

Opinion No. 644

**School Districts—Budget—Federal
Funds—Indian Schools—Teachers,
Emergency Employment.**

HELD: Where overcrowding was caused by the closing of Indian schools and it became necessary to employ extra teachers, and where the Federal

Government granted funds for such purpose, such Federal funds should be placed in a special fund and kept separate from local funds that come under the provisions of the budget law.

fund pay the extra teachers which it was necessary to employ on account of the Indian pupils that School District No. 9 has to provide schooling for. You will make, of course, such reports of the expenditures to the Federal Government as the conditions of the aid extended require, and also include in your reports to local and state officials such information on this fund as you do on other funds disbursed.

November 21, 1934.

You advise that by reason of the closing of some of the Indian schools since your budget for the current year was adopted, your school district No. 9 has become so overcrowded by Indian pupils that additional teachers have had to be employed and such additional employment will overdraw your budget. The Federal Government, however, is willing to pay the additional expense but you are unable to determine how the Federal funds, if placed in the regular school fund, can be disbursed without conflicting with the provisions of the budget law; the payment of salaries of the extra teachers not having been anticipated or provided for in your budget as adopted, and such a situation not coming under any of the emergency provisions of the budget act.

The school budget law (Ch. 146, Laws of 1931) was enacted as a basis for fixing of levies and controlling expenditures of the district. We do not think any aid given your school by the Federal Government was given with the intent that its expenditure would be hampered by local budget laws to the extent that the purpose of the gift would be defeated. The Federal aid was no doubt intended to relieve your emergency—not to further complicate it.

Under such circumstances we advise that your school board adopt a resolution, furnishing a copy of such resolution to the county treasurer, directing that the Federal funds be placed in a special fund and kept separate from local funds which come under the provisions of the budget law.

There is no statutory provision for such action, but this is the only method we are able to suggest whereby you can use the funds granted by the Federal Government and accomplish the purpose of the grant without conflicting with your budget as adopted.

We suggest that an account be kept by the county treasurer something like the following: "Special Federal Fund of School District No. 9." Out of this