

Title of Regulation:

Regulation No.: R 43-171.1

**DISBURSEMENT OF FUNDS FOR
PRESSING REPAIRS, RENOVATIONS
AND CONSTRUCTION**

Effective Date: June 1985

Constitutional and Statutory Provisions:

Sections:

59-21-320. Annual grant for financing needed capital improvements.

59-21-420. Funds for renovation, capital improvement, or repair of classrooms, etc., or reduction of millage as to bonds.

59-21-430. Use of funds within specified time.

Code of Laws of South Carolina, 1976.

Descriptor Code: None

State Board Regulation:

Disbursement of Funds for Pressing Repairs, Renovations and Construction

I. ALLOCATION OF FUNDS

Funds will be allocated to the district annually on a per pupil basis, based on the districts' 135-day cumulative average daily membership for the previous fiscal year. These funds are to be kept in an account separate from all other funds allocated from the State General Fund.

II. QUALIFICATION CRITERIA

1. In order to qualify for allocation of the funds, the district board of trustees shall:
 - a. Maintain at least the level of financial effort per pupil for non-capital programs as in prior years as set forth under Division V of the Education Improvement Act; and
 - b. By June 30, 1985, adopt and file with the Division of General Services a procurement code modeled after the South Carolina Consolidated Procurement Code or the model set forth in the Report of the Local Government Task Force on procurement code or the model set forth in the Report of the Local Government Task Force on procurement as set forth under Division V, Section 6 of the Education Improvement Act.

III. PURPOSE OF FUNDS

Funds are available for two purposes pursuant to Subdivision G, Section 1:

1. For the renovation, capital improvement, or repair of school classrooms, libraries, laboratories, and other institutional facilities including music rooms as set forth in the Education Improvement Act.
2. For the reduction of millage required to pay principal and interest on bonds issued for any capital improvement programs.

IV. STIPULATIONS REGARDING EXPENDITURE OF FUNDS

1. If a school district has issued bonds or otherwise undertaken any capital improvement programs during any of the most recent five fiscal years, at least fifty percent of the funds allocated from the Education Improvement Act funds must be used to reduce the millage required to pay debt service on such outstanding bonds unless a waiver is granted by the State Board of Education. [See V. WAIVERS, and Subdivision G, Section 1(b).]

A Capital Improvement Program for purposes of this funding is defined as incurring debt for school building purposes or levying and collecting school taxes for school building purposes over the district's last five fiscal years averaged at least one half the amount of Education Improvement Act Funds the district is entitled to receive during Fiscal Year 1984-85.

If the district has fiscal autonomy to any degree, it shall provide for the manner in which the school millage must be reduced. If the district does not have fiscal autonomy, the governing body of the county wherein the district is located shall provide for the manner in which the school millage must be reduced. [Subdivision G, Section 1(c)]

2. Funds must be expended, in accordance with the rules set forth in the "South Carolina School Facilities Planning and Construction Guide."
3. The funds authorized herein for reduction in millage for debt service may not be expended in conjunction with the authorization of bonds that increase a school district's bonded indebtedness above the limit provided for in Article X of the South Carolina Constitution or expended to pay debt service on bond anticipation notes authorized which would put the total bonded indebtedness of the school district (general obligation and bond anticipation) above the constitutionally mandated limit. [Subdivision G, Section 1(d)]
4. Any funds received pursuant to the Education Improvement Act must be expended or contractually committed within forty-eight months of the appropriation provided for school buildings under this act. No school district may use the funds allocated for school building purposes for operational, instructional, or any purposes other than those enumerated in these regulations.

Any school district using these funds as herein prohibited is prohibited from receiving any other funds under this act until the school district has reimbursed the Education Improvement Act of 1984 Funds for the funds allocated for school building purposes it has received pursuant to this Act. [Subdivision G, Section 3]

V. WAIVERS

Waivers of the requirement that fifty percent of the Education Improvement Act Funds must be expended to reduce millage may be granted by the State Board of Education. A school district may request a waiver provided:

1. That the district anticipates a significant increase in need for additional classroom space or
2. In the event that a school district sold bonds or secured a loan at an interest rate less than prevailing rates and has an identified need for funds in excess of fifty percent of the funds allocated to the district from the Education Improvement Act Funds.

If a school district is eligible and wishes to request a waiver under 1. or 2. above, the school district must submit a waiver request form to the State Department of Education along with substantiating evidence for the waiver. The Department will review the waiver request, request any necessary review from the State Treasurer and make its recommendations for approval or disapproval to the State Board of Education. [Subdivision G, Section 1(b)]

If a waiver is granted, the remaining sums may be used either to reduce millage to pay debt service or to pay for capital improvements, repairs, or renovations otherwise authorized during the then current fiscal year. If, on the occasion when the annual millage would otherwise be increased to provide for capital improvements, repairs, or renovations there is on hand with the county treasurer sums from the appropriation herein authorized, sufficient to meet all or a portion of the payments of principal and interest on bonds to be outstanding in the ensuing fiscal year, such portion of the millage required to pay such debt service need not be imposed. [Subdivision G, Section 1(b)]

VI. APPLICATION PROCEDURES

1. Districts shall apply for Education Improvement Act Funds to the State Board of Education utilizing forms designed by the State Department of Education.
2. Projects must be submitted to the State Board of Education in accordance with the "South Carolina School Facilities Planning and Construction Guide."