



RO-244

105# 14169
mjs

Committee on
Science and Technology

Ashley Smith
Chairman

November 5, 1991

P.O. Box 2910
Austin, Texas 78768-2910
512-463-0922

The Honorable Dan Morales
Attorney General of Texas
ATTN: Opinion Committee
P. O. Box 12548
Austin, Texas 78711-2548

RECEIVED

NOV 08 91

Opinion Committee

Dear General Morales:

I am writing to request an Attorney General's opinion regarding the creation of a permanent endowment fund by a Texas public school district.

The Plano Independent School Districts seeks to establish a permanent endowment fund for the continuing financial support of its education program. The establishment of the corpus of this fund will be from designated fund balance of the general fund, land assets of the School District, proceeds from the sale of land owned by the district, bequests from individuals and/or capital expenditures to provide education services to the students of the District. The local permanent school fund would be managed and administered under policies adopted by the Board of Trustees. Accounting for the fund will be as a trust fund in the District's accounting system, and the fund will be subject to all existing controls and auditing requirements currently in effect in the District's accounting system.

Please consider the following questions:

1. Can such a permanent endowment fund be created by a Texas public school district?
2. May designated general fund reserves (that is, general fund balance); land assets of the District (that is, surplus land purchased with bond proceeds for future school sites but no longer needed for school sites),

Al Price
Vice Chairman

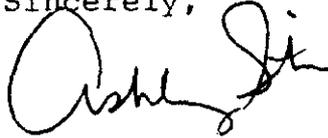
Members: Fred Bosse, Kevin Brady, Wilhelmina Delco,
Sherri Greenberg, Christine Hernandez, Robert Turner, Tim Von Dohlen

and/or proceeds from the sale of land owned by the District be used as sources to establish and increase the corpus of the fund?

3. If so, is revenue from these sources restricted in any manner? If so, how?

Thank you in advance for addressing these important issues. If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ashley Smith".

Ashley Smith

EAS/cr