4. **Special operating plan.** (a) If the net negative unreserved general fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than 2-1/2 percent of the year's expenditure amount, the district must, prior to January 31 of the next fiscal year, submit a special operating plan to reduce the district's deficit expenditures to the commissioner for approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all high school graduation requirements.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner must not receive any aid pursuant to chapters 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A until a special operating plan of the district is so approved.

(b) A district must receive aids pending the approval of its special operating plan under paragraph (a). A district which complies with its approved operating plan must receive aids as long as the district continues to comply with the approved operating plan.

**History:** *1976 c 271 s 33; 1977 c 447 art 7 s 13,14; 1979 c 334 art 6 s 5; 1980 c 609 art 7 s 8; 1981 c 358 art 7 s 11; 1986 c 444; 1987 c 398 art 7 s 42; 1990 c 562 art 8 s 8; 1991 c 130 s 37; 1991 c 265 art 11 s 7; 1992 c 499 art 12 s 29; 1Sp1995 c 3 art 16 s 13; 1996 c 412 art 1 s 4; 1998 c 397 art 6 s 36,124; art 11 s 3; 1999 c 241 art 9 s 21; 2000 c 489 art 6 s 11; 1Sp2005 c 5 art 1 s 8; 2007 c 146 art 11 s 7; 2009 c 96 art 1 s 7*