

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### JOINT MEETING WITH SELECT COMMITTEE ON EDUCATION FUNDING AND EDUCATION AND CULTURAL RESOURCES COMMITTEE

Call to Order: By Ray Peck, on March 28, 1989, at 7:00 p.m.

#### ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Madalyn Quinlan, Andrea Merrill, Dave Cogley,  
Jeanne Flynn

#### HEARING ON SB 203

##### Presentation and Opening Statement by Sponsor:

Sen. Nathe stated that there are four basic policy areas in SB 203: infusion of money into the foundation program schedules, state funding of teachers' retirement, more funding for special education, and caps on school expenditures.

Sen. Nathe said the total cost in SB 203 includes: general fund less special education at \$362.6 million; comprehensive insurance at \$9.4 million; retirement at \$48.42 million; transportation at \$17 million; and the total cost of SB 203 is about \$473.2 million. The total funds available are \$403 million so we are short \$69.7 million.

Sen. Nathe stated there is an increase in revenue from the state into the school schedules of about \$12.2 million to bring up those schools that are under 90% of the FY 88 expenditures. This is entirely new money for these schools.

##### Presentation by Rep. Kadas on Changes to SB 203:

Rep. Kadas presented a summary of SB 203 as amended by the Select Committee on Education Funding. (See Exhibit 1.) He also handed out Exhibit 2.

Rep. Kadas presented charts on the public school finance proposal as amended and FY 1991 revenue sources. (See Exhibit 3A and 3B.)

Nancy Keenan, Superintendent of Public Instruction, presented two bar graphs and the education community consensus points. (See Exhibit 4 and 5.)

Ms. Keenan also stated that there is no new money in the bill as it is money that is currently being expended by districts. There is a misconception that the consensus points call for new money. If you eliminate the 9% increase in category 8, the only new dollars we are talking about would be the inflationary dollars above and beyond what we are spending today.

Testifying Proponents and Who They Represent:

Alan Nicholson, Board of Public Education  
Wayne Phillips, represents Governor Stephens  
Kenneth Williams, Entech and Western Energy Company  
Rep. Jack Ramirez, Minority Leader

Proponent Testimony:

Alan Nicholson presented a handout with the difference between the funding proposed by the education consensus group and the funding members developed by the House Select Committee on Education. (See Exhibit 6.)

Wayne Phillips stated that the expenditure caps are the key to SB 203 for creating a reasonable funding system for Montana. The caps proposed in this bill are unacceptable.

Kenneth Williams supported the bill. (See Exhibit 7.)

Rep. Jack Ramirez stated that, technically, there may not be new money being spent, but there is new money being collected and that is the root of the problem and the change in the system.

Testifying Opponents and Who They Represent:

Don Waldron, School Administrators of Montana  
Helen Volden, Parent\Teacher Association  
Dale Reagor, Helena Chamber of Commerce  
Jim Foster, School Superintendent, Chester  
Bob Anderson, Montana School Board Association  
Pat Melby, Underfunded school coalition  
Eric Feaver, Montana Education Association  
Mignon Waterman, Helena School Board  
Terry Minow, Montana Federation of Teachers  
Chris Deveny, League of Women Voters of Montana  
B.J. Wood, American Association of University Women  
Steve Brown, Indian Impact Aid Schools  
Dale Zorn, School Superintendent, Shelby  
Pete Carparelli, School Superintendent, Butte  
Jim Smith, School Superintendent, Blue Sky-Hingham  
Alan Ryan, School Superintendent, Sunburst  
Keith Chamber, School Superintendent, Bozeman  
Kay McKenna, County Superintendent of Schools, Lewis & Clark County  
Bud William, School Superintendent, Conrad  
Esther Nelson, Montana Association School Business Officials

Opponent Testimony:

Don Waldron (See Exhibit 8.)

Helen Volden (See Exhibit 9.)

Dale Reagor (See Exhibit 10.)

Jim Foster (See Exhibit 11.)

Mignon Waterman (See Exhibit 12.)

B.J. Wood (See Exhibit 13.)

Jim Smith (See Exhibit 14.)

Esther Nelson (See Exhibit 15.)

Questions From Committee Members:

Rep. Eudaily asked Rep. Kadas if he would discuss the schedule changes for category 8 schools (over 300 ANB), section 29 of the bill? Rep. Kadas stated that in comparing elementary districts, they found, that based on average expenditures by districts, the large elementary districts were not receiving enough dollars compared to spending patterns. The committee increased schedule 8 by 9% so that essentially the curve of dollars in the schedules lines up. Smaller districts get more dollars per ANB than wealthy districts, and the largest districts dropped off by 9%, so that curve was smoothed to approximate the curve of average expenditures.

Secondly, it was clear that the elementary schedules were providing more of the total dollars than were the high school schedules, so they raised the high school schedules more than they raised the elementary schedules.

Rep. Harrington asked Wayne Phillips if he foresees any problem with lowering the caps. Would that cause some real serious problems in education?

Rep. Gervais asked Nancy Keenan if PL 874 funds were going to be equalized in the bill? Ms. Keenan stated that the intent of the education community is to keep PL 874 money in the base, and not to equalize those dollars out. We are not saying we are going to take the Indian impact dollars and equalize them to everyone else, but we would like to put them in the base that funds the schedule increases.

Rep. Eudaily asked Dale Zorn why the school superintendents originally wanted retirement in the general fund, then you changed and wanted it in the separate fund and funded at 90%, and now you want it in a separate fund at 100%, what do you really want? Mr. Zorn stated that they realized that unless retirement is funded separately, districts are going to have to take from other areas of the general fund to fund retirement.

Rep. Wallin asked Mr. Melby if we don't have an acceptable plan by July 1, 1989, would the Court have any plans? Mr. Melby

stated that he thinks the question about what the Court can do if the legislature doesn't come up with a plan, is something that you may want to ask the Attorney General. The Court is simply saying this is unconstitutional and if not changed, there is no legal funding system.

- Rep. Cocchiarella asked Dennis Kraft and Jacob Block, Missoula Schools to explain what the impact would be of funding retirement on ANB in Missoula County High School? Dennis Kraft stated that the current figures show there are costs for retirement of \$1,430,000 and income projected would be \$1.2 with a loss of \$156,000. Jacob Block stated that Missoula is presently levying \$1,900,000, the ANB distribution would leave us short \$100,000.
- Rep. Zook asked Mr. Melby if the original foundation program was funded at 80%, and SB 203 funds at 85%, why should SB 203 be funded at 100%? Mr. Melby stated that 85% funding of total statewide expenditures would be acceptable for now, but we are only talking about a starting place.
- Rep. Stang asked Mr. Zorn if you take your non-levy revenue and the increase through this plan, your community stands to save 65 mills that is currently levied to raise the same budget amount. Mr. Zorn stated that you are making the assumption that we will have the non-levy revenue, but our reserves are going to be gone.
- Rep. Thomas asked Mr. Melby how are the schools that brought this suit to court are fairing right now? Ms. Melby stated that they are conducting their own analysis and they will look at how the plaintiff districts will fair, and also how all districts and school children will fair.

Closing by Sponsor:

Rep. Kadas referred to the education community consensus points. (See Exhibit 5.) He stated that the bill should fund the schedules at 100% of FY 88 expenditures, but the committee did not do this because of a political compromise.

Rep. Kadas stated that retirement should be funded in a separate fund but that, too, was a compromise. If you take retirement out of the general fund, and have it as a separate fund, then you can't figure the cap based on retirement. In order to give districts some flexibility, you need to include it as an item to cap on.

Rep. Kadas said that a lot of us that would like to see an inflation index. When many of the districts start bumping up against the cap, then OPI could recalculate the base for the schedules.

Rep. Kadas stated that they decided not to put PL 874 funds in the base because we don't cap PL 874 funds either. A district can levy up to the cap and then to add PL 874 funds

on top of that.

Rep. Kadas said that the political decision to fund only 90% of FY 88 expenditures and have a 130% cap is the same total expenditure amount as if we had funded 100% of Fy 88 expenditures and capped at 117%.

Rep. Kadas stated that the 9% schedule increase in category 8 ought to be funded in addition to the FY 88 expenditure. It shouldn't be deducted from the FY 88 expenditures, because the increase in the foundation program payment is based on districts' actual current expenditures and those expenditures are what the base was built on.

Rep. Kadas said regarding the federal equity test, if you make the assumption under this program that districts will fund themselves to what they are spending now, then we are equalized at about 86.5%. As soon as districts start spending more, they will increase their voted levies, and as that happens, that 86.5% will drop lower and lower.

Rep. Kadas stated that the committee accepted the federal equity standard as the standard that we should try to meet. That is the only standard of equity that was referred to in any of the decisions. The committee agreed that was as low an equalization level as the state should go.

Rep. Kadas stated that with regard to forcing districts to pay for retirement through the schedules, some districts with more experienced teachers are going to lose dollars. On the other hand, there are districts with more experienced teachers that are going to have significantly lower mill levies required to fund current expenditures. They will have the flexibility to raise a couple of additional mills to pay for the additional retirement needs.

Rep. Kadas said that his support of this bill is predicated on being able to fund it. He said he means being able to fund it without something that is on the ballot.

ADJOURNMENT

Adjournment At: 10:10 p.m.



A handwritten signature in black ink, appearing to read 'Ray Peck', is written over a horizontal line.

REP. Ray Peck, Chairman

RP/jf

6904.min



Summary of Senate Bill 203

As amended by the Select House Committee on Education  
through March 22, 1989

Section 58 Repeals: 20-9-105 which provides for a reserve in the comprehensive insurance fund, which is eliminated by this bill; 20-9-352 which provides for a 10 mill permissive levy for county equalization; 20-9-501 which provides for a retirement fund and levy; 20-9-531 and 20-9-532 which relate to the use of lottery revenue for retirement equalization; and 20-10-146 which relates to county transportation reimbursement and is being repealed as part of the change (in section 46, amending 20-10-145) to provide full state funding of the statutory transportation schedules.

Section 1 Section 2-7-504 requires that accounting methods for all governmental entities be prescribed by the department of commerce. The amendment provides for exceptions, when prescribed by law, to reflect the new requirement of section 21 that school districts use generally accepted accounting practices.

Section 2 Exempts all elementary and high school district levies from Initiative 105.

Section 3 . The deletion of subsection (1)(b)(iii) reflects amendments of 20-10-143 and 20-10-144 dealing with state reimbursement for transportation; the deletion of subsections (1)(b)(iv) and (v) reflects the repeal of 20-9-501.

Section 4 Reflects the repeal of 20-9-501.

Section 5 Reflects the repeal of 20-9-532.

Section 6 Reflects the repeal of 20-10-146.

Section 7 The change in subsection (10) reflects the elimination of the current permissive levy, and the change in subsection (13) reflects the elimination of the retirement fund.

Section 8 Requires insurance coverage to be budgeted in the district's general fund.

Section 9 The change in subsection (1)(a) reflects the elimination of the retirement fund; the change in subsection (1)(c) reflects the elimination of the permissive levy.

Section 10 The change in subsection (1)(a) reflects the elimination of the retirement fund; the change in subsection (1)(c) reflects the elimination of the permissive levy.

Section 11 Reflects the elimination of transportation bonus payments (enhanced state reimbursement provisions), since the state would provide full funding of the transportation schedules under the bill.

Section 12 The bill provides that the foundation program will provide complete funding for a district's maximum-general-fund-budget-without-a-vote, rather than the 80% currently provided by foundation program under 20-9-303 (the other 20% being currently provided through the equalized permissive levy). In drafting the bill the term "maximum-general-fund-budget-without-a-voted-levy" or its equivalent has been deleted as a concept which is no longer necessary because of the elimination of the permissive levy, and the term has been replaced simply with "foundation program" or "foundation program amount". The change in this section reflects that change of terminology.

Section 13 Same change as section 12.

Section 14 Requires the cost of insurance to be budgeted in the general fund.

Section 15 Same change as section 12.

Section 16 Same change as section 12.

Section 17 Same changes as section 12; change in subsection (5) provides that costs of retirement, social security, and unemployment insurance related to special education salaries are now included as allowable costs for special education program reimbursement.

Section 18 Reflects the provision of full state funding of the transportation schedule amount.

Section 19 Changes the amount of general fund cash reserves a district may have, depending on the amount of state equalization aid the district receives. Reduces the current 35% to as low as 20% for some districts.

Section 20 The deletion of subsection (1)(a)(ii) reflects repeal of 20-9-352; the addition of cited sections in subsection (1)(b)(v) and the addition of (1)(b)(viii) is an attempt to reference all statutes which by their own terms provide a revenue source available to reduce the amount of tax levy required. The amendments make no substantive change in the current law.

Section 21 The changes in subsection (1)(a) eliminate references to funds that no longer exist; the change in subsection (2) requires school districts to use generally accepted accounting principles in accounting for receipts and disbursements.

Section 22 The deletion of subsection (1)(d) reflects the elimination of the retirement levy; the deletion of (1)(e) and (1)(f) cleans up obsolete provisions relating to deficiency levies previously repealed.

Section 23 The changes in subsections (1) and (5) impose new accounting requirements for the school districts.

Section 24 Reflects elimination of the permissive levy.

Section 25 This section defines the foundation program. The amendments clarify the purpose of, the sources of revenue for, and the funding support provided by the foundation program. Because the permissive levy is eliminated by the bill as a source of funding for the "maximum-general-fund-budget-without-a-vote" the amendment requires the foundation program to provide all (100% rather than 80%) of the funding for the MGF BWV as set forth in the schedules in 20-9-316 through 20-9-321 (general education schedules and special education schedule). Except to reflect the effect of eliminating the permissive levy there is no substantive change from current law.

Section 26 Prohibits foundation program support for more than 180 pupil instruction days by limiting the ANB calculation to 180 PI days (plus the PIR days currently allowed).

Section 27 Reflects MGF BWV terminology change.

Section 28 Reflects the amendments in section 25; imposes a maximum general fund budget limit of 130% of a district's foundation program but provides an exemption for: (1) districts using PL 874 money to exceed the limitation; (2) districts currently spending more than the limitation (they would be frozen at the 1988 expenditure level but would not be required to reduce their budgets); and (3) districts which are nonapproved isolated districts which have to provide half their funding from district (nonequalized) sources under current 20-9-303(2).

Section 29 Adjusts the elementary foundation program schedule for school fiscal year 1991 and succeeding years by an amount that would fund the following percentages of costs incurred in school fiscal year 1988 by all elementary schools in the state: 100% of retirement, social security, and unemployment insurance, except costs associated with salaries for special education personnel; 90% of comprehensive insurance; and 90% of general fund expenditures, after subtracting special education and Public Law 874 general fund support. Category 8 school districts would receive a 9% increase, and the remainder of the funding would then be uniformly distributed to all categories. The percentage increase over the SFY 1989 schedule amount for all districts except category 8 is 42.5%. The percentage increase for category 8 districts is 55.33%.

Section 30 Adjusts the high school foundation program schedule for school fiscal year 1991 and succeeding years by an amount that would fund the following percentages of costs incurred in school fiscal year 1988 by all high schools in the state: 100% of retirement, social security, and unemployment insurance, except costs associated with salaries for special education personnel; 90% of comprehensive insurance; and 90% of general fund expenditures, after subtracting special education and Public Law 874 general fund support. The percentage increase over the SFY 1989 schedule amount is 52.5%.

*total*  
*after subtracting PL 874 support*

Section 31 Same change as section 12 (reflects MGFBWV terminology changes).

Section 32 Same change as section 12.

Section 33 Same change as section 12.

Section 34 In subsection (1) the county elementary levy is raised from 28 to 34 mills. References are added in (1) and in (2)(e) and (2)(g) for reasons explained under section 20. The deletion in (1)(a) of the reference to elementary transportation obligation reflects the commitment to provide state funding in 20-10-145. Subsection (1)(c) provides for state equalization payments to be made to offset deficiencies from uncollected county equalization revenue.

Section 35 In subsection (1) the county high school levy is raised from 17 to 21 mills. Citations are added in (1) and in (2)(b) and (2)(d) for reasons explained under section 20. Subsection (1)(c) provides for state equalization payments to be made to offset deficiencies from uncollected county levy revenue.

Section 36 The deletion of subsection (1) reflects the commitment to provide state funding in 20-10-145.

Section 37 The amendment in subsection (2) removes the requirement that the state equalization aid appropriation for the biennium be made in a single sum, recognizing that HB 618 makes an appropriation for fiscal year 1990 and SB 203 contains an appropriation for fiscal year 1991. The specification of the percentage amounts in subsections (3)(a), (b), (c) and (d) are deleted because 15-1-501 specifies the percentage allocations for personal and corporate income and license taxes, and the specification of 100% in (c) and (d) is redundant. Subsections (g) and (h) reflect the allocation of proceeds of a state levy and revenue from the lottery as additional revenue sources for state equalization aid.

Section 38 The amendment of subsections (2)(a) and (5)(b) require monthly distributions of state equalization aid in an amount no less than 7% of each district's entitlement. The amendment of subsection (3) authorizes the board of public education to withhold state equalization payments under certain circumstances.

Section 39 Reflects the maximum general fund budget limitation of 130% of foundation program established in 20-9-315(2); reflects other terminology changes.

Section 40 Reflects commitment to provide full state funding of transportation schedules.

Section 41 Reflects repeal of 20-10-146.

Section 42 Reflects repeal of 20-10-146 and limitation on transportation fund budget imposed in 20-10-143 (section 44).

Section 43 Reflects repeal of 20-10-146 and commitment of full state funding of transportation schedules.

Section 44 Subsection (2) limits a district's transportation fund budget to the amount of school fiscal year 1988 expenditures, but allows the superintendent of public instruction to provide variances for emergency or unusual circumstances.

Section 45 Revises the computation of the revenue and tax levy for transportation in accordance with the provision of full state funding of the transportation schedules.

Section 46 Provides for full state funding of transportation schedules.

Section 47 Reflects repeal of 20-9-532.

Section 48 Requires transfer of any balance remaining in the retirement fund or comprehensive insurance fund of a district on July 1, 1990, to be transferred to the district's general fund.

Section 49 Imposes a state equalization aid levy of 45 mills and statutorily appropriates the proceeds.

Section 50 Reflects the statutory appropriation in section 49.

Sections 51 through 57 Create a school funding legislative oversight committee and require it to:

- (1) monitor implementation of the school funding law;
- (2) study further equalization of transportation, capital outlay, insurance, uncollected taxes, tuition, student-based funding distribution methods, special education funding, and PL 874 funding;
- (3) analyze revenue sources for school funding;
- (4) discuss litigation issues regarding compliance with court decisions;
- (5) report findings and recommend legislation to the 52nd legislature.

Section 59 Appropriates: \$53.84 million for foundation program schedule support; \$4.3 million for special education retirement (in addition to main special ed appropriation in HB 100); \$11.568 million for transportation (in addition to transportation appropriation in HB 100); \$204,950 to establish accounting and reporting practices; and \$20,000 for legislative oversight committee.

EXPLANATION OF TERMS IN SENATE BILL 203 ANALYSIS  
House Select Committee on Education  
March 28, 1989

Appendix I

Column 1 - County Name

Column 2 - District Name

Column 3 - Fiscal 1989 Average Number Belonging.

Column 4 - Total Combined Fiscal 1988 General Fund is fiscal 1988 actual retirement, comprehensive insurance, and general fund expenditures including special education.

Column 5 - Fiscal 1991 Foundation Schedule Amount for each district shows a 42.5 percent increase above fiscal 1989 schedules in elementary foundation categories 1-7, a 55.3 percent increase in schedules for elementary foundation category 8, and a 52.5 percent increase in schedules for high school districts. Non-isolated districts are shown at one-half their schedule amount.

Column 6 - Fiscal 1991 Special Education Payment is the district's fiscal 1989 allowable special education cost increased by 37.644 percent.

Column 7 - Fiscal 1991 Foundation Amount includes both the foundation schedule amount and special education payment.

Column 8 - Fiscal 1991 Local Resources Needed for Combined General Fund is the district revenues needed to pay for the difference between the foundation amount and the district's fiscal 1988 general fund, retirement, and comprehensive insurance expenditures.

Column 9 - Fiscal 1988 Transportation Expenditures by district.

Column 10 - Fiscal 1991 Transportation Schedule Amount is based on the fiscal 1988 transportation schedule amount.

Column 11 - Fiscal 1991 Maximum Local Expenditure for Transportation is the difference between the district's fiscal 1988 transportation expenditure and the transportation schedule amount. Senate Bill 203 caps fiscal 1991 district transportation expenditures at the fiscal 1988 level.

Column 12 - Fiscal 1991 State Equalization Aid combines the foundation schedule payment, the special education payment, and the transportation schedule payment.

Column 13 - Local Resources Needed for Transportation and General Fund is the difference between fiscal 1988 expenditures for general fund, retirement, comprehensive insurance, and transportation, and the state equalization aid payment.

Column 14 - Fiscal 1991 General Fund Expenditure Cap is 130 percent of the district's foundation amount (including special education) or the district's Fiscal 1988 Combined General Fund Expenditures, whichever is greater.

Column 15 - A district's fiscal 1991 general fund budget is frozen if its fiscal 1988 expenditures for general fund, retirement, and comprehensive insurance were greater than or equal to 130 percent of the fiscal 1991 foundation amount.

## Appendix II

Column 1 - County Name

Column 2 - District Name

Column 3 - Fiscal 1989 Average Number Belonging

Column 4 - Total Local Resources Needed for Transportation and General Fund is column 13 from Appendix I.

Column 5 - Current Mill Levy is the sum of a district's fiscal 1989 mill levies for general fund, retirement, comprehensive insurance, and transportation. The current levy includes the countywide basic levies and any permissive mills levied by the district.

Column 6 - Fiscal 1991 General Fund Voted Levy, all funded by mills is the number of mills that a district would have to levy if all of its over-schedule funding came from property tax levies. Over-schedule expenditures are those expenditures above the foundation amount. This calculation assumes that the district has no sources of non-tax revenues.

Column 7 - Fiscal 1991 General Fund Voted Levy, assuming continued use of non-levy revenue is the number of mills that a district would have to levy to fund its over-schedule general fund expenditures if it had access to the same non-levy revenue sources that are available to the district in fiscal 1989. Non-tax revenue sources include Public Law 874 funds, district cash reappropriated, interest on investments, motor vehicle taxes, and miscellaneous revenues.

Column 8 - Fiscal 1991 Statewide 100 Mill Levy is 60 mills for elementary districts and 40 mills for high school districts.

Column 9 - Fiscal 1991 Transportation Over-schedule, all funded by levy is the number of mills that a district would have to levy if all of its over-schedule transportation funding came from property tax levies.

Column 10 - Fiscal 1991 Transportation Over-schedule, assuming continued use of non-levy revenue is the number of mills that a district would have to levy if it had access to the same non-levy revenue sources that are available to the district in fiscal 1989.

Column 11 - Total District Levies, assuming all funded by property taxes is the number of mills that a district would have to levy if all of its over-schedule general fund and transportation expenditures were funded by property taxes.

Column 12 - Total District Levies, assuming continued use of non-levy revenue is the number of mills that a district would have to levy for over-schedule general fund and transportation expenditures if it had access to the same non-levy revenue sources that are available in fiscal 1989.

Column 13 - Increase (Decrease) in Levies, assuming all funded by levy is the difference between the current mill levy and the sum of the general fund voted levy and the transportation levy, assuming that districts have no access to non-levy revenues.

Column 14 - Increase (Decrease) in Levies, assuming continued use of non-levy revenues is the difference between the current levy and the sum of the general fund and transportation levies that were calculated on the assumption that the same non-levy revenues available in fiscal 1989 are also available in fiscal 1991.

Prepared by the Office of the Legislative Fiscal Analyst, the Office of the Legislative Auditor, and the Office of Public Instruction.

SENATE BILL 203 - MARCH 28, 1989  
 AS AMENDED BY HOUSE SELECT COMMITTEE ON EDUCATION

APPENDIX I  
 WL28F.WK1  
 03/28/89  
 10:06 AM

OFFICE OF THE LEGISLATIVE AUDITOR  
 OFFICE OF THE LEGISLATIVE FISCAL ANALYST  
 OFFICE OF PUBLIC INSTRUCTION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

COUNTY	DISTRICT	TOTAL ANB	TOTAL '88 GENERAL FUND	TOTAL COMBINED	FOUNDATION SCHEDULE AMOUNT	SPECIAL EDUCATION AMOUNT	TOTAL FOUNDATION AMOUNT	LOCAL RESOURCES NEEDED FOR COMBINED GENERAL FUND		'88 ACTUAL TRANS. FUND EXPENDITURES	FY '91 TRANSPORTATION SCHEDULE AMOUNT	MAXIMUM LOCAL EXPEND FOR TRANSPORTATION	STATE EQUALIZATION AID	LOCAL RESOURCES NEEDED FOR TRANS. AND GENERAL FUND	FY '91 GENERAL FUND EXPENDITURE CAP	IS BUDGET
								GENERAL FUND	GENERAL FUND							
BLAINE	COM ISLAND TRAIL ELEM	5	\$20,613	\$28,725	\$0	\$28,725	\$0	\$28,725	\$0	\$293	\$154	\$139	\$28,879	\$139	\$37,343	MO
BLAINE	HARLEN ELEM	412	\$1,710,768	\$1,024,032	\$53,069	\$1,077,120	\$633,648	\$93,805	\$76,096	\$93,805	\$76,096	\$17,709	\$1,153,216	\$651,357	\$1,710,768	YES
BLAINE	HARLEM H S	142	\$950,020	\$567,974	\$24,272	\$592,246	\$357,774	\$39,217	\$24,899	\$39,217	\$24,899	\$14,318	\$617,145	\$372,093	\$950,020	YES
BLAINE	HAYS-LODGE ELEM	154	\$1,046,344	\$453,491	\$31,665	\$485,156	\$561,387	\$40,897	\$15,948	\$40,897	\$15,948	\$44,950	\$501,104	\$606,337	\$1,046,344	YES
BLAINE	HAYS-LODGE ELEM H S	63	\$749,751	\$364,489	\$20,455	\$384,945	\$364,807	\$48,702	\$10,432	\$48,702	\$10,432	\$58,071	\$395,576	\$422,877	\$749,751	YES
BLAINE	LLOYD ELEM	10	\$21,831	\$29,926	\$0	\$29,926	\$0	\$1,432	\$1,436	\$1,432	\$1,436	\$0	\$31,361	\$0	\$36,903	MO
BLAINE	N HARLEM CULTURE ELEM	8	\$35,705	\$28,725	\$15,701	\$44,426	\$0	\$900	\$540	\$900	\$540	\$360	\$44,966	\$360	\$57,754	MO
BLAINE	TURNER ELEM	78	\$308,236	\$248,642	\$4,062	\$252,704	\$55,532	\$89,900	\$38,281	\$89,900	\$38,281	\$31,619	\$310,985	\$87,151	\$328,516	MO
BLAINE	TURNER H S	33	\$300,024	\$230,297	\$0	\$230,297	\$69,727	\$44,254	\$26,881	\$44,254	\$26,881	\$17,373	\$257,178	\$87,100	\$300,024	YES
BLAINE	ZURICH ELEM	64	\$125,519	\$174,493	\$10,117	\$184,610	\$0	\$24,939	\$18,624	\$24,939	\$18,624	\$6,314	\$203,234	\$6,314	\$239,993	MO
BROADWATER	BROADWATER CO HS	242	\$799,018	\$836,489	\$38,576	\$875,065	\$0	\$34,905	\$33,216	\$34,905	\$33,216	\$1,689	\$908,281	\$1,689	\$1,137,564	MO
BROADWATER	CROM CREEK EL	0	\$0	\$0	\$0	\$0	\$0	\$0	\$640	\$0	\$640	\$0	\$0	\$0	\$0	YES
BROADWATER	TOSTON ELEM	11	\$43,969	\$31,126	\$7,897	\$39,023	\$4,946	\$0	\$0	\$0	\$0	\$0	\$39,023	\$4,946	\$50,730	MO
BROADWATER	TOWNSEND ELEM	490	\$1,017,409	\$1,216,928	\$65,695	\$1,282,622	\$0	\$64,908	\$65,572	\$64,908	\$65,572	\$0	\$1,348,194	\$0	\$1,667,409	MO
CARBON	BELFRY ELEM	110	\$480,699	\$334,044	\$12,779	\$346,823	\$133,876	\$19,742	\$20,654	\$19,742	\$20,654	\$0	\$367,277	\$133,876	\$480,699	YES
CARBON	BELFRY H S	46	\$371,912	\$297,261	\$0	\$297,261	\$74,651	\$9,226	\$6,560	\$9,226	\$6,560	\$2,666	\$303,821	\$77,317	\$386,439	MO
CARBON	BOYD ELEM	18	\$53,032	\$63,113	\$0	\$63,113	\$0	\$528	\$0	\$528	\$0	\$528	\$63,113	\$528	\$82,047	MO
CARBON	BRIDGER ELEM	157	\$612,762	\$450,585	\$32,068	\$482,653	\$130,109	\$29,303	\$19,022	\$29,303	\$19,022	\$10,282	\$501,675	\$140,391	\$627,449	MO
CARBON	BRIDGER H S	80	\$561,913	\$408,712	\$23,091	\$431,803	\$130,109	\$22,225	\$9,026	\$22,225	\$9,026	\$13,200	\$440,829	\$143,309	\$561,913	YES
CARBON	EDGAR ELEM	22	\$84,804	\$66,121	\$0	\$66,121	\$18,684	\$12,942	\$12,384	\$12,942	\$12,384	\$558	\$78,505	\$19,242	\$85,957	MO
CARBON	FROMBERG ELEM	119	\$342,275	\$361,510	\$10,264	\$371,774	\$0	\$14,002	\$12,785	\$14,002	\$12,785	\$1,216	\$384,559	\$1,216	\$485,306	MO
CARBON	FROMBERG H S	64	\$354,084	\$367,728	\$0	\$367,728	\$0	\$14,817	\$2,877	\$14,817	\$2,877	\$11,941	\$370,604	\$11,941	\$478,046	MO
CARBON	JACKSON ELEM	19	\$45,206	\$63,865	\$0	\$63,865	\$0	\$9,597	\$9,216	\$9,597	\$9,216	\$381	\$73,081	\$381	\$83,025	MO
CARBON	JOLIET ELEM	249	\$601,933	\$638,100	\$33,114	\$671,215	\$0	\$29,168	\$42,877	\$29,168	\$42,877	\$0	\$714,092	\$0	\$872,579	MO

SOURCE: OPT DATABASE (UNAUDITED)

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

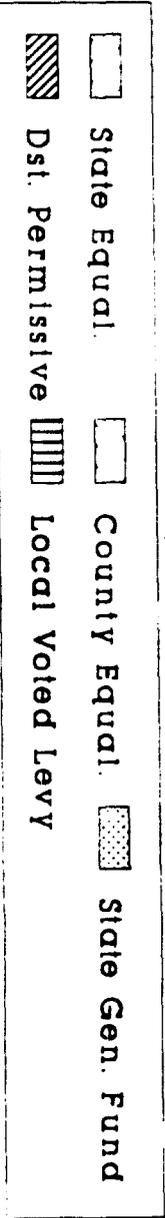
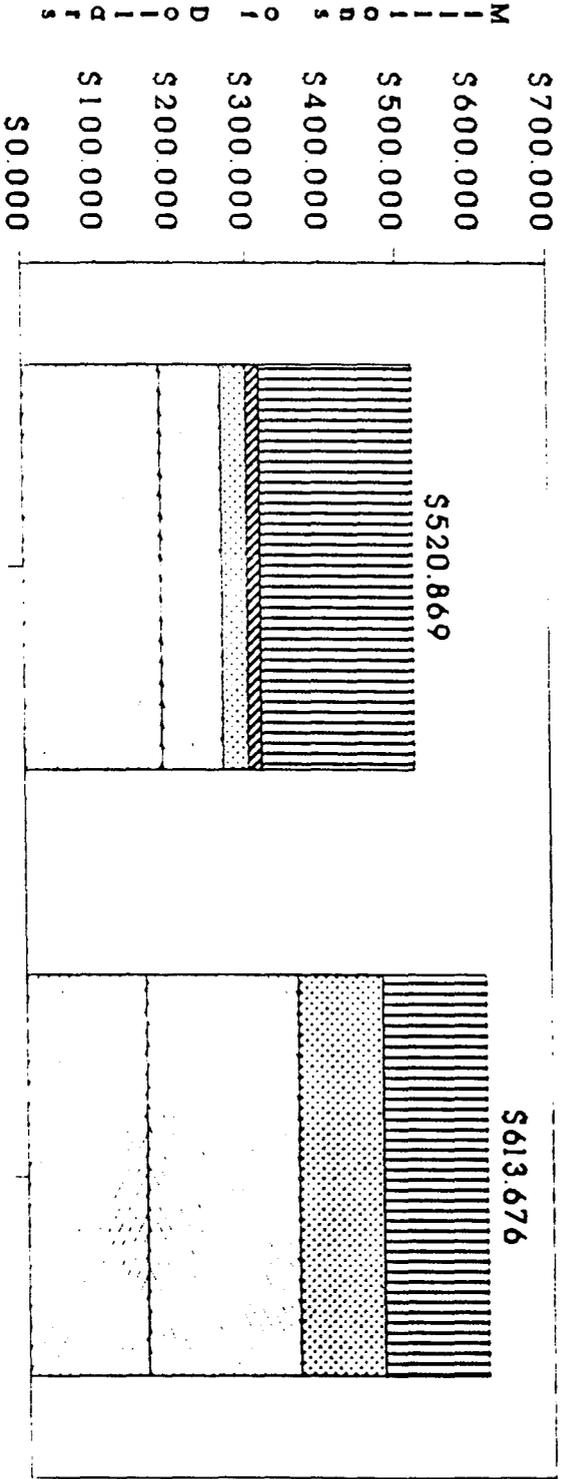
SOURCE: OPI DATABASE (UNAUDITED)

COUNTY	DISTRICT	TOTAL ANB	TOTAL COMBINED '88 GENERAL FUND	FOUNDATION SCHEDULE AMOUNT	SPECIAL EDUCATION AMOUNT	TOTAL FOUNDATION AMOUNT	LOCAL RESOURCES NEEDED FOR COMBINED GENERAL FUND		'88 ACTUAL TRANS. FUND EXPENDITURES	SCHEDULE AMOUNT	LOCAL EXPEND FOR TRANSPORTATION	STATE EQUALIZATION AID	LOCAL RESOURCES NEEDED FOR TRANS. AND GENERAL FUND	FY '91 GENERAL FUND EXPENDITURE	IS BLDGE FROZEN?
							GENERAL FUND	GENERAL FUND							
BEAVERHEAD	BEAVERHEAD CO HS	411	\$1,603,154	\$1,301,561	\$74,280	\$1,375,841	\$227,313	\$237,519	\$183,898	\$73,621	\$1,559,739	\$300,934	\$1,788,593	NO	
BEAVERHEAD	DILLON ELEM	975	\$2,511,475	\$2,405,854	\$127,094	\$2,532,948	\$0	\$102,901	\$3,098	\$99,803	\$2,536,046	\$99,803	\$3,292,832	NO	
BEAVERHEAD	GRANT ELEM	29	\$64,528	\$71,383	\$0	\$71,383	\$0	\$10,806	\$9,806	\$1,000	\$81,189	\$1,000	\$92,798	NO	
BEAVERHEAD	JACKSON ELEM	20	\$60,212	\$64,617	\$0	\$64,617	\$0	\$1,344	\$1,434	\$0	\$66,051	\$0	\$64,002	NO	
BEAVERHEAD	LIMA ELEM	82	\$257,261	\$253,923	\$31,595	\$285,518	\$0	\$22,378	\$32,540	\$0	\$318,059	\$0	\$371,174	NO	
BEAVERHEAD	LIMA N S	40	\$214,670	\$268,004	\$0	\$268,004	\$0	\$12,760	\$12,963	\$0	\$280,967	\$0	\$348,405	NO	
BEAVERHEAD	POLARIS ELEM	5	\$24,143	\$14,363	\$0	\$14,363	\$9,781	\$588	\$541	\$47	\$14,904	\$9,828	\$37,343	NO	
BEAVERHEAD	REICHEL ELEM	20	\$51,981	\$64,617	\$0	\$64,617	\$0	\$11,235	\$11,063	\$172	\$75,680	\$172	\$84,002	NO	
BEAVERHEAD	WISDOM ELEM	39	\$96,234	\$78,902	\$0	\$78,902	\$17,332	\$10,329	\$10,466	\$0	\$89,368	\$17,332	\$102,572	NO	
BEAVERHEAD	WISE RIVER ELEM	33	\$73,062	\$74,391	\$0	\$74,391	\$0	\$3,263	\$2,772	\$491	\$77,162	\$491	\$96,708	NO	
BIG HORN	BIG BEND ELEM	2	\$22,211	\$28,725	\$0	\$28,725	\$0	\$3,041	\$3,129	\$0	\$31,854	\$0	\$37,343	NO	
BIG HORN	COMMUNITY ELEM	23	\$67,106	\$66,872	\$0	\$66,872	\$233	\$9,393	\$10,504	\$0	\$77,376	\$233	\$86,934	NO	
BIG HORN	HARDIN ELEM	1062	\$4,079,334	\$2,717,877	\$387,462	\$3,105,339	\$973,995	\$192,474	\$184,831	\$7,443	\$3,290,171	\$981,637	\$4,079,334	YES	
BIG HORN	HARDIN N S	440	\$2,033,790	\$1,384,837	\$101,477	\$1,486,313	\$547,477	\$108,508	\$97,591	\$10,916	\$1,583,905	\$558,393	\$2,033,790	YES	
BIG HORN	LODGE GRASS ELEM	377	\$1,835,873	\$939,571	\$93,426	\$1,032,997	\$802,877	\$68,371	\$34,064	\$54,307	\$1,067,061	\$857,184	\$1,835,873	YES	
BIG HORN	LODGE GRASS N S	147	\$1,203,811	\$583,075	\$41,692	\$624,767	\$579,044	\$118,830	\$50,079	\$68,750	\$674,846	\$647,794	\$1,203,811	YES	
BIG HORN	PLENTY COUPS HS	60	\$936,076	\$354,297	\$0	\$354,297	\$581,779	\$21,528	\$5,243	\$16,285	\$359,540	\$598,064	\$936,076	YES	
BIG HORN	PRIOR ELEM	84	\$680,581	\$224,473	\$36,459	\$260,933	\$419,648	\$32,034	\$4,787	\$27,247	\$285,720	\$446,896	\$680,581	YES	
BIG HORN	SQUIRREL CRK ELEM	10	\$40,059	\$29,926	\$0	\$29,926	\$10,133	\$7,492	\$0	\$7,492	\$29,926	\$17,625	\$40,059	YES	
BLAINE	WYOLA ELEM	72	\$742,867	\$229,098	\$32,417	\$261,515	\$481,352	\$26,624	\$23,386	\$3,238	\$284,900	\$484,590	\$742,867	YES	
BLAINE	BEAR PAW ELEM	28	\$64,634	\$89,777	\$0	\$89,777	\$0	\$4,394	\$4,443	\$0	\$94,221	\$0	\$116,710	NO	
BLAINE	CHINOOK ELEM	323	\$1,003,586	\$824,724	\$42,594	\$867,318	\$136,268	\$41,196	\$30,569	\$10,627	\$897,866	\$146,895	\$1,127,513	NO	
BLAINE	CHINOOK N S	188	\$826,820	\$694,333	\$33,288	\$727,621	\$99,199	\$42,856	\$29,859	\$12,998	\$757,479	\$112,197	\$945,907	NO	
BLAINE	CLEVELAND ELEM	14	\$44,884	\$59,851	\$0	\$59,851	\$0	\$28,018	\$20,404	\$7,613	\$80,256	\$7,613	\$77,807	NO	

# Public School Finance Proposal

## Senate Bill 203 As Amended

### In Millions

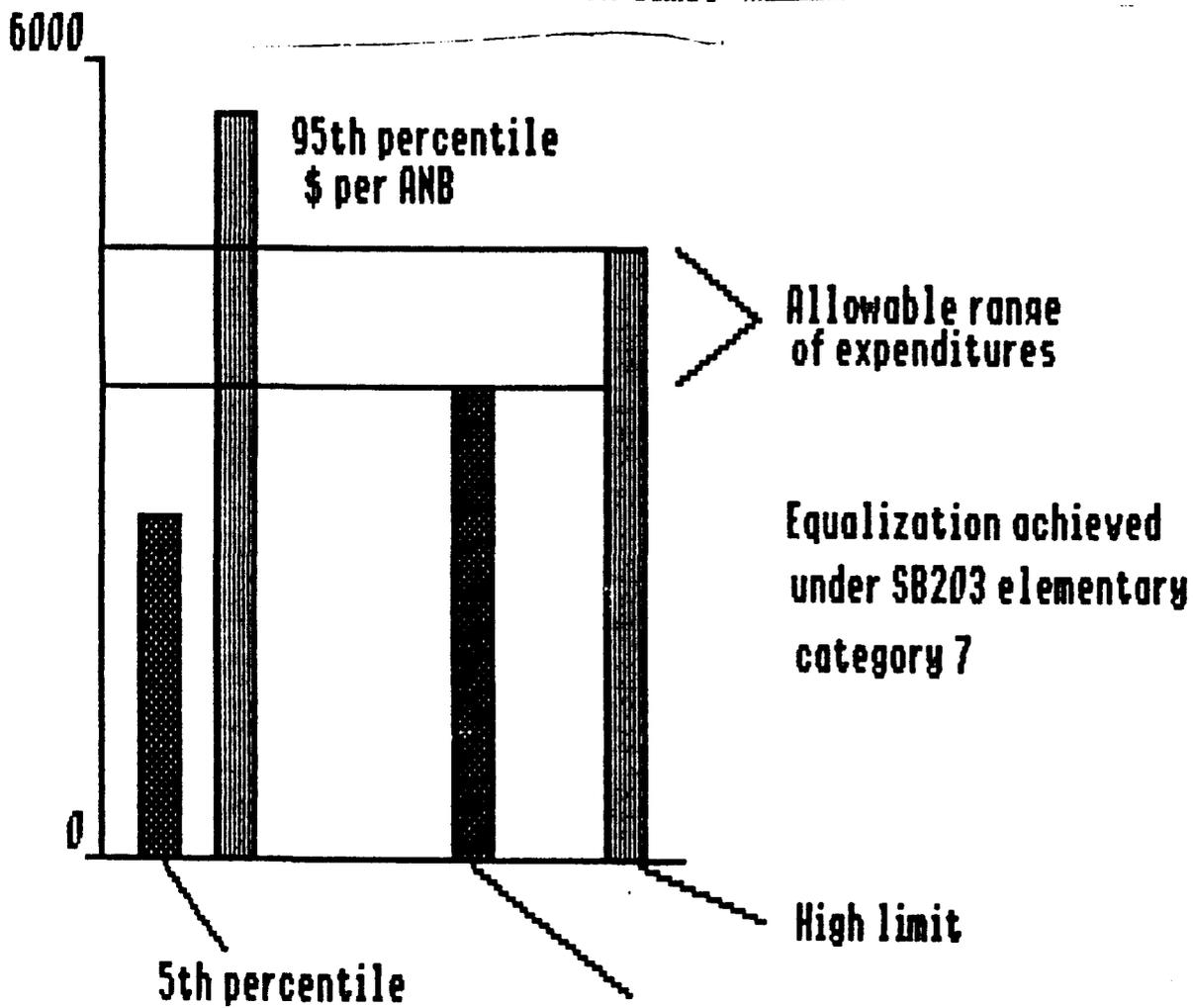
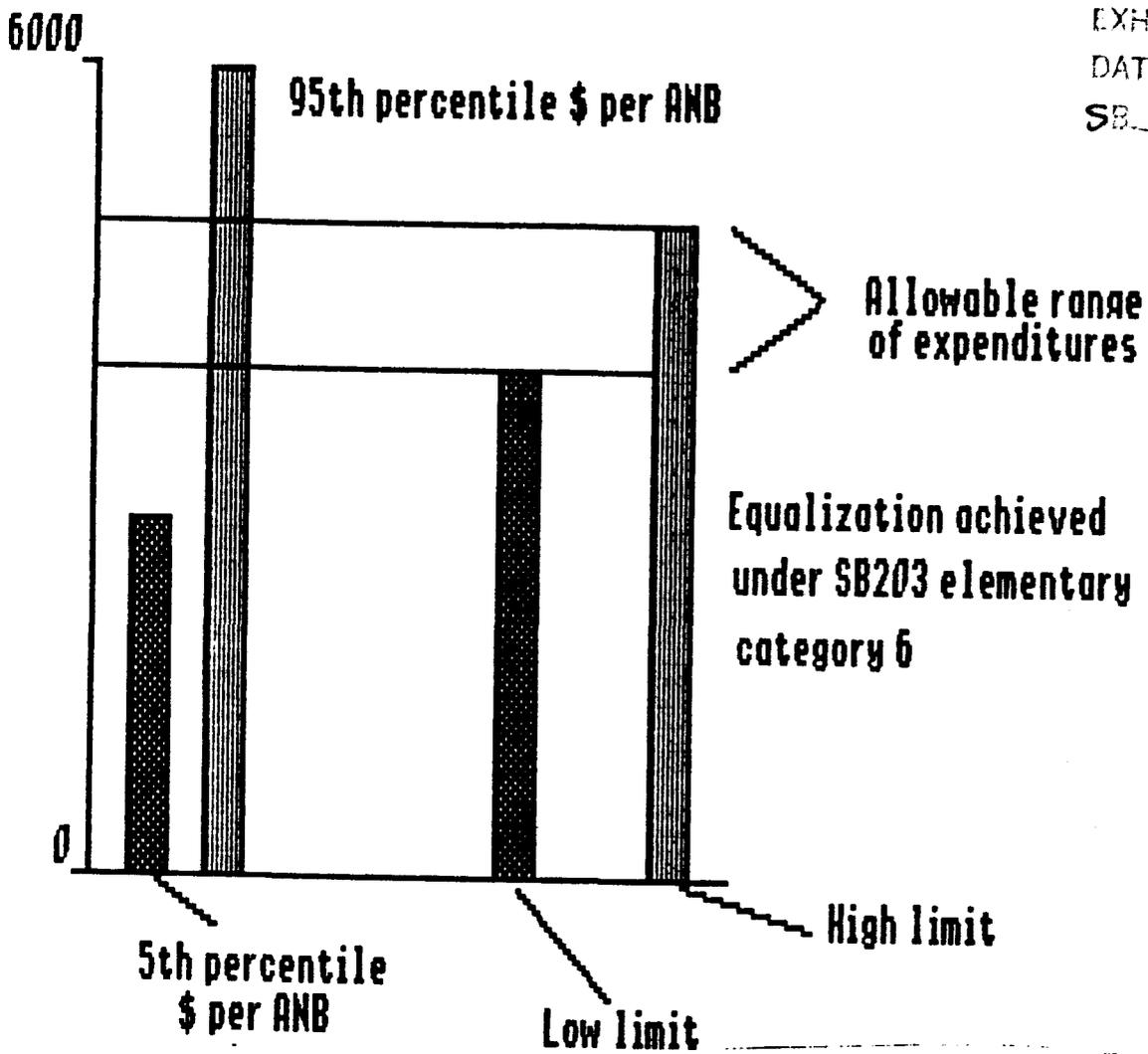


Public School Finance Proposal  
 Senate Bill 203 As Amended  
 In Millions

FY 1991 Revenue Source	Estimated
Individual Income Tax	\$87.365
Corporation Income Tax	11.783
US Oil & Gas Royalties	17.404
Interest & Income	34.770
Coal Severance Tax	1.781
Education Trust Interest	1.831
Lottery Receipts	4.550
<b>Total State Equalization</b>	<b>\$159.484</b>
Mandatory 55 Mill Levy	\$103.521
Mandatory 45 Mill Levy	84.699
Cash Reappropriated	2.955
Forest Funds	1.465
Taylor Grazing	0.102
Miscellaneous Revenue	12.067
High School Tuition	-0.838
<b>Total County Equalization</b>	<b>\$203.971</b>
<b>General Fund Appropriations</b>	
Special Education	38.161
Transportation	17.911
Foundation Program	56.414
<b>Total State General Fund</b>	<b>\$112.486</b>
<b>Total State, County &amp; General Fund</b>	<b>\$475.941</b>
<b>Maximum Local Voted Levy</b>	<b>\$137.735</b>
<b>Total Available Revenues</b>	<b>\$613.676</b>

Public School Disbursements	Estimated
Foundation Program Schedules	\$419.869
Special Education	38.161
Base to Apply 130% Cap	\$458.030
Maximum Local Voted Levy	\$137.735
Transportation	\$17.911
<b>Maximum Expenditures</b>	<b>\$613.676</b>

=====



AMENDMENTS TO SB203  
EDUCATION COMMUNITY CONSENSUS POINTS

1. The foundation program shall fund 100% of the school district FY88 actual general fund expenditures.
2. Retirement shall be a separate fund, funded at 100% of actual expenditures, and distributed on a dollar for dollar basis.
3. The foundation program schedules shall be adjusted annually to account for inflation using the Consumer Price Index or some other nationally accepted measure of inflation.
4. PL874 funds shall be included in the expenditure base.
5. School district expenditures shall be capped at 117% of foundation program distributions. Districts spending above the cap in FY88 shall be frozen at their FY88 spending level until their spending falls within the cap.
6. The 9% schedule increase in category 8 schedules shall be eliminated unless the increase is funded in addition to the FY88 actual expenditure level.
7. A school district may apply for a variance to exceed their reserve requirement to accommodate funding circumstances beyond their control.

1 Fiscal 1988 Expenditures - Revenue  
 2 SOURCE: Office of Public Instruction-2/09/89  
 3 from Trustees' Financial Summary Fiscal 1988  
 4 and from HOUSE OF REPRESENTATIVES-REVENUE ESTIMATES-HJR 13

Compiled by  
 Alan Nicholson  
 REVISED  
 3/27/89

8 FUND	EDUCATION CONSENSUS COMMITTEE	SB 203 AS AMENDED HOUSE SELECT COMMITTEE	CURRENT FOUNDATION PROGRAM	FY91 ANTICIPATED REVENUES
10 01 General Fund-FY88 actual	446,887,726		\$154,934,000	State Equalization (1)
11 less Special Education	(24,488,963)		84,699,000	45 mill levy (1)
12 less 874 Funds	(18,073,000)		5,115,000	Other Cty Revenue (2)
13	-----		(838,000)	H.S. Tuition
14	404,325,763	90% 363,893,187	16,940,000	Permissive Levy (3)
15 14 Retirement	52,846,958	100% 52,846,958	1,454,000	Other District Funds
16 16 Comprehensive Insurance	10,648,744	90% 9,583,870		
17	-----	-----	-----	(1) Includes protested tax payments
18	\$467,821,465	426,324,014	262,304,000	(2) Less elementary transport fund
19 less Retirement for Special Ed		(4,300,000)		(3) 6 mill elementary & 4 HS
20	-----	-----	-----	
21	467,821,465	422,024,014	4,600,000	Lottery Estimate
22				Department of Commerce
23 plus Special Ed	24,488,963	24,488,963		
24 Special Ed to Co-ops	2,796,580	2,796,580		
25 Approved Added Costs-Sp Ed	7,767,700	6,000,000	33,285,543	Appropriated in HB 100
26 Retirement-Sp Ed		4,300,000		
27	-----	-----	-----	
28	502,874,708	459,609,557		
29 Transportation	17,910,957	17,910,957	6,250,000	Appropriated in HB 100
30 874 Funds in Base	18,073,000	0		
31 9% increase in Category 8	8,500,000	0	\$306,439,543	
32	-----	-----	-----	
33	547,358,665	477,520,514		
34 Growth using 4.14 % CPI	22,660,649	0		
35	-----	-----	CONSENSUS	SELECT COMMITTEE
36 total	570,019,314	477,520,514	(263,579,771)	(171,080,971)
37	-----	-----	SHORTFALL	SHORTFALL

39 ** OTHER BUDGETED FUNDS WHICH 40 MAY EVENTUALLY BE EQUALIZED	FY88 EXPENDITURES
41	
42 10 Transportation-local funds	10,648,216
43 11 Bus Depreciation	1,859,602
44 13 Tuition	1,109,938
45 17 Adult Education	2,220,058
46 19 Non-Operating	29,434
47 50 Debt Service	24,400,227
48 61 Building Res	2,635,401
49	-----
50	42,902,876

52 NEW MONEY	CONSENSUS	HOUSE SELECT COMMITTEE	% OF FY88 TOTAL SPENDING IN CATEGORIES
53			
54 Growth using 4.14 % CPI	22,660,649	3.95%	0
55 Approved Added Costs-Sp Ed	7,767,700	1.35%	6,000,000 1.05%
56 9% increase in Category 8	8,500,000	1.48%	0
57	-----	-----	
58 PAGE 1	38,928,349	6.78%	6,000,000 1.05%

DATED 6  
 DATE 3-28-89  
 BB 203

EQUALIZATION EXAMPLES  
 -----

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 3/27/89

60		
61		
62		
63	TOTAL FUNDS CONSIDERED FOR EQUALIZATION	\$570,019,314
64		
65	LESS FUNDS FROM DESIGNATED SOURCES	
66		
67	STATE EQUALIZATION	(154,934,000)
68	H.S. TUITION	838,000
69	TUITION LOSS	0
70	LOTTERY	(4,600,000)
71	APPROPRIATED IN HB 100	(39,535,543)
72	OTHER COUNTY REVENUES	(5,115,000)
73	OTHER DISTRICT FUNDS	(1,454,000)
74		
75	LESS 874 FUNDS ****	0

76		
77	APPROXIMATE FUNDS NEEDED FROM SOME	
78	EQUALIZED SOURCE*****	\$365,218,771
79		365,000,000
80	1 mill (STATEWIDE) =	\$1,882,194
81	1% SALES TAX =	\$70,000,000
82		\$2,472,590

These funds include: 84,699,000 45 mill levy  
 16,940,000 Permissive levy  
 0 Less 874 funds  
 263,579,771 New state funds  
 ----- to meet 88 expenses  
 \$365,218,771 +CPI (SHORTFALL)

(OR INCOME TAX REFORM)

EXAMPLES OF REVENUE SOURCES

85	PROPERTY TAX	SALES TAX	INCOME TAX	REVENUE	NON PROPERTY TAX DOLLARS
86					
87					
88	194 mills	0.00%	0.00%	365,000,000	0
89	0 mills	5.21%	0.00%	365,000,000	365,000,000
90	0 mills	0.00%	147.62%	365,000,000	365,000,000
91	157 mills	1.00%	0.00%	365,000,000	70,000,000
92	100 mills	1.00%	43.00%	365,000,000	176,321,370
93	138 mills	1.50%	0.00%	365,000,000	105,000,000
94	100 mills	1.50%	29.00%	365,000,000	176,705,110
95	120 mills	2.00%	0.00%	365,000,000	140,000,000
96	100 mills	2.00%	15.00%	365,000,000	177,088,850
97	158 mills	0.00%	27.00%	365,000,000	66,759,930
98	128 mills	0.00%	50.00%	365,000,000	123,629,500
99	141 mills	0.00%	40.00%	365,000,000	98,903,600
100	155 mills	0.00%	30.00%	365,000,000	74,177,700
101	168 mills	0.00%	20.00%	365,000,000	49,451,800
102	100 mills	0.00%	71.50%	365,000,000	176,790,185

\*\*\*\* 874 impact funds are not uniformly distributed among districts. Therefore, subtracting these funds in total results in unequally diminished funding among schools.

\*\*\*\*\* Proposed for FY90 funding. Final equalized solution should provide for additional dollars to allow equalization upward rather than to the mean or average.

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EQUALIZATION EXAMPLES  
-----

HOUSE  
SELECT COMMITTEE

TOTAL FUNDS CONSIDERED FOR EQUALIZATION	\$477,520,514
LESS FUNDS FROM DESIGNATED SOURCES	
STATE EQUALIZATION	(154,934,000)
H.S. TUITION	838,000
TUITION LOSS	0
LOTTERY	(4,600,000)
APPROPRIATED IN HB 100	(39,535,543)
OTHER COUNTY REVENUES	(5,115,000)
OTHER DISTRICT FUNDS	(1,454,000)
LESS 874 FUNDS & Sp Ed Ret	(18,073,000)

Compiled by  
Alan Nicholson  
REVISED  
3/27/89

APPROXIMATE FUNDS NEEDED FROM SOME EQUALIZED SOURCE	\$254,646,971
	255,000,000
1 mill (STATEWIDE) =	\$1,903,008
1% SALES TAX =	\$70,000,000
	\$2,309,550

These funds include: 84,699,000 45 mill levy  
16,940,000 Permissive levy  
(18,073,000) Less 874 funds  
171,080,971 New state funds  
----- to meet 88 expenses  
\$254,646,971 +CPI (SHORTFALL)

(OR INCOME TAX REFORM)

EXAMPLES OF REVENUE SOURCES

PROPERTY TAX	SALES TAX	INCOME TAX	REVENUE	NON PROPERTY TAX DOLLARS
134 mills	0.00%	0.00%	255,000,000	0
0 mills	3.64%	0.00%	255,000,000	255,000,000
0 mills	0.00%	110.41%	255,000,000	273,001,429
100 mills	0.95%	0.00%	255,000,000	66,500,000
85 mills	1.00%	10.00%	255,000,000	94,725,900
80 mills	1.50%	0.00%	255,000,000	105,000,000
67 mills	1.50%	10.00%	255,000,000	129,725,900
61 mills	2.00%	0.00%	255,000,000	140,000,000
100 mills	0.60%	10.00%	255,000,000	66,725,900
100 mills	0.00%	27.00%	255,000,000	66,759,930
100 mills	0.95%	0.00%	255,000,000	66,500,000

\*\*\*\* 874 impact funds are not uniformly distributed among districts. Therefore, subtracting these funds in total results in unequally diminished funding among schools.

\*\*\*\*\* Proposed for FY90 funding. Final equalized solution should provide for additional dollars to allow equalization upward rather than to the mean or average.

PERCENTAGE OF STATE CONTRIBUTION IF ENTIRE OVERSCHEDULE IS LEVIED			STATE CONTRIBUTION	PERCENTAGE STATE CONTRIBUTION
175				
176				
177				
178	SELECT COMMITTEE	422,024,014	422,024,014	
179	SPECIAL ED	37,585,543	37,585,543	
180	OVERSCHEDULE			
181	30.00%	137,882,867		
182				
183 10	Transportation	17,910,957	17,910,957	
184		-----	-----	
185		615,403,381	477,520,514	77.59%
186				
187 10	Transportation-local	10,648,216		
188 11	Bus Depreciation	1,859,602		
189 13	Tuition	1,109,938		
190 17	Adult Education	2,220,058		
191 19	Non-Operating	29,434		
192 50	Debt Service	24,400,227		
193 61	Building Res	2,635,401		
194		-----		
195	OTHER	42,902,876		
196		-----	-----	
197	TOTAL	658,306,257	477,520,514	72.54%
198				
199				
200	CONSENSUS GROUP			
201	BEFORE OVERSCHEDULE	570,019,314	570,019,314	
202				
203	OVERSCHEDULE			
204	17.00%	96,903,283		
205				
206	CONSENSUS	-----	-----	
207	TOTAL	666,922,597	570,019,314	85.47%
208				
209				
210	OTHER	42,902,876		
211		-----	-----	
212	TOTAL	709,825,473	570,019,314	80.30%
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EFFECTS OF INFLATION ON EDUCATION BUDGET

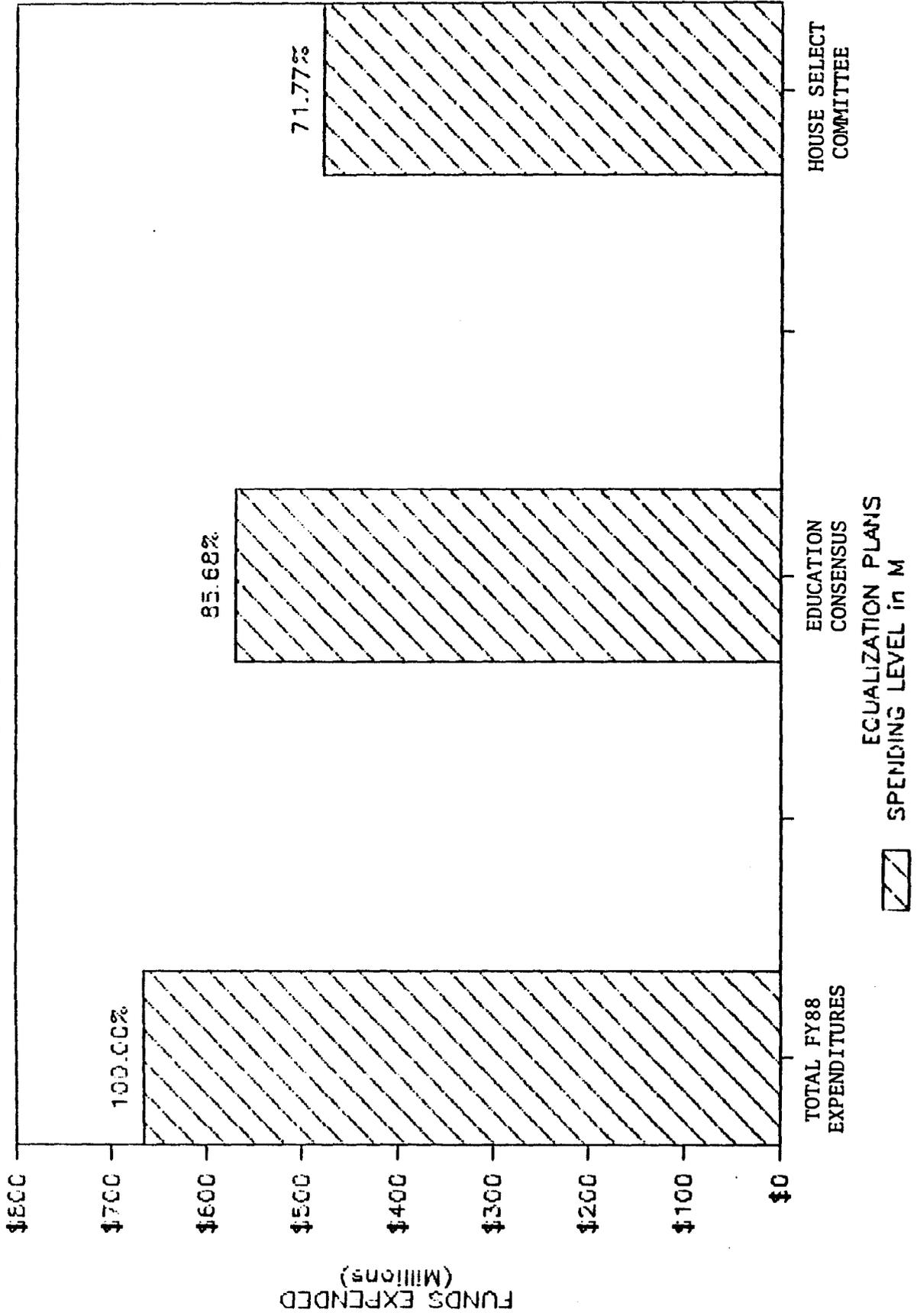
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REVISED  
3/27/89

FUND	DESCRIPTION	FY88 LEVELS
01	General Fund-FY88 actual	446,887,726
14	Retirement	52,846,958
16	Comprehensive Insurance	10,648,744
	Special Ed to Co-ops	2,796,580
10	Transportation	28,559,173
11	Bus Depreciation	1,859,602
13	Tuition	1,109,938
17	Adult Education	2,220,058
19	Non-Operating	29,434
50	Debt Service	24,400,227
61	Building Reserve	2,635,401
		-----
		573,993,841
CPI	YEAR ONE	4.14% 597,757,186 FY89
CPI	YEAR TWO	5.00% 627,645,045 FY90
CPI	YEAR THREE	6.00% 665,303,748 FY91

ANTICIPATED FY91 SPENDING AFTER CPI ADJUSTMENT	CONSENSUS	SELECT COMMITTEE
	State Funded	State Funded
665,303,748 FY91	570,019,314	477,520,514
100.00%	85.68%	71.77%
	Local Funding Required	Local Funding Required
	95,284,434	187,783,234
	14.32%	28.23%
FY91 - FY88 SPENDING, i.e. NO CPI ADJUSTMENT	CONSENSUS	SELECT COMMITTEE
	State Funded	State Funded
597,757,186 FY88	570,019,314	477,520,514
100.00%	95.36%	79.89%
	Local Funding Required	Local Funding Required
	27,737,872	120,236,672
	4.64%	20.11%

# PERCENTAGE OF STATE FUNDING IN FY91

AFTER ADJUSTMENT FOR INFLATION



3/28/89

Senate Bill 203

Mr. Chairman, members of the Committee, my name is Kenneth Williams. I am appearing on behalf of Entech and our coal mining subsidiary Western Energy Company. I would like to focus my remarks on the impacts of increasing the mandatory mill levies for schools.

Such an increase has a particularly negative impact on our coal operations. In 1988 the taxable valuation for Entech as a whole for property tax purposes was approximately \$50,000,000. 90% of that figure was from coal gross proceeds. The coal gross proceeds tax is a unique property tax. In reality it is a tax on the sale of coal rather than on property. It operates very similar in practice to the severance tax. The point of valuation is the same. The sale of coal creates the value for tax purposes.

The last two sessions of the Legislature have made adjustments in the severance tax to attract and retain coal production for Montana. This Legislature continued that policy with the passage of HB 4. The adoption of an increased statewide mill levy represents a tax increase for coal as surely as if the Legislature were to reverse its policy and increase the coal severance tax. Should that happen the recovery in the Montana Coal Industry which has seen production increase 4.5 million tons to 38.9 million would be placed at extreme risk. Much of the new activity in the coal industry is tied to spot sales and renegotiated contracts that give the buyer much flexibility to stop shipments and shift tonnages away from Montana if there are significant price increases. An increase in the mandatory level could cause coal production to fall, taxable valuation to decline resulting in less monies available for schools.

In 1975 the Montana Legislature passed the Coal Severance Tax and the Coal Gross Proceeds Tax under one piece of legislation. While there was and continues to be much debate over the purpose of the severance tax, there was no debate over the purpose of the coal gross proceeds tax. Coal gross proceeds were to be used for

local impacts. It is ironic that a statewide mill levy should spread those local impacts statewide.

The present mandatory levy of 45 mills now causes five counties to be net contributors to the foundation program. For 88-89 Rosebud County contributed in excess of 4.6 million dollars over what it received from the foundation program for equalization. The high valuation school districts currently provide much more than they receive. An increase in the mandatory levy will increase the difference. The key problem and the reason this Legislature has been confronted with this issue has been an over reliance on property taxes and voted levies for school funding. Raising the mandatory levy will not solve the problem. A more diversified funding base must be found.

Should this legislature decide that an increase of the mandatory school levies are necessary. We urge you to provide a reduction in coal severance tax rates or provide a credit against coal severance tax liabilities to ameliorate the impacts of an increased levy and protect the fledgling recovery in the Montana coal industry. I believe the alternative is grim, declining coal production, increasing unemployment and loss of tax revenue to the state.

3/28/89

SB 203

S.A.M. supports <sup>SB</sup> 203 and efforts mod. to "improve" the bill from its original form.

However we still have some questions:

1. Why was Retirement made so complicated by placing in general fund - why not fund fully state wide?

2. If 100% of average is not used, by the way we still support, why do we use "58" instead of previous year. Figures will always be behind a couple of years - 6<sup>2</sup> 10% by 1990-1991 school year

#1 On comparison page #6 = mills do not add to 60 & 40

3. #13 - should pay for instead of by 42.5% + 52.5%

4. the problems from past underfunding transportation real show up -

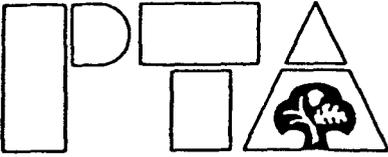
2. hope we can fix this in a couple of years

6.

the give & take has been a great learning process for all involved, especially you committee members - I'm sure you've understood our problems better than ever before - thank you for your time & effort.

5. When a district has contracted his transportation for up to 5 years with a annual escalator clause - How will that be handled a year from now

Don Waldman



MONTANA CONGRESS OF PARENTS AND TEACHERS

SB 203 Testimony March 28, 1989

Chm Peck and Members of the House Select Comm on Education Funding;  
Chm Schye and Members of the House Ed and Cultural Resources Comm:

For the record, I am Helen Volden, Legislative Coordinator for the MT Congress of Parents and Teachers - commonly referred to as the Montana PTA. *I am representing 11,000+ Members across MT.*

It is quite safe to say that nearly everyone in this room agrees that school finance is complicated business---and designing a new and more equitable system to fund our schools in 1 legislative session is even more complicated.

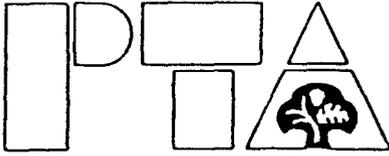
However, before a more equitable funding pgm is agreed upon, we must be concerned with: first, the fact that the problem is not that some school districts have too much money to spend, but rather that many school districts have too little; secondly, we must be sure that the goal of the new funding system guarantees that every school district is provided with adequate revenue that will provide every child an opportunity to acquire an education that meets accepted standards for quality; and thirdly, we must not let the better schools become weaker while improving the poorer schools. We must support a long-term solution to funding our schools....not a band-aid approach.

We urge you to not support SB203 as it currently reads. The Montana PTA strongly believes that the state must pick up a greater share of what is being spent now. It is imperative the state supply 100% of current school budgets.

And finally, we would like for you to know that a resolution was adopted by our Association in 1987 - supporting increasing state revenues through an appropriate tax increase or other means that insures adequate funding for public education. And a 1986 resolution calling for a study of the tax structure to provide better funding on the state level to the foundation pgm. (I will be leaving copies of these resolutions for your review).

The time has come for us to put our money where our future is - in our children's education.

Thank you. *Helen Volden*



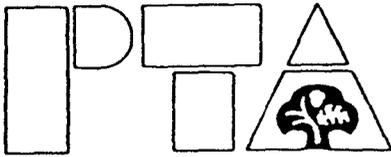
MONTANA CONGRESS OF PARENTS AND TEACHERS



FINANCIAL SUPPORT OF PUBLIC SCHOOLS

- Whereas, The Montana PTA is intensely concerned that every public school district in Montana provide excellent public education for its children and youth; and
- Whereas, Excellence in public education requires adequate financing; and
- Whereas, Financial support of public schools is adversely affected by public's lack of understanding of school needs, and by excessive dependence on the inequitable property tax; and
- Whereas, Funding for public education and other programs for children should be a top priority of the state government because these programs are investments in the future of this state; therefore be it
- RESOLVED, That the Montana PTA and all its Council/Units intensify their efforts to educate the public on public school needs and public support needed to assure funds adequate for quality education in every public school district in Montana; therefore be it further
- RESOLVED, That Montana PTA encourage education groups across the state to study fiscal management of education revenue and a study of school district consolidation where appropriate; therefore be it further
- RESOLVED, That the Montana PTA support increasing state revenues through an appropriate tax increase or other means that insures adequate funding for public education.

This resolution was adopted by the Montana Congress of Parents and Teachers in 1987



MONTANA CONGRESS OF PARENTS AND TEACHERS



ENCOURAGE A STUDY OF THE TAX STRUCTURE TO PROVIDE BETTER  
FUNDING ON THE STATE LEVEL TO THE FOUNDATION PROGRAM

Whereas, One of the PTA's objectives is to secure adequate laws for the care and protection of children and youth; and

Whereas, Communities all across Montana are having difficulty getting local mill levies passed for much needed additional funding, therefore be it

RESOLVED, That the Montana PTA encourage the state legislators to study the tax structure in Montana and work to improve and/or make changes, to provide better funding from the state level to the Foundation Program, thereby taking some of the financial burden away from the local communities.

This resolution was adopted by the Montana Congress of Parents and Teachers in 1986

STATEMENT BY DALE E. REAGOR

IMMEDIATE PAST PRESIDENT

HELENA AREA CHAMBER OF COMMERCE

HOUSE SELECT COMMITTEE ON EDUCATION

MARCH 28, 1989 7 P.M.

THE HELENA AREA CHAMBER OF COMMERCE BELIEVES THAT A QUALITY EDUCATION IS FUNDAMENTAL TO THE ECONOMIC WELL-BEING OF OUR CITIES, COUNTIES AND STATE. THEREFORE, THE CHAMBER URGES THE LEGISLATURE AND THE GOVERNOR TO ADOPT A SCHOOL FOUNDATION PROGRAM WHICH PROVIDES FOR THE FOLLOWING:

- 1) THE FOUNDATION PROGRAM SHOULD BE INITIALLY FUNDED AT LEAST TO THE LEVEL OF 1987-1988 ACTUAL GENERAL FUND EXPENDITURES. AS PROPOSED THE FOUNDATION PROGRAM FUNDS ONLY TO 90 PERCENT OF PREVIOUS EXPENDITURES AND EXCLUDES SOME EXPENSES FROM FUNDING.
- 2) THE FOUNDATION PROGRAM SHOULD PROVIDE FOR AN ANNUAL ADJUSTMENT FOR INFLATION. NO REASONABLE BUSINESS PLAN IGNORES THE IMPACTS OF INFLATION, HOWEVER THE PROPOSED LEGISLATION DOES NOT INCLUDE ANY ALLOWANCE FOR INFLATION THAT ALL AGREE WILL BE AN INCREASING FACTOR IN THE COMING YEARS.
- 3) RETIREMENT AND SPECIAL EDUCATION SHOULD BE SEPERATE FUNDS, FUNDED AT 100 PERCENT OF ACTUAL EXPENDITURES AND DISTRIBUTED ON THE BASIS OF ACTUAL COSTS. DISTRICTS SHOULD NOT BE PENALIZED NOR REWARDED BECAUSE THEY FALL ON EITHER SIDE OF A STATEWIDE AVERAGE FOR THESE COSTS. IN HELENA, WHICH HAS DONE AN EXCELLENT JOB OF RETAINING ITS FACULTY, RETIREMENT COSTS WILL BE HIGHER. HELENA SHOULD NOT BE PENALIZED FOR RETAINING A MORE EXPERIENCED FACULTY, WHEN EXPERIENCE WILL HAVE A MOST POSITIVE IMPACT ON EDUCATIONAL QUALITY.
- 4) FUNDS RAISED AT THE LOCAL LEVEL SHOULD BE CAPPED AS A REASONABLE PERCENTAGE OF THE FOUNDATION PROGRAM RECEIPTS. THIS GOES TO THE VERY HEART OF THE EQUILIZATION ISSUE.

TESTIMONY BY DALE E. REAGOR

- 5) THE CHAMBER REQUESTS THE LEGISLATURE TO FORM A BI-PARTISAN STUDY COMMISSION THAT WILL ADDRESS THE BIGGER PICTURE ISSUES OF DISTRICT CONSOLIDATIONS, COST-SAVING EFFICIENCIES AND ADDED PROGRAMS THAT WILL BRING MONTANA'S QUALITY OF EDUCATION INTO THE LEAD AS THE STATE ADVANCES INTO ITS SECOND CENTURY.

EXHIBIT 10B  
DATE 3-28-89  
#B 203

NEWS RELEASE

HELENA AREA CHAMBER OF COMMERCE

MARCH 28, 1989

FOR FURTHER INFORMATION CONTACT:

DAVID HEMION, 442-4120

THE HELENA AREA CHAMBER OF COMMERCE WILL ASK THE HOUSE SELECT COMMITTEE ON EDUCATION TO FULLY FUND PUBLIC EDUCATION. IN TESTIMONY TO BE PRESENTED TODAY THE CHAMBER WILL ASK THE COMMITTEE TO INCREASE THE FOUNDATION PROGRAM TO 100 PERCENT OF 1987-88 ACTUAL GENERAL FUND EXPENDITURES, FUND PREDICTABLE INFLATION, FUND SPECIAL EDUCATION AND RETIREMENT COSTS FULLY, CAP LOCAL LEVIES AT A REASONABLE PERCENTAGE OF THE FOUNDATION PROGRAM AND FORM A STUDY COMMISSION TO RECOMMEND IMPROVEMENTS TO STATEWIDE EFFICIENCY AND QUALITY.

(A COPY OF THE CHAMBER'S POSITION IS ATTACHED)



**CHESTER PUBLIC SCHOOLS**

BOX 550  
 CHESTER, MONTANA 59522

(406) 759-5108  
 High School  
 (406) 759-5477  
 Elementary

TESTIMONY SB 203

This testimony is based on the following assumptions:

1. 100 mills will be assessed state wide - 40 high school, 60 elementary
2. General Fund, Retirement Fund and Comprehensive Insurance Fund will be grouped together.
3. Transportation Fund will be partially funded by the state and the district. I'm not sure where the state will acquire it's funds.

The following are actual projected budget figures for next year FY 89-90.

HIGH SCHOOL

	<u>Dollars</u>	<u>Local Mills</u>
General Fund Budget	618,900	
Retirement Fund Budget	69,682	
Comprehensive Insurance Fund Bud.	<u>16,100</u>	
TOTAL Funds Needed FY 89-90	704,682	
State Foundation Payment	430,913	40.00
Local Voted Levy	215,489	18.73
Cap	646,403	
***TOTAL Dollars Short	(58,279)	
Percentage Short	5.8%	
Building Reserve Budget	20,000	1.74
Transportation Fund Budget	44,398	3.91
Debt Service Fund Budget	26,896	2.34
Adult Education Fund Budget	6,500	<u>.52</u>
TOTAL MILLS FY 89-90		67.24
TOTAL MILLS FY 88-89		40.98
TOTAL MILL INCREASE		26.26
Percentage Increase		39%

ELEMENTARY SCHOOL

	<u>Dollars</u>	<u>Local Mills</u>
General Fund Budget	699,788	
Retirement Fund Budget	85,513	
Comprehensive Ins. Fund Budget	<u>16,100</u>	
TOTAL Funds Needed FY 89-90	801,401	
State Foundation Payment	606,901	60.00
Local Voted Levy	194,500	23.08
Cap	860,811	
Transportation Fund Budget	46,762	5.82
Debt Service Fund Budget	2,500	.31
TOTAL MILLS FY 89-90		89.21
TOTAL MILLS FY 88-89		45.77
TOTAL MILL Increase		43.44
Percentage Increase		48.6%

Conclusions:

1. High School budget will have to be cut by \$58,279 because of the cap. This amounts of 9% of general fund. The following area examples of what we have budgeted for FY 89-90:

A. Extra-curricular Program	\$65,000
B. One teacher	23,000
C. Step & Lanes	8,000
D. 1% Teacher Salary Increase	9,000
E. Health Insurance Increase	10,000
F. Non Salary, Insurance or Utilities	80,000
2. Our taxes are going to go up considerably. The high school will increase by 26.26 mills or 39% and the elementary will increase 43.44 mills or 48.6%.
3. Do you think we can cut our high school budget by \$58,279, increas taxes by 40+% and still pass local voted levies?

Testimony prepared by Jim Foster.

## BUDGET INFORMATION 1989-90

EXHIBIT 12  
DATE 3-28-89  
SB 203

Helena School District #1 supports HB 618 to increase the foundation program by 4% for the 1989-90 school year. In the past three years, we have had a 1% increase in school funding. If we receive no increase on the base in either 1989-90 or in 1990-91, total education funding will have increased only 1% in five years. Inflation costs have eroded the quality of education Helena students have received during the past two years. With a 0% increase in the foundation program we face further serious cuts.

We cut 30 personnel and 24 coaching positions last year while experiencing an over- all enrollment increase. We have already decided to cut 4 - 6 high school teachers for 1989-90. We are still deliberating how to address the shortfall in the elementary budget. Preparations are being made to notify all non-tenured teachers of their termination do to funding shortfall.

With some exceptions, classes with less than 15 students or 80% of classroom capacity have been eliminated. Those cuts will affect: upper level accounting, science, basic skills classes (where teachers work on a more individualized basis with remedial students), drafting, vocational classes, physics and electronics. Many of the classes cut are specialized classes for high achieving students who will go on to college - they are our high school gifted classes. Although they serve a small number of students, the students served are Helena's best and brightest. At the same time, we have not made cuts in the special education budget during this period, as previous cuts have brought us dangerously close to violating federal special education mandates.

The Helena School Board supports special education and we strongly believe we offer a quality program that allows these students to meet their potential as productive citizens. We, concurrently, believe academically gifted students deserve the same opportunities. It troubles us to not be able to meet these needs.

Last year we postponed all textbook purchases. We are using outdated spelling books that are literally falling apart. Recent declines in spelling test scores may be directly tied to the use of outdated materials. Replacement textbooks are needed in reading, health, French, as well as spelling, or we will fall further behind in the curriculum process.

Last year we reduced library services, cut part of the music program, and eliminated one-half of our elementary gifted program. This year we are considering the total elimination of the gifted program, as well as the drug and alcohol program.

We have continued to defer maintenance to the point where we face safety and health problems.

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We have eliminated activities for some students and instituted activity participation fees. That has had a direct effect on the number of students participating in activities. We have increased participation fees for next year in an attempt to preserve programs.

Our reserves, which were never high, have fallen dangerously low. Our high school reserve is less than 2.5% and our elementary reserve is between 10% - 12%.

We did give our staff a cost of living raise this year and we make no apologies for that. Helena has tried to maintain salaries near the middle of those paid by other districts in our size category. Last year we had fallen to near the bottom of those districts and we believe we need to remain competitive. The starting teacher salary for the Helena District next year will be \$16,300.

Although some of the shortfall listed on the attached sheet results from the salary increases, much of it is from significant cost increases:

- Textbooks and library books - 10%
- Instructional supplies - 4% (we have frozen this area of the budget for the past three years and teachers are running out of supplies or purchasing them with their own money)
- Water - 40%
- Sewer - 20% -
- Maintenance supplies - 6% (based on actual bids)
- Electricity - 20%
- Telephone - 10%
- Insurance - 15%

We, like all districts in Montana, must begin to remove asbestos from all schools because of a federal mandate.

As you can see by the attached sheet, we made \$1,359,713 in budget reductions last year and ran an emergency levy at the elementary level. Even if we receive a 4% increase in the foundation program next year, we will face substantial cuts. With a 0% increase, the education provided Helena students will erode even further.

Helena's have testified in public hearings last year and this year that they support the quality programs Helena has historically offered. They do not wish to lose them and they are willing to pay increased taxes to provide those opportunities.

## HELENA SCHOOL DISTRICT NO. 1 BUDGET INFORMATION

1989-90

	<u>H. S.</u>	<u>ELEM.</u>	<u>TOTALS</u>
Deficit	\$924,000	\$951,635	\$1,875,000
Revenue Shortfall	\$452,120	\$87,429	\$539,549 *
<b>Areas of Significant Increase</b>			
a. Utilities	\$ 60,200	\$ 90,125	\$ 150,325
b. Salaries	337,000	586,000	923,000
c. Asbestos Abatement	60,000	19,000	79,000
d. Supplies, Travel, Equipment, Books, etc.	53,900	40,185	94,085
e. Reinstatement of Textbook Adoption	<u>23,500</u>	<u>102,000</u>	<u>125,500</u>
<b>Total:</b>	<b>\$534,600</b>	<b>\$837,310</b>	<b>\$1,371,910</b>
1988-89 Reductions	\$692,174	\$633,952	\$1,326,126
Emergency Levy	-0-	\$259,560	\$ 259,560
<u>1%</u> Increase in Foundation Program Schedule Raises:	\$51,000	\$76,700	\$127,700

\* Cause of Revenue Shortfall in the Elementary District was mostly the loss of the emergency levy, partially made up by increased enrollment. Cause of the revenue shortfall in the high school district was primarily loss of enrollment.



AMERICAN ASSOCIATION of UNIVERSITY WOMEN

MONTANA DIVISION

EXHIBIT 13  
DATE 3-28-89  
SB 203

28 March 1989

BRANCH PRESIDENTS

Billings  
Earlene Davis  
Bozeman  
Peggy McLeod  
Butte  
Pat Bristol  
Cutbank  
Linda Almas  
Dillon  
Margaret Vandegrift  
Clara Beier  
Glasgow  
Sandra Oss  
Glendive  
Ardie Thompson  
Great Falls  
Feg Mathews  
Hamilton  
Lillian McCauley  
Helena  
Ruth Long  
Kalispell  
Joyce Atherton  
Lewistown  
Mary Jo Hamling  
Miles City  
Eleanor Gray  
Missoula  
Anna Marie Clouse  
Northern Montana  
Charlotte Kelley  
Josephine Martin  
Park  
Ann Biastoch  
Polson  
Charlotte Stark

TO: House Select Committee on Education  
House Education Committee

FROM: Montana Division, AAUW

Chairmen Peck and Schye, and members of the committees:

We support the concerns expressed by the education community tonight, especially the concept of 100% funding based on 1988 school budgets, the payment of the teachers' retirement funds based on total costs, and full funding of the special education programs.

Let me express our thanks to both committees for the hours you have spent considering the best way to provide equal opportunity for all students to a basic quality education.

Sincerely,

B.J. Wood, Legislative chairman  
Montana Division, AAUW

*Blue Sky Public Schools*  
District 90-K

EXHIBIT 14  
DATE 3-28-89  
SB 203

Hingham-Rudyard  
Box 129  
Rudyard, MT 59540

High School 355-4481  
Elementary School 355-4460



TO: Whom it May Concern  
RE: SB203 School Funding Legislation

From the information available I find the cause and effect of the Blue Sky District as is noted below. These figures were provided 3/28/89 by Dori Neilson at the Office of Public Instruction. These are amounts that would resolve to finance teachers retirement, Comprehensive Insurance and the General Fund Budget. This is assuming that a 100 state wide property tax levy would be mandated. (60 mills in the Elementary and 40 mills in the High School)

	Elementary	High School
Current Mills Collected	62 voted 25 mandated 9 permissive 25 Comp&Retir.	60 voted 15 mandated 6 permissive 15 comp&Retir.
Total	121	90
New Finance structure	60 mandated 41 voted to cap	40 mandated 35 voted to cap
Total	101	75
Current General fund, comp. ins, & Reti	453,277 20,300 29,800	421,346 20,300 26,800
total three budgets	503,377	468,446
Average amount for Gen.fund, Insu, Tea Reti. of School our Size (90%)	307,206	301,852
Cap to vote to extra mills	467,212 41 mills	443,144 35 mills
Dollars we spend over the proposed Cap.....	\$36,165	\$25,302

If our resources are correct this cap would force \$61,467 in Student Services Reductions. In our district that's in excess of three teaching positions. This type of funding program is forced consolidation legislation is disguise.  
\*WE STAND OPPOSED TO FUNDING CAPS  
\*WE STAND OPPOSED TO INCLUDING TEACHERS RETIREMENT IN THE GENERAL FUND BUDGET

# Montana Association of School Business Officials

213 Reid Hall

Montana State University

Bozeman 59717

Phone 587-3566

EXHIBIT 15  
DATE 3-28-89  
SB 203

March 21, 1989

Select Education Committee  
Honorable Ray Peck  
House of Representatives  
Capitol  
Helena, Mt 59620

RE: SB 203 AMENDMENT

It has come to our attention that an amendment is being considered to mandate "General Accepted Accounting Principles" for public schools. MASBO endorses this amendment. This Association endorsed the GAAP principles two years ago. We have a membership of 247 consisting of school district clerks, business managers and other administrators.

MASBO has sponsored and conducted workshops for double entry and modified accrual accounting. Six regional workshops were completed this month. We have worked with the Office of Public Instruction and the Local Government Services in developing and promoting these workshops.

MASBO has also developed and published two manuals on double entry accounting - one for the small third class districts and one for the larger districts which would be using automated equipment.

The Board of Directors for MASBO do not anticipate large capital expenditures for implementing these accounting systems. Approximately 130 schools are utilizing the double entry system and other schools with computers have the capability of adapting. In-service training is one of the high priorities for MASBO.

The Directors represent schools of varying size such as Peerless, Broadus, Conrad, Target Range Elementary of Missoula, Billings, Glendive, Shelby, Bozeman and Lockwood Elementary of Billings. MASBO is sponsored by the School Boards Association with the charge to research and implement improved school business procedures. The enactment of this legislation would improve the timetable for reaching our goal to have a standard accounting system for Montana which would benefit not only the local school administration, but, state agencies and the Legislature.

Respectfully submitted,

  
Esther Nelson, Executive Secretary

cc: OPI  
Local Government Services

A SUMMARY OF  
SCHOOL FUNDING EQUALIZATION PROPOSALS:

SENATE BILL 203, SUBSTITUTE BILL  
and  
EDUCATION COMMUNITY CONSENSUS POINTS

Prepared for the

House Select Committee on Education  
House Education and Cultural Resources Committee  
Senate Education and Cultural Resources Committee

by

Andrea Merrill, Staff Researcher, Legislative Council  
Dave Cogley, Staff Attorney, Legislative Council  
Madalyn Quinlan, Associate Fiscal Analyst,  
Office of Legislative Fiscal Analyst

February 6, 1989

Revised February 27, 1989

Revised March 27, 1989

## GLOSSARY OF ABBREVIATIONS USED IN CHART

ANB -- average number belonging

Bldg./debt -- district debt service, building  
fund, building reserve

CPI -- Consumer Price Index

Elem. -- elementary schools

FP -- Foundation Program

FY -- school fiscal year (i.e., FY 91 = school fiscal year  
beginning July 1, 1990)

GAAP -- Generally accepted accounting principles

GF -- school district general fund for operation and  
maintenance

H.S. -- high schools

M -- Million

PERS - Public Employees' Retirement System

SS -- Social Security

Spec. ed. -- special education

Transp. -- transportation

TRS -- Teachers' Retirement System

UI -- unemployment insurance

\$ -- revenue

CURRENT

EDUCATION COMMUNITY  
CONSENSUS POINTS

SB 203, NATHE  
SUBSTITUTE BILL,  
3RD READING

- |   |  |  |
|---|--|--|
| 1. <u>11 budgeted, 15+ nonbudgeted funds</u> for all school costs; reserves for some                                      | State should fully fund GF, insurance, tuition at FY 88 expenditure level. Eliminate tuition fund  | Add 2 budgeted funds to GF: retirement, insurance. Transfer each reserve to GF. Effective FY 91.   |
| 2. <u>Mandatory county retirement levy for TRS, PERS, SS, UI; using lottery for equalization; (25-mill ave.)</u>          | Separate fund. Equalized funding source but fully fund for each district on dollar-for-dollar basis  | Eliminate levy. Retirement in GF. 100% of 1988 costs added to FP schedule base. Spec. ed. retirement as allowable cost   |
| 3. <u>Allowable district levy for comprehensive insurance; (5-mill ave.)</u>  | Eliminate levy. Part of FP & GF  | Eliminate levy. Insurance in GF. 90% of 1988 costs in FP schedule base   |
| 4. <u>Separate tuition account; tuition approval agreements for nonresident students</u>                                  | No tuition charges; students counted in school attended. Attendance agreements with receiving district   | No change from current law   |
| 5. <u>FP schedule funding not based on actual costs of operating schools. % increases by legislature (1% since FY 86)</u> | FP funded at 100% of 1988 GF expenditures plus any schedule increases for FY 90. Adjust annually for inflation. Include PL 874 in expenditure base | FP schedules for FY 91 based on: 90% of 1988 districts' GF, minus spec. ed. & GF PL 874; 100% of 1988 retirement, minus spec. ed retirement; 90% of 1988 comprehensive insurance, minus PL 874 |
| 6. <u>Mandatory 45-mill levy, collected at county (28 mills elem., 17 mills h.s.)</u>                                     | Collect all mandatory mills so PL 874 not jeopardized  | Collect 34 elem. mills & 21 h.s. mills at county; collect 45 mills as state levy. Effective FY 91  |

<u>CURRENT</u>	<u>EDUCATION COMMUNITY CONSENSUS POINTS</u>	<u>SB 203, NATHE SUBSTITUTE BILL, 3RD READING</u>
7. <u>Permissive levies for elem. (6 mills) &amp; h.s. (4 mills)</u>	Eliminate permissive levy	Eliminate permissive levy. Effective FY 91.
8. <u>No statutory expenditure limitations (except for I-105)</u>	Any voted levy cap is calculated on schedule amount plus retirement, spec. ed. Districts with FY 88 spending above cap are frozen until spending within cap. Spending up to cap exempt from I-105	Maximum GF budget limited to 130% of FP (schedule amount plus spec. ed); districts with FY88 GF, retirement, & insurance spending over 130% of FY 91 FP are frozen; PL 874 \$ excluded from cap. Exempt from I-105
9. <u>State revenue sources earmarked for FP</u>	No change from current law	45-mill state levy and lottery. Effective FY 91
10. <u>County equalization revenues received from federal forest funds, Taylor Grazing, motor vehicle, misc.</u>	No change from current law	No change from current law
11. <u>PL 874 not counted as resource for equalization</u>	No change. OPI study for '91 session. Study weighted ANB for Native American students	PL 874 excluded from cap until equalization allowed under federal law
12. <u>General fund reserve limit of 35%; no penalty for exceeding limit</u>	20% limit on GF reserve if equal monthly FP payments available	Reserve limited to: 35% if no state aid; 30% if aid 25% or less of FP; 20% if aid over 25%
13. <u>FP structure &amp; schedules based on school size</u>	No change in structure of schedules. No increase for some categories unless funded in addition to FY 88 base	No change in structure of schedules, except 9% increase for elem. over 300 ANB. Schedules increased by 42.5% for elem.; 52.5% for h.s.

CURRENT

EDUCATION COMMUNITY  
CONSENSUS POINTS

SB 203, NATHE  
SUBSTITUTE BILL,  
3RD READING

- |     |  |  |  |
|-----|--|--|--|
| 14. | Minimum <u>180-day</u> school year with no maximum; no limit on days creates disequity in FP payments      | Funding based on 180 PI days & 7 PIR days          | Funding for only 180 PI days, plus 7 PIR   |
| 15. | Payments based on <u>average number belonging</u>  | No change from current law                         | No change from current law   |
| 16. | <u>Building/debt service</u> not equalized   | Funds not combined or equalized until study        | Interim study of needs & methods of equalization   |
| 17. | <u>Transportation</u> program separate   | No change; study for '91                           | State funds 100% of transp. schedules. Over-schedule transp. expenditures capped at 1988 costs unless OPI approval. Interim study; \$11.568M in bill, \$6.2M in HB 100 |
| 18. | <u>Special ed.</u> part of GF and FP; actual costs not fully funded; separate accounting and OPI oversight | State fully fund allowable costs starting in FY 90 | State funds allowable costs for FY 90 & 91, plus retirement costs for FY 91 (\$4.3M in bill)   |
| 19. | <u>Adult ed.</u> is local choice; funded by: appropriation, tuition, 1-2 mills                             | No change from current law                         | No change from current law   |
| 20. | Current state equalization aid <u>payment schedule</u> is 5 times per year                                 | 12 equal monthly FP payments                       | 20% state equalization aid in July, then minimum of 7% monthly   |

CURRENT

EDUCATION COMMUNITY  
CONSENSUS POINTS

SB 203, NATHE  
SUBSTITUTE BILL,  
3RD READING

21. Additional com-  
ponents or issues

Consolidation not to  
be included as  
equalization issue.  
FP schedules should  
be adjusted annually  
to allow for  
inflation, using CPI  
or other rational  
basis

Legislative  
oversight committee  
for studies &  
implementation  
(\$20,000); OPI adopt  
rules for district  
GAAP accounting &  
reporting--training  
funds in bill.  
State aid for  
counties'  
uncollected taxes.  
School levies exempt  
from I-105.

22. Phase in

Effective after FY  
90. Increase FY 90  
schedules by CPI &  
fully fund spec. ed.  
in FY 90.

New plan effective  
for FY 91. Study  
effective on passage  
& approval. OPI  
rules prior to FY 91

DRAFT

STATEMENT OF INTENT

It is the intent of the legislature to enhance equality of educational opportunity for students in the elementary schools and high schools of Montana by revising the school funding laws to provide greater equalization of funding available to school districts and to promote equalization of school district expenditures per student. It is the further intent of the legislature to preserve local control of the school system, as guaranteed by Montana's constitution.

For these purposes the legislature determines to equalize funding aid to the school districts through the foundation program schedules for the school fiscal year ending June 30, 1991, and succeeding years in an amount equal to the following percentages of the total costs incurred in school fiscal year 1988 by all the districts in the state: 100% of retirement, social security, and unemployment insurance, except costs associated with salaries for special education personnel; 90% of comprehensive insurance, after subtracting Public Law 874 support for insurance; and 90% of general fund expenditures, after subtracting special education and Public Law 874 general fund support.

The legislature also determines to include retirement and other benefits associated with the salaries of special education personnel as costs for which foundation program support for special education is allowed and to fully fund approved allowable costs for the special education programs of the school districts through the foundation program.

The legislature also determines to provide state funding for transportation costs in school fiscal year 1991 in the full amount provided by the statutory transportation schedules, and to require a study prior to the next Legislature of permanent methods of equalizing transportation funding and costs.

In order to promote greater equalization of expenditures per student between districts, yet provide flexibility for each district to meet its individual needs as determined by the district board of trustees, the legislature determines that the general fund budget of each district must be limited to 130% of the district's foundation program entitlement, except as provided by 20-9-315.

The legislature determines that the transportation fund budget of each district is to be limited to the amount of transportation expenditures in school fiscal year 1988, except as allowed by the superintendent of public instruction under 20-10-143(2) in case of emergency or unusual circumstances. It is intended that the superintendent of public instruction adopt rules that address the unusual circumstances and emergency situations that may occur to require a district to increase the

transportation fund budget beyond the limitation, such as anticipated enrollment increases, the destruction or impairment of transportation property, the need for new or altered routes due to school population changes, or other extenuating circumstances. It is further intended that the rules prescribe the request procedure and a provision for permanent exemption from the limitation if circumstances warrant such an exemption.

It is intended that while school districts may conduct more than 180 days of instruction, a school district may not receive foundation program support for more than 180 days of pupil instruction.

Under 20-3-106, 20-9-102, 20-9-201, 20-9-211, and 20-9-213 the superintendent of public instruction is required to adopt rules establishing requirements for budgeting and financial administration of public school districts, including accounting and reporting requirements. Under 20-9-344 the board of public education has authority to require any reports it considers necessary. It is intended that school districts be required to maintain accounting systems using generally accepted accounting principles, and that the superintendent of public instruction shall adopt rules necessary to implement the requirement. The superintendent of public instruction shall provide training and assistance to the districts as necessary to enable the districts to comply.

It is intended that the districts must be required to file accurate and timely reports with the superintendent of public instruction. Districts must be required to provide student and school district data as may be required by the superintendent of public instruction concerning the condition of education in Montana, including personnel information, student and school district demographics, assessment of student and school district achievement, and other appropriate educational factors necessary to enable the legislature to assess the equality of educational opportunity being provided by the public school districts and to determine the amount of state aid to be distributed to school districts. Districts shall also provide data to meet grant requirements and other national reporting needs.

It is intended that the superintendent of public instruction shall conduct training and provide forms for the personnel responsible for completing reports. Whenever possible, the superintendent of public instruction shall develop methods for collecting educational data electronically, utilizing formats consistent with school district data processing capabilities. The educational data must be maintained in an electronic format easily accessible by other state agencies and the legislature.

It is intended that the superintendent of public instruction may employ two additional full-time-equivalent personnel during fiscal year 1990 and three full-time-equivalent personnel during fiscal year 1991 for the purpose of establishing standard accounting and reporting practices in the public school districts.

The legislature determines that if county equalization revenue is deficient because of noncollected tax payments, state equalization aid may be provided to offset the delinquency. If a deficiency in state equalization aid results from offsetting county equalization deficiencies, it is intended that the superintendent of public instruction shall submit a budget amendment and seek a supplemental appropriation accordingly.

State equalization aid may be withheld from school districts, as provided by 20-9-344, that do not comply with accounting and reporting requirements.

(UNPROOFED)

(reflects Select Committee Amendments thru 3-22-89)

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SENATE BILL NO. 203

INTRODUCED BY NATHE

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE PUBLIC SCHOOL FUNDING; TO INCLUDE COMPREHENSIVE-INSURANCE COMPREHENSIVE INSURANCE AND SCHOOL PERSONNEL RETIREMENT COSTS IN THE GENERAL FUND BUDGET; TO ELIMINATE THE COUNTY RETIREMENT LEVY AND THE DISTRICTS' RETIREMENT FUNDS; TO ESTABLISH--A-SCHOOL-TERM-AS-180-DAYS LIMIT TO 180 THE NUMBER OF PUPIL INSTRUCTION DAYS FOR WHICH FOUNDATION PROGRAM SUPPORT MAY BE RECEIVED; TO REQUIRE THE SCHOOL FOUNDATION PROGRAM TO FUND 100-PERCENT-OF THE EACH SCHOOL DISTRICTS' GENERAL--FUND-BUDGETS-WITHOUT-A-VOTED-LEVY OF ALL-ELEMENTARY AND-HIGH-SCHOOLS, -INCLUDING-RETIREMENT, -AS-SET-BY-FOUNDATION PROGRAM-SCHEDULES; TO-LIMIT-BY-SCHOOL-FISCAL-YEAR--1995--THE MAXIMUM--GENERAL-FUND-BUDGET-OF-A-DISTRICT-TO-117-PERCENT-OF THE-FOUNDATION-PROGRAM-AMOUNT-FOR-THE--DISTRICT; DISTRICT'S GENERAL-FUND-BUDGET-WITHOUT-A-VOTED-LEVY; TO LIMIT ANNUAL INCREASES-IN-EACH-DISTRICT'S THE MAXIMUM GENERAL FUND BUDGET OF DISTRICTS TO 130 PERCENT OF THE FOUNDATION PROGRAM AMOUNT FOR THE DISTRICT WITH CERTAIN EXCEPTIONS; TO--REQUIRE--THE ALLOWABLE--COST--SCHEDULE-FOR-SPECIAL-EDUCATION-PERSONNEL-TO BE--BASED--ON--THE--AVERAGE--STATEWIDE--SALARY--FOR--VARIOUS CATEGORIES--OF-SPECIAL-EDUCATION-PERSONNEL; TO FURTHER LIMIT THE GENERAL FUND RESERVE OF A-DISTRICT-TO-20-PERCENT--EXCEPT

1 FOR--DISTRICTS--NOT-RECEIVING-STATE-EQUALIZATION-AID CERTAIN  
 2 DISTRICTS; TO ELIMINATE THE PRESENT PERMISSIVE LEVY; TO  
 3 INDEX--THE--RATE--OF-INCREASE-IN-THE-SCHEDULE-AMOUNTS-TO-THE  
 4 RATE-OF-ANNUAL-INFLATION; TO REALLOCATE LOTTERY REVENUE FROM  
 5 RETIREMENT EQUALIZATION TO STATE EQUALIZATION AID; TO  
 6 PROVIDE--A--STATE-LEVY-ON-PROPERTY-TO-FUND-90-PERCENT-OF-THE  
 7 COSTS-FOR-TEACHERS'-RETIREMENT; TO EXCLUDE THE LEVY FROM THE  
 8 PROPERTY-TAX-LIMITATIONS-OF-INITIATIVE-MEASURE-NO.--105; TO  
 9 ELIMINATE--TUITION--PAYMENTS--BETWEEN-DISTRICTS; TO IMPOSE A  
 10 45-MILL STATE LEVY IN SUPPORT OF STATE EQUALIZATION AID AND  
 11 TO STATUTORILY APPROPRIATE THE PROCEEDS; TO INCREASE THE  
 12 COUNTY ELEMENTARY LEVY TO 34 MILLS AND THE COUNTY HIGH  
 13 SCHOOL LEVY TO 21 MILLS; TO EXCLUDE ALL SCHOOL LEVIES FROM  
 14 THE PROPERTY TAX LIMITATIONS OF INITIATIVE 105; TO REQUIRE  
 15 DISTRIBUTION OF STATE EQUALIZATION AID IN MONTHLY PAYMENTS;  
 16 TO REQUIRE STATE FUNDING OF TRANSPORTATION SCHEDULE AMOUNTS  
 17 AND LIMIT TOTAL TRANSPORTATION EXPENDITURES; TO ADJUST THE  
 18 FOUNDATION PROGRAM SCHEDULES FOR SCHOOL FISCAL YEAR 1991 AND  
 19 SUCCEEDING YEARS; TO PROVIDE FOR A STATUTORY--APPROPRIATION;  
 20 LEGISLATIVE OVERSIGHT COMMITTEE ON SCHOOL FUNDING  
 21 IMPLEMENTATION TO DIRECT STUDIES OF THE EQUALIZATION OF  
 22 TRANSPORTATION--INSURANCE, AND CAPITAL EXPENDITURES AND TO  
 23 PERFORM OTHER DUTIES; TO PROVIDE AN APPROPRIATION; AMENDING  
 24 SECTIONS 15-10-402, 2-7-504, 15-10-402, 17-7-502, 17-3-213,  
 25 17-7-502, 19-4-605, 20-1-301, 20-1-304, 20-3-106, 20-3-205,

1 20-3-210, 20-3-324, 20-3-331, 20-3-331, 20-5-101, 20-5-102,  
 2 20-5-301, 20-5-302, 20-5-304, 20-5-311, 20-5-314, 20-5-305,  
 3 20-5-312, 20-6-401, 20-6-506, 20-6-603, 20-6-608, 20-6-608,  
 4 20-7-414, 20-7-420--THROUGH 20-7-422, 20-7-424, 20-7-431,  
 5 20-7-442, 20-9-104, 20-9-141, 20-9-201, 20-9-212, 20-9-213,  
 6 20-9-301, 20-9-303, 20-9-311, 20-9-312, 20-9-315, ~~20-9-318~~,  
 7 20-9-318 THROUGH 20-9-322, 20-9-331, 20-9-333, 20-9-334,  
 8 20-9-343, 20-9-344, 20-9-353, 20-9-353, 20-9-505, 20-9-531,  
 9 20-9-532, 20-10-105, 20-9-506, 20-10-104, 20-10-141 THROUGH  
 10 20-10-145, AND 23-5-1027, MCA; REPEALING SECTIONS 20-5-303,  
 11 20-5-305--THROUGH--20-5-307,--20-5-312,--20-5-313, 20-9-105,  
 12 20-9-316,--20-9-317,--AND 20-9-105, 20-9-352, 20-9-501,  
 13 20-9-531, AND 20-9-532, AND 20-10-146, MCA; AND PROVIDING AN  
 14 EFFECTIVE DATE DATES AND AN APPLICABILITY DATE."

15 (STATEMENT OF INTENT TO BE INSERTED)

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 **Section 1.** Section 2-7-504, MCA, is amended to read:

18 "2-7-504. Accounting methods. The Unless otherwise  
 19 required by law, the department shall prescribe the general  
 20 methods and details of accounting for the receipt and  
 21 disbursement of all moneys money belonging to governmental  
 22 entities referred to in this part and shall establish in  
 23 those offices general methods and details of accounting.  
 24 All governmental entity officers shall conform with the  
 25 standards prescribed by the department."

1           **Section 2.** Section 15-10-402, MCA, is amended to read:

2           "15-10-402. Property tax limited to 1986 levels. (1)  
3 Except as provided in subsections (2) and (3), the amount of  
4 taxes levied on property described in 15-6-133, 15-6-134,  
5 15-6-136, 15-6-139, 15-6-142, and 15-6-144 may not, for any  
6 taxing jurisdiction, exceed the amount levied for taxable  
7 year 1986.

8           (2) The limitation contained in subsection (1) does  
9 not apply to levies for rural improvement districts, Title  
10 7, chapter 12, part 21; special improvement districts, Title  
11 7, chapter 12, part 41; elementary and high school  
12 districts, Title 20; or bonded indebtedness.

13           (3) New construction or improvements to or deletions  
14 from property described in subsection (1) are subject to  
15 taxation at 1986 levels.

16           (4) As used in this section, the "amount of taxes  
17 levied" and the "amount levied" mean the actual dollar  
18 amount of taxes imposed on an individual piece of property,  
19 notwithstanding an increase or decrease in value due to  
20 inflation, reappraisal, adjustments in the percentage  
21 multiplier used to convert appraised value to taxable value,  
22 changes in the number of mills levied, or increase or  
23 decrease in the value of a mill."

24           **Section 3.** Section 17-3-213, MCA, is amended to read:

25           "17-3-213. Allocation to general road fund and

1 countywide school levies. (1) The forest reserve funds so  
 2 apportioned to each county ~~shall~~ must be apportioned by the  
 3 county treasurer in each county ~~between-the-several-funds~~ as  
 4 follows:

5 (a) to the general road fund, 66 2/3% of the total  
 6 amount received;

7 (b) to the following countywide school levies, 33 1/3%  
 8 of the total sum received:

9 (i) the annual basic tax levy for elementary schools  
 10 provided for in 20-9-331; and

11 (ii) the annual special tax for high schools provided  
 12 for in 20-9-333;

13 ~~(iii)-the--high-school-transportation-fund-provided-for~~  
 14 ~~in-20-10-143;~~

15 ~~(iv)-the--elementary--teacher--retirement--and--social~~  
 16 ~~security-fund-provided-for-in-20-9-501;~~

17 ~~(v)--the--high--school--teacher--retirement--and-social~~  
 18 ~~security-fund-provided-for-in-20-9-501.~~

19 (2) The apportionment of money to the funds provided  
 20 for under subsection (1)(b) ~~shall~~ must be made by the county  
 21 superintendent based on the proportion that the mill levy of  
 22 each fund bears to the total number of mills for all the  
 23 funds. Whenever the total amount of money available for  
 24 apportionment under this section is greater than the total  
 25 requirements of a levy, the excess money and any interest

1 income must be retained in a separate reserve fund, to be  
2 reapportioned in the ensuing school fiscal year to the  
3 levies designated in subsection (1)(b).

4 (3) In counties wherein in which special road  
5 districts have been created according to law, the board of  
6 county commissioners shall distribute a proportionate share  
7 of the 66 2/3% of the total amount received for the general  
8 road fund to such the special road ~~district-or~~ districts  
9 within the county based upon the percentage that the total  
10 area of such the road district bears to the total area of  
11 the entire county."

12 **Section 4.** Section 19-4-605, MCA, is amended to read:

13 "19-4-605. Pension accumulation fund -- employer's  
14 contribution. The pension accumulation fund is the fund in  
15 which the reserves for payment of pensions and annuities  
16 ~~shall~~ must be accumulated and from which pensions,  
17 annuities, and benefits in lieu thereof ~~shall~~ of pensions  
18 and annuities must be paid to or on account of beneficiaries  
19 credited with prior service. Contributions to and payments  
20 from the pension accumulation fund ~~shall~~ must be made as  
21 follows:

22 (1) Each employer shall pay into the pension  
23 accumulation fund an amount equal to 7.428% of the earned  
24 compensation of each member employed during the whole or  
25 part of the preceding payroll period.

1           (2) If the employer is a district or community college  
2 district, the trustees shall budget ~~and--pay~~ for the  
3 employer's contribution ~~under-the-provisions-of-20-9-501~~ in  
4 the general fund budget.

5           (3) If the employer is the superintendent of public  
6 instruction, a public institution of the state of Montana, a  
7 unit of the Montana university system, or the Montana state  
8 school for the deaf and blind, the legislature shall  
9 appropriate to the employer an adequate amount to allow the  
10 payment of the employer's contribution.

11           (4) If the employer is a county, the county  
12 commissioners shall budget and pay for the employer's  
13 contribution in the manner provided by law for the adoption  
14 of a county budget and for payments under the budget.

15           (5) All interest and other earnings realized on the  
16 moneys money of the retirement system ~~shall~~ must be credited  
17 to the pension accumulation fund, and the amount required to  
18 allow regular interest on the annuity savings fund ~~shall~~  
19 must be transferred to that fund from the pension  
20 accumulation fund.

21           (6) All pensions, annuities, and benefits in lieu  
22 ~~thereof-shall~~ of pensions and annuities must be paid from  
23 the pension accumulation fund.

24           (7) The retirement board may, in its discretion,  
25 transfer from the pension accumulation fund an amount

1 necessary to cover expenses of administration."

2 **Section 5.** Section 20-3-106, MCA, is amended to read:

3 "20-3-106. Supervision of schools -- powers and  
4 duties. The superintendent of public instruction has the  
5 general supervision of the public schools and districts of  
6 the state, and he shall perform the following duties or acts  
7 in implementing and enforcing the provisions of this title:

8 (1) resolve any controversy resulting from the  
9 proration of costs by a joint board of trustees under the  
10 provisions of 20-3-362;

11 (2) issue, renew, or deny teacher certification and  
12 emergency authorizations of employment;

13 (3) negotiate reciprocal tuition agreements with other  
14 states in accordance with the provisions of 20-5-314;

15 (4) serve on the teachers' retirement board in  
16 accordance with the provisions of 2-15-1010;

17 (5) approve or disapprove the orders of a high school  
18 boundary commission in accordance with the provisions of  
19 20-6-311;

20 (6) approve or disapprove the opening or reopening of  
21 a school in accordance with the provisions of 20-6-502,  
22 20-6-503, 20-6-504, or 20-6-505;

23 (7) approve or disapprove school isolation within the  
24 limitations prescribed by 20-9-302;

25 (8) generally supervise the school budgeting

1 procedures prescribed by law in accordance with the  
2 provisions of 20-9-102 and prescribe the school budget  
3 format in accordance with the provisions of 20-9-103 and  
4 20-9-506;

5 (9) establish a system of communication for  
6 calculating joint district revenues in accordance with the  
7 provisions of 20-9-151;

8 (10) approve or disapprove the adoption of a district's  
9 emergency budget resolution under the conditions prescribed  
10 in 20-9-163 and publish rules for an application for  
11 additional state aid for an emergency budget in accordance  
12 with the approval and disbursement provisions of 20-9-166;

13 (11) generally supervise the school financial  
14 administration provisions as prescribed by 20-9-201(2);

15 (12) prescribe and furnish the annual report forms to  
16 enable the districts to report to the county superintendent  
17 in accordance with the provisions of 20-9-213(5) and the  
18 annual report forms to enable the county superintendents to  
19 report to the superintendent of public instruction in  
20 accordance with the provisions of 20-3-209;

21 (13) approve, disapprove, or adjust an increase of the  
22 average number belonging (ANB) in accordance with the  
23 provisions of 20-9-313 and 20-9-314;

24 (14) distribute state equalization aid in support of  
25 the foundation program in accordance with the provisions of

1 20-9-342, 20-9-346, and 20-9-347;

2 (15) distribute state impact aid in accordance with the  
3 provisions of 20-9-304;

4 (16) provide for the uniform and equal provision of  
5 transportation by performing the duties prescribed by the  
6 provisions of 20-10-112;

7 (17) approve or disapprove an adult education program  
8 for which a district proposes to levy a tax in accordance  
9 with the provisions of 20-7-705;

10 (18) request, accept, deposit, and expend federal  
11 moneys money in accordance with the provisions of 20-9-603;

12 (19) authorize the use of federal moneys money for the  
13 support of an interlocal cooperative agreement in accordance  
14 with the provisions of 20-9-703 and 20-9-704;

15 (20) prescribe the form and contents of and approve or  
16 disapprove interstate contracts in accordance with the  
17 provisions of 20-9-705;

18 (21) approve or disapprove the conduct of school on a  
19 Saturday or on pupil-instruction-related days in accordance  
20 with the provisions of 20-1-303 and 20-1-304;

21 (22) recommend standards of accreditation for all  
22 schools to the board of public education and evaluate  
23 compliance with such the standards and recommend  
24 accreditation status of every school to the board of public  
25 education in accordance with the provisions of 20-7-101 and

1 20-7-102;

2 (23) collect and maintain a file of curriculum guides  
3 and assist schools with instructional programs in accordance  
4 with the provisions of 20-7-113 and 20-7-114;

5 (24) establish and maintain a library of visual, aural,  
6 and other educational media in accordance with the  
7 provisions of 20-7-201;

8 (25) license textbook dealers and initiate prosecution  
9 of textbook dealers violating the law in accordance with the  
10 provisions of the textbooks part of this title;

11 (26) as the governing agent and executive officer of  
12 the state of Montana for K-12 vocational education, adopt  
13 the policies prescribed by and in accordance with the  
14 provisions of 20-7-301;

15 (27) supervise and coordinate the conduct of special  
16 education in the state in accordance with the provisions of  
17 20-7-403;

18 (28) administer the traffic education program in  
19 accordance with the provisions of 20-7-502;

20 (29) administer the school food services program in  
21 accordance with the provisions of 20-10-201, 20-10-202, and  
22 20-10-203;

23 (30) review school building plans and specifications in  
24 accordance with the provisions of 20-6-622;

25 (31) prescribe the method of identification and signals

1 to be used by school safety patrols in accordance with the  
2 provisions of 20-1-408;

3 (32) provide schools with information and technical  
4 assistance for compliance with the student assessment rules  
5 provided for in 20-2-121 and collect and summarize the  
6 results of such the student assessment for the board of  
7 public education and the legislature; and

8 ~~(33)-administer--the--distribution--of--state--retirement~~  
9 ~~equalization-aid-in-accordance-with-20-9-532;-and~~

10 ~~(34)~~(33) perform any other duty prescribed from time to  
11 time by this title, any other act of the legislature, or the  
12 policies of the board of public education."

13 **Section 6.** Section 20-3-205, MCA, is amended to read:

14 "20-3-205. Powers and duties. The county  
15 superintendent has general supervision of the schools of the  
16 county within the limitations prescribed by this title and  
17 shall perform the following duties or acts:

18 (1) determine, establish, and reestablish trustee  
19 nominating districts in accordance with the provisions of  
20 20-3-352, 20-3-353, and 20-3-354;

21 (2) administer and file the oaths of members of the  
22 boards of trustees of the districts in his county in  
23 accordance with the provisions of 20-3-307;

24 (3) register the teacher or specialist certificates or  
25 emergency authorization of employment of any person employed

1 in the county as a teacher, specialist, principal, or  
2 district superintendent in accordance with the provisions of  
3 20-4-202;

4 (4) act on each tuition application submitted to him  
5 in accordance with the provisions of 20-5-301, 20-5-302,  
6 20-5-304, and 20-5-311 and transmit the tuition information  
7 required by 20-5-312;

8 (5) file a copy of the audit report for a district in  
9 accordance with the provisions of 20-9-203;

10 (6) classify districts in accordance with the  
11 provisions of 20-6-201 and 20-6-301;

12 (7) keep a transcript and reconcile the district  
13 boundaries of the county in accordance with the provisions  
14 of 20-6-103;

15 (8) fulfill all responsibilities assigned to him under  
16 the provisions of this title regulating the organization,  
17 alteration, or abandonment of districts;

18 (9) act on any unification proposition and, if  
19 approved, establish additional trustee nominating districts  
20 in accordance with 20-6-312 and 20-6-313;

21 (10) estimate the average number belonging (ANB) of an  
22 opening school in accordance with the provisions of  
23 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

24 (11) process and, when required, act on school  
25 isolation applications in accordance with the provisions of

1 20-9-302;

2 (12) complete the budgets, compute the budgeted  
3 revenues and tax levies, give notices of the budget  
4 meetings, file final and emergency budgets, and fulfill such  
5 other responsibilities assigned to him under the provisions  
6 of this title regulating school budgeting systems;

7 (13) submit an annual financial report to the  
8 superintendent of public instruction in accordance with the  
9 provisions of 20-9-211;

10 (14) quarterly, unless otherwise provided by law, order  
11 the county treasurer to apportion state money, county school  
12 money, and any other school money subject to apportionment  
13 in accordance with the provisions of 20-9-212, 20-9-334,  
14 20-9-347, or 20-10-145, ~~or~~ 20-10-146;

15 (15) act on any request to transfer average number  
16 belonging (ANB) in accordance with the provisions of  
17 20-9-313(3);

18 (16) calculate the estimated budgeted general fund  
19 sources of revenue in accordance with the provisions of  
20 20-9-348 and the other general fund revenue provisions of  
21 the general fund part of this title;

22 (17) compute the revenues and the district and county  
23 levy requirements for each fund included in each district's  
24 final budget and report such the computations to the board  
25 of county commissioners in accordance with the provisions of

1 the general fund, transportation, bonds, and other school  
2 funds parts of this title;

3 (18) file and forward bus driver certifications,  
4 transportation contracts, and state transportation  
5 reimbursement claims in accordance with the provisions of  
6 20-10-103, 20-10-143, or 20-10-145;

7 (19) for districts which do not employ a district  
8 superintendent or principal, recommend library book and  
9 textbook selections in accordance with the provisions of  
10 20-7-204 or 20-7-602;

11 (20) notify the superintendent of public instruction of  
12 a textbook dealer's activities when required under the  
13 provisions of 20-7-605 and otherwise comply with the  
14 textbook dealer provisions of this title;

15 (21) act on district requests to allocate federal money  
16 for indigent children for school food services in accordance  
17 with the provisions of 20-10-205;

18 (22) perform any other duty prescribed from time to  
19 time by this title, any other act of the legislature, the  
20 policies of the board of public education, the policies of  
21 the board of regents relating to community college  
22 districts, or the rules of the superintendent of public  
23 instruction;

24 (23) administer the oath of office to trustees without  
25 the receipt of pay for administering the oath;

1           (24) keep a record of his official acts, preserve all  
2 reports submitted to him under the provisions of this title,  
3 preserve all books and instructional equipment or supplies,  
4 keep all documents applicable to the administration of the  
5 office, and surrender such all records, books, supplies, and  
6 equipment to his successor;

7           (25) within 90 days after the close of the school  
8 fiscal year, publish an annual report in the county  
9 newspaper stating the following financial information for  
10 the school fiscal year just ended for each district of the  
11 county:

12           (a) the total of the cash balances of all funds  
13 maintained by the district at the beginning of the year;

14           (b) the total receipts that were realized in each fund  
15 maintained by the district;

16           (c) the total expenditures that were made from each  
17 fund maintained by the district; and

18           (d) the total of the cash balances of all funds  
19 maintained by the district at the end of the school fiscal  
20 year; and

21           (26) hold meetings for the members of the trustees from  
22 time to time at which matters for the good of the districts  
23 shall be discussed."

24           **Section 7.** Section 20-3-324, MCA, is amended to read:

25           "20-3-324. Powers and duties. As prescribed elsewhere

1 in this title, the trustees of each district shall have--the  
2 power--and--it--shall-be-their-duty-to-perform-the-following  
3 duties-or-acts:

4 (1) employ or dismiss a teacher, principal, or other  
5 assistant upon the recommendation of the district  
6 superintendent, the county high school principal, or other  
7 principal as the board may--deem considers necessary,  
8 accepting or rejecting such any recommendation as the  
9 trustees shall in their sole discretion determine, in  
10 accordance with the provisions of Title 20, chapter 4;

11 (2) employ and dismiss administrative personnel,  
12 clerks, secretaries, teacher aides, custodians, maintenance  
13 personnel, school bus drivers, food service personnel,  
14 nurses, and any other personnel deemed considered necessary  
15 to carry out the various services of the district;

16 (3) administer the attendance and tuition provisions  
17 and otherwise govern the pupils of the district in  
18 accordance with the provisions of the pupils chapter of this  
19 title;

20 (4) call, conduct, and certify the elections of the  
21 district in accordance with the provisions of the school  
22 elections chapter of this title;

23 (5) participate in the teachers' retirement system of  
24 the state of Montana in accordance with the provisions of  
25 the teachers' retirement system chapter of Title 19;

1           (6) participate in district boundary change actions in  
2 accordance with the provisions of the districts chapter of  
3 this title;

4           (7) organize, open, close, or acquire isolation status  
5 for the schools of the district in accordance with the  
6 provisions of the school organization part of this title;

7           (8) adopt and administer the annual budget or an  
8 emergency budget of the district in accordance with the  
9 provisions of the school budget system part of this title;

10          (9) conduct the fiscal business of the district in  
11 accordance with the provisions of the school financial  
12 administration part of this title;

13          (10) establish the ANB, foundation program, permissive  
14 levy, additional levy, cash reserve, and state impact aid  
15 amount for the general fund of the district in accordance  
16 with the provisions of the general fund part of this title;

17          (11) establish, maintain, budget, and finance the  
18 transportation program of the district in accordance with  
19 the provisions of the transportation parts of this title;

20          (12) issue, refund, sell, budget, and redeem the bonds  
21 of the district in accordance with the provisions of the  
22 bonds parts of this title;

23          (13) when applicable, establish, financially  
24 administer, and budget for the tuition fund, retirement  
25 fund, building reserve fund, adult education fund,

1 nonoperating fund, school food services fund, miscellaneous  
2 federal programs fund, building fund, lease or rental  
3 agreement fund, traffic education fund, and interlocal  
4 cooperative agreement fund in accordance with the provisions  
5 of the other school funds parts of this title;

6 (14) when applicable, administer any interlocal  
7 cooperative agreement, gifts, legacies, or devises in  
8 accordance with the provisions of the miscellaneous  
9 financial parts of this title;

10 (15) hold in trust, acquire, and dispose of the real  
11 and personal property of the district in accordance with the  
12 provisions of the school sites and facilities part of this  
13 title;

14 (16) operate the schools of the district in accordance  
15 with the provisions of the school calendar part of this  
16 title;

17 (17) establish and maintain the instructional services  
18 of the schools of the district in accordance with the  
19 provisions of the instructional services, textbooks,  
20 vocational education, and special education parts of this  
21 title;

22 (18) establish and maintain the school food services of  
23 the district in accordance with the provisions of the school  
24 food services parts of this title;

25 (19) make such reports from time to time as the county

1 superintendent, superintendent of public instruction, and  
2 board of public education may require;

3 (20) retain, when deemed considered advisable, a  
4 physician or registered nurse to inspect the sanitary  
5 conditions of the school or the general health conditions of  
6 each pupil and, upon request, make available to any parent  
7 or guardian any medical reports or health records maintained  
8 by the district pertaining to his child;

9 (21) for each member of the trustees, visit each school  
10 of the district not less than once each school fiscal year  
11 to examine its management, conditions, and needs, except  
12 trustees from a first-class school district may share the  
13 responsibility for visiting each school in the district;

14 (22) procure and display outside daily in suitable  
15 weather at each school of the district an American flag  
16 ~~which-shall-be~~ that measures not less than 4 feet by 6 feet;  
17 and

18 (23) perform any other duty and enforce any other  
19 requirements for the government of the schools prescribed by  
20 this title, the policies of the board of public education,  
21 or the rules of the superintendent of public instruction."

22 **Section 8.** Section 20-3-331, MCA, is amended to read:

23 "20-3-331. Purchase of liability insurance. The  
24 trustees of any district may purchase insurance coverage for  
25 the district, trustees, and employees against liability for

1 the death, injury, or disability of any person or damage to  
 2 property. The trustees shall include the cost of coverage in  
 3 the general fund budget of the district."

4 **Section 9.** Section 20-5-305, MCA, is amended to read:

5 "20-5-305. Elementary tuition rates. (1) Whenever a  
 6 pupil of an elementary district has been granted approval to  
 7 attend a school outside of the district in which he resides,  
 8 under the provisions of 20-5-301 or 20-5-302, such the  
 9 district of residence shall pay tuition to the elementary  
 10 district where the pupil attends school. Except as provided  
 11 in subsection (2), the basis of the rate of tuition shall be  
 12 determined by the attended district. The rate of tuition  
 13 ~~shall~~ must be determined by:

14 (a) totaling the actual expenditures from the district  
 15 general fund, and the debt service fund, ~~and, if the pupil~~  
 16 ~~is a resident of another county, the retirement fund;~~

17 (b) dividing the amount determined in subsection  
 18 (1)(a) by the ANB of the district for the current fiscal  
 19 year, as determined under the provisions of 20-9-311; and

20 (c) subtracting ~~the total of~~ from the amount  
 21 determined in subsection (1)(b) the per-ANB amount allowed  
 22 ~~by 20-9-316 through 20-9-321 that represents the foundation~~  
 23 ~~program~~ schedules as prescribed by 20-9-303 plus the per-ANB  
 24 ~~amount determined by dividing the state financing of the~~  
 25 ~~district permissive levy by the ANB of the district, from~~

1 the-amount-determined-in-subsection-(1)(b).

2 (2) The tuition for a full-time elementary special  
3 education pupil must be determined under rules adopted by  
4 the superintendent of public instruction for the calculation  
5 of elementary tuition for full-time elementary special  
6 education pupils as designated in 20-9-311 for funding  
7 purposes."

8 **Section 10.** Section 20-5-312, MCA, is amended to read:

9 "20-5-312. Reporting, budgeting, and payment for high  
10 school tuition. (1) Except as provided in subsection (2), at  
11 the close of the school term of each school fiscal year, the  
12 trustees of each high school district shall determine the  
13 rate of tuition for the current school fiscal year by:

14 (a) totaling the actual expenditures from the district  
15 general fund, and the debt service fund, ~~and, if the pupil~~  
16 ~~is a resident of another county, the retirement fund;~~

17 (b) dividing the amount determined in subsection  
18 (1)(a) above by the ANB of the district for the current  
19 fiscal year, as determined under the provisions of 20-9-311;  
20 and

21 (c) subtracting ~~the total of~~ from the amount  
22 determined in subsection (1)(b) the per-ANB amount allowed  
23 by ~~20-9-316 through 20-9-321 that represents~~ the foundation  
24 program schedules ~~as prescribed by 20-9-303 plus the per-ANB~~  
25 ~~amount determined by dividing the state financing of the~~

1 ~~district-permissive-levy-by-the-ANB-of--the--district,--from~~  
 2 ~~the-amount-determined-in-subsection-(1)(b)-above.~~

3 (2) The tuition for a full-time high school special  
 4 education pupil must be determined under rules adopted by  
 5 the superintendent of public instruction for the calculation  
 6 of tuition for full-time high school special education  
 7 pupils as designated in 20-9-311 for funding purposes.

8 (3) Before July 15, the trustees shall report to the  
 9 county superintendent of the county in which the district is  
 10 located:

11 (a) the names, addresses, and resident districts of  
 12 the pupils attending the schools of the district under an  
 13 approved tuition agreement;

14 (b) the number of days of school attended by each  
 15 pupil;

16 (c) the amount, if any, of each pupil's tuition  
 17 payment that the trustees, in their discretion, shall have  
 18 the authority to waive; and

19 (d) the rate of current school fiscal year tuition, as  
 20 determined under the provisions of this section.

21 (4) When the county superintendent receives a tuition  
 22 report from a district, he shall immediately send the  
 23 reported information to the superintendent of each district  
 24 in which the reported pupils reside.

25 (5) When the district superintendent receives a

1 tuition report or reports for high school pupils residing in  
2 his district and attending an out-of-district high school  
3 under approved tuition agreements, he shall determine the  
4 total amount of tuition due such the out-of-district high  
5 schools on the basis of the following per-pupil schedule:  
6 the rate of tuition, number of pupils attending under an  
7 approved tuition agreement, and other information provided  
8 by each high school district where resident district pupils  
9 have attended school.

10 (6) The total amount of the high school tuition, with  
11 consideration of any tuition waivers, for pupils attending a  
12 high school outside the county of residence ~~shall~~ must be  
13 financed by the county basic special tax for high schools as  
14 provided in 20-9-334. In December, the county superintendent  
15 shall cause the payment by county warrant of at least  
16 one-half of the high school tuition obligations established  
17 under this section out of the first moneys proceeds realized  
18 from the county basic special tax for high schools. The  
19 remaining obligations must be paid by June 15 of the school  
20 fiscal year. The payments ~~shall~~ must be made to the county  
21 treasurer of the county where each high school entitled to  
22 tuition is located. The county treasurer shall credit such  
23 the tuition receipts to the general fund of the applicable  
24 high school district, and the tuition receipts ~~shall~~ must be  
25 used in accordance with the provisions of 20-9-141.

1           (7) For pupils attending a high school outside their  
2 district of residence but within the county of residence,  
3 the total amount of the tuition, with consideration of any  
4 tuition waivers, must be paid during the ensuing school  
5 fiscal year. The trustees of the sending high school  
6 district shall include the tuition amount in the tuition  
7 fund of the preliminary and final budgets. This budgeted  
8 tuition amount is not subject to the budget adjustment  
9 provisions of 20-9-132. The county superintendent shall  
10 report the net tuition fund levy requirement for each high  
11 school district to the county commissioners on the second  
12 Monday of August, and a levy on the district ~~shall~~ must be  
13 made by the county commissioners in accordance with  
14 20-9-142. This levy requirement ~~shall~~ must be calculated by  
15 subtracting from the total expenditure amount authorized in  
16 the final tuition fund budget the sum of the cash balance in  
17 the tuition fund at the end of the immediately preceding  
18 school fiscal year plus any other anticipated money that may  
19 be realized in the tuition fund. The trustees shall pay by  
20 warrants drawn on the tuition fund the tuition amounts owed  
21 to each district included in the county superintendent's  
22 notification. Payments ~~shall~~ must be made whenever there is  
23 a sufficient amount of cash available in the tuition fund  
24 but no later than the end of the school fiscal year for  
25 which the budget is adopted. However, if the trustees of

1 either the sending or receiving high school district feel  
2 the transfer privilege provided by this subsection is being  
3 abused, they may appeal to the county superintendent of  
4 schools, who shall hold a hearing and either approve or  
5 disapprove the transfer."

6 **Section 11.** Section 20-6-401, MCA, is amended to read:

7 "20-6-401. Definitions. As used in this part, unless  
8 the context clearly indicates otherwise, the following  
9 definitions apply:

10 (1) "Component districts" are means the elementary or  
11 high school districts incorporated into the enlarged  
12 district.

13 (2) "Eligible pupils" ~~shall--be~~ means the average  
14 number belonging (ANB) for the current school year in the  
15 operating schools of the component districts and the tuition  
16 pupils residing in the component districts and attending  
17 another district's school under the tuition provisions of  
18 the school laws, except that the pupils residing in the  
19 component district having the largest total number of pupils  
20 ~~shall-be~~ are ineligible for bonus payment consideration.

21 (3) "Enlarged district" is means the elementary or  
22 high school district resulting from the consolidation or  
23 annexation of two or more component districts.

24 (4) "General bonus payment" for first- and  
25 second-class school districts ~~shall~~ must be \$300 per

1 eligible pupil per year for a period of 3 years and will be  
 2 deposited in the enlarged district's general fund. General  
 3 bonus payment for third-class school districts shall must be  
 4 \$500 per eligible pupil per year for a period of 3 years and  
 5 will must be deposited in the enlarged district's general  
 6 fund. Such The general bonus payment shall must be made  
 7 from the state school equalization aid account.

8 (5) -- "Transportation--bonus--payment" -- will -- be -- the  
 9 provision -- of -- 66-2/3% -- state -- financing -- of -- the -- on -- schedule  
 10 transportation -- amount -- as -- provided -- by -- the -- transportation  
 11 provisions -- of -- the -- school -- laws. -- When -- an -- eligible -- pupil -- is  
 12 entitled -- to -- transportation, -- the -- enlarged -- district -- shall -- be  
 13 entitled -- to -- the -- transportation -- bonus -- payment -- for -- such  
 14 eligible -- pupil -- for -- a -- period -- of -- 3 -- years. -- Such -- payment -- shall  
 15 be -- made -- from -- the -- state -- transportation -- aid -- account. -- When -- the  
 16 eligible -- pupil -- rides -- a -- bus -- providing -- transportation -- for  
 17 ineligible -- pupils, -- the -- 66-2/3% -- state -- financing -- of -- the  
 18 on -- schedule -- amount -- for -- this -- payment -- shall -- be -- prorated -- to  
 19 provide -- such -- financing -- for -- the -- eligible -- pupil. "

20 **Section 12.** Section 20-6-506, MCA, is amended to read:

21 "20-6-506. Budgeting and cost sharing when junior high  
 22 school operated by elementary district and high school  
 23 district operating a county high school. (1) Whenever the  
 24 opening of a junior high school is approved for the ensuing  
 25 school fiscal year under 20-6-505, the county superintendent

1 shall estimate the average number belonging (ANB) after  
2 investigating the probable enrollment for the junior high  
3 school. The ANB determined by the county superintendent and  
4 the ANB actually realized in subsequent school fiscal years  
5 shall must be applied under 20-9-320 to prorate the  
6 ~~maximum-general-fund-budget-without-a-voted-levy~~ foundation  
7 program amount between the elementary and high school  
8 districts. Each district shall adopt its general fund budget  
9 on the basis of the prorated amount and shall finance its  
10 proportionate share of the cost of operating the junior high  
11 school.

12 (2) The cost of operating the junior high school shall  
13 must be prorated between the elementary district and the  
14 high school district on the basis of the ratio that the  
15 number of pupils of their district is to the total  
16 enrollment of the junior high school."

17 **Section 13.** Section 20-6-603, MCA, is amended to read:

18 "20-6-603. Trustees' authority to acquire or dispose  
19 of sites and buildings -- when election required. (1) The  
20 trustees of any district shall ~~have the authority to~~ may  
21 purchase, build, exchange, or otherwise acquire, or sell, or  
22 otherwise dispose of sites and buildings of the district.  
23 ~~Such--action--shall~~ Action may not be taken by the trustees  
24 without the approval of the qualified electors of the  
25 district at an election called for such the purpose of

1 approval unless:

2 (a) a bond issue has been authorized for the purpose  
3 of constructing, purchasing, or acquiring the site or  
4 building;

5 (b) an additional levy under the provisions of  
6 20-9-353 has been approved for the purpose of constructing,  
7 purchasing, or acquiring the site or building;

8 (c) the cost of constructing, purchasing, or acquiring  
9 the site or building is financed without exceeding the  
10 ~~maximum-general-fund-budget-without-a-vote~~ amount-prescribed  
11 ~~in 20-9-316--through--20-9-321~~ foundation program amount  
12 specified in 20-9-303 and, in the case of a site purchase,  
13 the site has been approved under the provisions of 20-6-621;  
14 or

15 (d) ~~moneys--are~~ money is otherwise available under the  
16 provisions of this title and the ballot for the site  
17 approval for ~~such~~ the building incorporated a description of  
18 the building to be located on the site.

19 (2) When an election is conducted under the provisions  
20 of this section, it ~~shall~~ must be called under the  
21 provisions of 20-20-201 and ~~shall~~ must be conducted in the  
22 manner prescribed by this title for school elections. An  
23 elector qualified to vote under the provisions of 20-20-301  
24 ~~shall--be--permitted--to~~ may vote in ~~such~~ the election. If a  
25 majority of those electors voting at the election approve

1 the proposed action, the trustees may take the proposed  
2 action."

3 **Section 14.** Section 20-6-608, MCA, is amended to read:

4 "20-6-608. Authority and duty of trustees to insure  
5 district property. The trustees of any district shall have  
6 ~~the authority and it shall be their duty to~~ insure any or  
7 all real and personal property of the district. The trustees  
8 shall include the cost of insurance in the general fund  
9 budget of the district."

10 **Section 15.** Section 20-7-414, MCA, is amended to read:

11 "20-7-414. Determination of children in need and type  
12 of special education needed -- approval of classes and  
13 programs by superintendent. (1) The determination of the  
14 children requiring special education and the type of special  
15 education needed by these children ~~shall--be~~ is the  
16 responsibility of the trustees, and such the determination  
17 ~~shall~~ must be made in compliance with the procedures  
18 established in the rules of the superintendent of public  
19 instruction. Whenever the trustees of a school district or  
20 the governing authority of an institution learn of a  
21 handicapped child in their jurisdiction who is in need of  
22 special education, they shall determine whether the child is  
23 in need of a surrogate parent by determining whether the  
24 parents or guardian is unknown or unavailable or if the  
25 child is a ward of the state. The determination must be made

1 within 10 days of the date on which the trustees of a school  
2 district or the governing authority of an institution  
3 learned of the presence of the child in the district. If the  
4 child is in need of a surrogate parent, the trustees of a  
5 school district or the governing authority of an institution  
6 must nominate a surrogate parent for the child as provided  
7 in 20-7-461.

8 (2) Whenever the trustees of any district intend to  
9 establish a special education class or program, they shall  
10 apply for approval and funding of the class or program by  
11 the superintendent of public instruction. The superintendent  
12 of public instruction shall approve or disapprove the  
13 application for the special education class or program on  
14 the basis of its compliance with the laws of the state of  
15 Montana, the special education policies adopted by the board  
16 of public education, and the rules of the superintendent of  
17 public instruction. No special education class may be  
18 operated by the trustees without the approval of the  
19 superintendent of public instruction. Each special education  
20 class or program must be approved annually to be funded as  
21 part of the maximum-budget-without-a-vote foundation program  
22 for special education."

23 **Section 16.** Section 20-7-422, MCA, is amended to read:

24 "20-7-422. Out-of-state tuition for special education  
25 children. (1) If the trustees of any district recommend to

1 the superintendent of public instruction the attendance of  
 2 a child in need of special education in a special education  
 3 program offered outside of the state of Montana, such the  
 4 arrangements ~~shall~~ are not be subject to the out-of-state  
 5 attendance provisions of the laws governing the attendance  
 6 of pupils in schools outside the state of Montana.

7 (2) Whenever the attendance of a child at an  
 8 out-of-state special education program is approved by the  
 9 superintendent of public instruction, ~~it--shall--be--the~~  
 10 ~~responsibility--of~~ the superintendent of public instruction  
 11 shall, in cooperation with the department of family  
 12 services, to negotiate the program for the child and the  
 13 amount and manner of payment of tuition. The amount of  
 14 tuition ~~shall~~ must be included as a contracted service in  
 15 20-7-431(1)(a)(iii)(A) in the ~~maximum-budget-without-a-vote~~  
 16 foundation program amount for special education."

17 **Section 17.** Section 20-7-431, MCA, is amended to read:

18 "20-7-431. Allowable cost schedule for special  
 19 programs -- superintendent to make rules -- annual  
 20 accounting. (1) For the purpose of determining the  
 21 ~~maximum-budget-without-a-vote~~ foundation program amount for  
 22 special education as defined in 20-9-321, the following  
 23 schedule of allowable costs ~~shall~~ must be followed by the  
 24 school district in preparation of its special education  
 25 budget for state aid request purposes and by the

1 superintendent of public instruction in his review and  
2 approval of the budget (for the purposes of determining the  
3 amount of the ~~maximum-budget-without-a-vote~~ foundation  
4 program for special education for the district, and as used  
5 in this schedule, "full-time special pupil" and "regular  
6 ANB" are to be determined in accordance with 20-9-311 and  
7 20-9-313):

8 (a) instruction: salaries, benefits, supplies,  
9 textbooks, and other expenses including:

10 (i) salaries and benefits of special program teachers,  
11 regular program teachers, teacher aides, special education  
12 supervisors, audiologists, and speech and hearing  
13 clinicians--the entire cost if employed full time in the  
14 special program; if such personnel are shared between  
15 special and regular programs--a portion of the entire cost  
16 corresponding to the entire working time which each such  
17 person devotes to the special program;

18 (ii) teaching supplies and textbooks if used  
19 exclusively for special programs--the actual total cost;

20 (iii) other expenses:

21 (A) contracted services, including fees paid for  
22 professional advice and consultation regarding special  
23 students or the special program, and the delivery of special  
24 education services by public or private agencies--the actual  
25 total cost;

1 (B) transportation costs for special education  
2 personnel who must travel on an itinerant basis from school  
3 to school or district to district or to in-state child study  
4 team meetings or in-state individualized education program  
5 meetings--the actual cost to the district calculated on the  
6 same mileage rate used by the district for other travel  
7 reimbursement purposes;

8 (b) supportive services, including:

9 (i) salaries and benefits of professional supportive  
10 personnel--the entire cost if employed full time in the  
11 special program; if such personnel are shared between  
12 special and regular programs--a portion of the entire cost  
13 corresponding to the entire working time which each such  
14 person devotes to the special program. Professional  
15 supportive personnel may include counselors, social workers,  
16 psychologists, psychometrists, physicians, nurses, and  
17 physical and occupational therapists.

18 (ii) salaries and benefits of clerical personnel for  
19 who assist professional personnel in supportive  
20 services--the entire cost if employed full time in the  
21 special program; if such personnel are shared between  
22 special and regular programs--a portion of the entire cost  
23 corresponding to the entire working time which each such  
24 person devotes to the special program;

25 (c) equipment:

1 (i) equipment--the actual total cost;

2 (ii) special equipment for district-owned school buses  
3 necessary to accommodate special students--the actual total  
4 cost;

5 (iii) special equipment for school buses contracted to  
6 transport special students--that portion of the contract  
7 price attributable to the cost of special equipment or  
8 personnel required to accommodate special students--the  
9 actual special cost;

10 (iv) repair and maintenance of equipment--the actual  
11 total cost;

12 (d) room and board costs when the special pupil has to  
13 attend a program at such a distance from his home that  
14 commuting is undesirable as determined by the superintendent  
15 of public instruction.

16 (2) The superintendent of public instruction shall  
17 ~~prior to September 17, 1977, revise~~ the adopt rules in  
18 accordance with the policies of the board of public  
19 education for:

20 (a) keeping necessary records for supportive and  
21 administrative personnel and any personnel shared between  
22 special and regular programs;

23 (b) defining the total special program caseload that  
24 ~~shall~~ must be assigned to specific support persons and the  
25 kinds of professional specialties to be considered relevant

1 to the program before the district may count an allowable  
2 cost under subsection (1)(b) of this section; and

3 (c) defining the kinds or types of equipment whose  
4 costs may be counted under subsection (1)(c)(i) of this  
5 section.

6 (3) An annual accounting of all expenditures of school  
7 district general fund moneys money for special education  
8 ~~shall~~ must be made by the district trustees on forms  
9 furnished by the superintendent of public instruction. The  
10 superintendent of public instruction shall make rules for  
11 ~~such~~ the accounting.

12 (4) If a board of trustees chooses to exceed the  
13 budget approved by the superintendent of public instruction,  
14 costs in excess of the approved budget may not be reimbursed  
15 under the ~~maximum-budget-without-a-vote~~ foundation program  
16 for special education.

17 (5) Allowable costs prescribed in this section ~~do--not~~  
18 include the costs of the teachers' retirement system, the  
19 public employees' retirement system, the federal social  
20 security system, or the costs for unemployment compensation  
21 insurance.

22 (6) (a) Notwithstanding other provisions of the law,  
23 the superintendent of public instruction ~~shall~~ may not  
24 approve a ~~maximum-budget-without-a-vote~~ foundation program  
25 amount for special education ~~which~~ that exceeds legislative

1 appropriations; however, any unexpended balance from the  
2 first year of a biennial appropriation may be spent in the  
3 second year of the biennium in addition to the second year  
4 appropriation.

5 (b) If the total allowable cost of the special  
6 education budgets exceeds legislative appropriations  
7 available for special education, each district shall receive  
8 a pro rata share of the available appropriations based upon  
9 prioritized budget items as established by the  
10 superintendent of public instruction. The amount of the  
11 approved budgets in excess of the available appropriations  
12 may not be reimbursed under the  
13 ~~maximum-budget-without-a-vote~~ foundation program for special  
14 education and is the responsibility of the school district."

15 **Section 18.** Section 20-7-442, MCA, is amended to read:

16 "20-7-442. State transportation reimbursement for  
17 special education children. Districts providing children  
18 with transportation to a special education class or program  
19 and complying with the special education transportation  
20 regulations promulgated by the superintendent of public  
21 instruction ~~shall---be~~ are eligible for a the state  
22 transportation reimbursement under the provisions of  
23 20-10-145. The reimbursement ~~shall~~ must be calculated from a  
24 schedule established by the superintendent of public  
25 instruction ~~with--the--state--providing--two-thirds--of--the~~

1 reimbursement--and--the--county--in--which--the--children--reside  
 2 providing--the--remainder."

3 **Section 19.** Section 20-9-104, MCA, is amended to read:

4 "20-9-104. General fund cash reserve. (1) At the end  
 5 of each school fiscal year, the trustees of each district  
 6 shall designate what the portion of the general fund  
 7 end-of-the-year cash balance shall that is to be earmarked  
 8 as cash reserve for the purpose of paying general fund  
 9 warrants issued by the district from July 1 to November 30  
 10 of the ensuing school fiscal year. The amount of the general  
 11 fund cash balance that is earmarked as cash reserve shall  
 12 may not exceed 35% the following percentages of the final  
 13 general fund budget for the ensuing school fiscal year and  
 14 shall:

15 (a) 35% for a district that did not receive state  
 16 equalization aid during the current school fiscal year;

17 (b) 30% for a district that received state  
 18 equalization aid equal to 25% or less of its foundation  
 19 program schedule entitlement in the current school fiscal  
 20 year; and

21 (c) 20% for a district that received state  
 22 equalization aid equal to more than 25% of its foundation  
 23 program schedule entitlement in the current school fiscal  
 24 year.

25 (2) The amount held as cash reserve may not be used

1 for property tax reduction in the manner permitted by  
 2 20-9-141(1)(b) for other receipts. Any portion of the  
 3 general fund end-of-the-year cash balance that is not  
 4 earmarked for cash reserve purposes ~~shall--be~~ is cash  
 5 reappropriated ~~which-shall~~ and must be used for property tax  
 6 reduction as provided in 20-9-141(1)(b)(iii)."

7 **Section 20.** Section 20-9-141, MCA, is amended to read:

8 "20-9-141. Computation of general fund net levy  
 9 requirement by county superintendent. (1) The county  
 10 superintendent shall compute the levy requirement for each  
 11 district's general fund on the basis of the following  
 12 procedure:

13 (a) Determine the total of the funding required for  
 14 the district's final general fund budget less the amount  
 15 established by the foundation program schedules ~~in-20-9-316~~  
 16 ~~through-20-9-321~~ by totaling:

17 (i) the district's nonisolated school foundation  
 18 program requirement to be met by a district levy as provided  
 19 in 20-9-303;

20 ~~{iii}-the--district's-permissive-levy-amount-as-provided~~  
 21 ~~in-20-9-352;~~ and

22 ~~{iii}~~(ii) any additional general fund budget amount  
 23 adopted by the trustees of the district under the provisions  
 24 of 20-9-353, including any additional levies authorized by  
 25 the electors of the district.

1           (b) Determine the ~~total-of-the-moneys~~ money available  
2 for the reduction of the property tax on the district for  
3 the general fund by totaling:

4           (i) anticipated federal moneys money received under  
5 the provisions of Title I of Public Law 81-874 or other  
6 anticipated federal moneys money received in lieu of such  
7 federal that act;

8           (ii) anticipated tuition payments for out-of-district  
9 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,  
10 and 20-5-313;

11           (iii) general fund cash reappropriated, as established  
12 under the provisions of 20-9-104;

13           (iv) anticipated or reappropriated state impact aid  
14 received under the provisions of 20-9-304;

15           (v) anticipated revenue from vehicle property taxes  
16 and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
17 61-3-521, and 61-3-537, and 67-3-204;

18           (vi) anticipated net proceeds taxes for interim  
19 production and new production, as defined in 15-23-601;

20           (vii) anticipated interest to be earned or  
21 reappropriated interest earned by the investment of general  
22 fund cash in accordance with the provisions of 20-9-213(4);  
23 and

24           (viii) anticipated revenue from corporation license  
25 taxes collected from financial institutions under the

1 provisions of 15-31-702; and

2 ~~{viii}~~(ix) any other revenue anticipated by the  
3 trustees to be received during the ensuing school fiscal  
4 year which may be used to finance the general fund.

5 (c) Subtract the ~~total-of-the-moneys~~ money available  
6 to reduce the property tax required to finance the general  
7 fund that has been determined in subsection (1)(b) from the  
8 total requirement determined in subsection (1)(a).

9 (2) The net general fund levy requirement determined  
10 in subsection (1)(c) ~~shall~~ must be reported to the county  
11 commissioners on the second Monday of August by the county  
12 superintendent as the general fund levy requirement for the  
13 district, and a levy ~~shall~~ must be made by the county  
14 commissioners in accordance with 20-9-142."

15 **Section 21.** Section 20-9-201, MCA, is amended to read:

16 "20-9-201. Definitions and application. (1) As used in  
17 this title, unless the context clearly indicates otherwise,  
18 "fund" means a separate detailed account of receipts and  
19 expenditures for a specific purpose as authorized by law.  
20 Funds are classified as follows:

21 (a) A "budgeted fund" means any fund for which a  
22 budget must be adopted in order to expend any money from  
23 such the fund. The general fund, transportation fund, bus  
24 depreciation reserve fund, elementary tuition fund,  
25 ~~retirement--fund~~, debt service fund, leased facilities fund,

1 building reserve fund, adult education fund, nonoperating  
2 fund, vocational-technical-center-fund, and any other funds  
3 so designated by the legislature ~~shall--be~~ are budgeted  
4 funds.

5 (b) A "nonbudgeted fund" means any fund for which a  
6 budget is not required in order to expend any money on  
7 deposit in such the fund. The school food services fund,  
8 miscellaneous federal programs fund, building fund, lease or  
9 rental agreement fund, traffic education fund, interlocal  
10 cooperative fund, and any other funds so designated by the  
11 legislature ~~shall-be~~ are nonbudgeted funds.

12 (2) The school financial administration provisions of  
13 this title apply to all money of any elementary or high  
14 school district except the extracurricular money realized  
15 from pupil activities. Elementary and high school districts  
16 shall record the receipt and disbursement of all money in  
17 accordance with generally accepted accounting principles.  
18 The superintendent of public instruction has general  
19 supervisory authority as prescribed by law over the school  
20 financial administration provisions, as they relate to  
21 elementary and high school districts, ~~as prescribed by law~~  
22 and He shall establish such adopt rules as are necessary to  
23 secure compliance with the law."

24 **Section 22.** Section 20-9-212, MCA, is amended to read:  
25 "20-9-212. Duties of county treasurer. The county

1 treasurer of each county shall:

2 (1) receive and hold all school money subject to  
 3 apportionment and keep a separate accounting of its  
 4 apportionment to the several districts which are entitled to  
 5 a portion of such the money according to the apportionments  
 6 ordered by the county superintendent. A separate accounting  
 7 shall must be maintained for each county fund supported by a  
 8 countywide levy for a specific, authorized purpose,  
 9 including:

10 (a) the basic county tax in support of the elementary  
 11 foundation programs;

12 (b) the basic special tax for high schools in support  
 13 of the high school foundation programs;

14 (c) the county tax in support of the county's high  
 15 school transportation obligation; and

16 ~~{d}--the-county-tax--in--support--of--the--high--school~~  
 17 ~~obligations--to--the--retirement--systems--of--the--state--of~~  
 18 ~~Montana;~~

19 ~~{e}--any-additional--county--tax--required--by--law--to~~  
 20 ~~provide---for---deficiency---financing---of--the--elementary~~  
 21 ~~foundation-programs;~~

22 ~~{f}--any-additional--county--tax--required--by--law--to~~  
 23 ~~provide---for---deficiency--financing--of--the--high--school~~  
 24 ~~foundation-programs;-and~~

25 ~~{g}~~(d) any other county tax for schools, including the

1 community colleges, which may be authorized by law and  
2 levied by the county commissioners;

3 (2) whenever requested, notify the county  
4 superintendent and the superintendent of public instruction  
5 of the amount of county school money on deposit in each of  
6 the funds enumerated in subsection (1) of this section and  
7 the amount of any other school money subject to  
8 apportionment and apportion such the county and other school  
9 money to the districts in accordance with the apportionment  
10 ordered by the county superintendent;

11 (3) keep a separate accounting of the expenditures for  
12 each budgeted fund included in the final budget of each  
13 district;

14 (4) keep a separate accounting of the receipts,  
15 expenditures, and cash balances for each budgeted fund  
16 included in the final budget of each district and for each  
17 nonbudgeted fund established by each district;

18 (5) except as otherwise limited by law, pay all  
19 warrants properly drawn on the county or district school  
20 money and properly endorsed by their holders;

21 (6) receive all revenue collected by and for each  
22 district and deposit these receipts in the fund designated  
23 by law or by the district if no fund is designated by law.  
24 Interest and penalties on delinquent school taxes shall be  
25 credited to the same fund and district for which the

1 original taxes were levied.

2 (7) send all ~~revenues~~ revenue received for a joint  
3 district, part of which is situated in his county, to the  
4 county treasurer designated as the custodian of such  
5 ~~revenues~~ the revenue, no later than December 15 of each year  
6 and every 3 months thereafter until the end of the school  
7 fiscal year;

8 (8) at the direction of the trustees of a district,  
9 assist the district in the issuance and sale of tax and  
10 revenue anticipation notes as provided in Title 7, chapter  
11 6, part 11;

12 (9) register district warrants drawn on a budgeted  
13 fund in accordance with 7-6-2604 when there is insufficient  
14 money available ~~in--the--sum--of--money~~ in all funds of the  
15 district to make payment of such warrant. Redemption of  
16 registered warrants ~~shall~~ must be made in accordance with  
17 7-6-2116, 7-6-2605, and 7-6-2606.

18 (10) invest the money of any district as directed by  
19 the trustees of the district within 3 working days of ~~such~~  
20 the direction;

21 (11) ~~give~~ each month give to the trustees of each  
22 district an itemized report for each fund maintained by the  
23 district, showing the paid warrants, outstanding warrants,  
24 registered warrants, amounts and types of revenue received,  
25 and the cash balance; and

1 (12) remit promptly to the state treasurer receipts for  
2 the county tax for a vocational-technical center when levied  
3 by the board of county commissioners."

4 **Section 23.** Section 20-9-213, MCA, is amended to read:

5 "20-9-213. Duties of trustees. The trustees of each  
6 district shall have the sole power and authority to transact  
7 all fiscal business and execute all contracts in the name of  
8 such district. No person other than the trustees acting as a  
9 governing board shall have the authority to expend moneys of  
10 the district. In conducting the fiscal business of the  
11 district, the trustees shall:

12 (1) cause the keeping of an accurate, detailed  
13 accounting of all receipts and expenditures of school moneys  
14 for each fund maintained by the district in accordance with  
15 generally accepted accounting principles and the rules  
16 prescribed by the superintendent of public instruction. The  
17 record of such accounting shall be open to public inspection  
18 at any meeting of the trustees.

19 (2) authorize all expenditures of district moneys and  
20 cause warrants to be issued for the payment of lawful  
21 obligations;

22 (3) have the authority to issue warrants on any  
23 budgeted fund in anticipation of budgeted revenues, except  
24 that such expenditures shall not exceed the amount budgeted  
25 for such fund;

1           (4) invest any moneys of the district, whenever in the  
2 judgment of the trustees such investment would be  
3 advantageous to the district, by directing the county  
4 treasurer to invest any money of the district in direct  
5 obligations of the United States government, payable within  
6 180 days from the time of investment, or in savings or time  
7 deposits in a state or national bank, building or loan  
8 association, savings and loan association, or credit union  
9 insured by the FDIC, FSLIC, or NCUA located in the state.  
10 All interest collected on such deposits or investments shall  
11 be credited to the fund from which the money was withdrawn,  
12 except that interest earned on account of the investment of  
13 money realized from the sale of bonds shall be credited to  
14 the debt service fund or the building fund, at the  
15 discretion of the board of trustees. The placement of the  
16 investment by the county treasurer shall not be subject to  
17 ratable distribution laws and shall be done in accordance  
18 with the directive from the board of trustees. A district  
19 may invest moneys under the state unified investment program  
20 established in Title 17, chapter 6.

21           ((5) cause the district to record every transaction in  
22 the appropriate account before the accounts are closed at  
23 the end of the fiscal year, in order to properly report the  
24 receipt, use, and disposition of all money and property for  
25 which the district is accountable;

1           †5†(6) report annually to the county superintendent,  
2 not later than August 1, the financial activities of each  
3 fund maintained by the district during the last completed  
4 school fiscal year on the forms prescribed and furnished by  
5 the superintendent of public instruction. Annual fiscal  
6 reports for joint school districts shall be submitted to the  
7 county superintendent of each county in which part of the  
8 joint district is situated.

9           †6†(7) whenever requested, report any other fiscal  
10 activities to the county superintendent, superintendent of  
11 public instruction, or board of public education;

12           †7†(8) cause the accounting records of the district to  
13 be audited annually as required by law; and

14           †8†(9) perform, in the manner permitted by law, such  
15 other fiscal duties that are in the best interests of the  
16 district."

17           **Section 24.** Section 20-9-301, MCA, is amended to read:

18           "20-9-301. Purpose and---definition of foundation  
19 program and definition of general fund budget. (1) A uniform  
20 system of free public schools sufficient for the education  
21 of and open to all school age children of the state shall  
22 must be established and maintained throughout the state of  
23 Montana. The state shall aid in the support of its several  
24 school districts on the basis of their financial need as  
25 measured by the foundation program and in the manner

1 established in this title.

2 (2) The principal budgetary vehicle for achieving the  
3 minimum financing as established by the foundation program  
4 ~~shall--be~~ is the general fund budget of the district. The  
5 purpose of the general fund ~~shall-be~~ budget is to finance  
6 those general maintenance and operational costs of a  
7 district not financed by other funds established for special  
8 purposes in this title.

9 (3) The amount of the general fund budget for each  
10 school fiscal year ~~shall~~ may not exceed the financing  
11 limitations established by this title but ~~shall--be--no~~ may  
12 not be less than the amount established by law as the  
13 foundation program. The general fund budget ~~shall~~ must be  
14 financed by the foundation program revenues and may be  
15 supplemented by ~~the-permissive-levy-and~~ an additional voted  
16 ~~levies~~ levy in the manner provided by law."

17 **Section 25.** Section 20-9-303, MCA, is amended to read:

18 "20-9-303. Definition of foundation program and-its  
19 ~~proportion-of-the--maximum-general-fund-without-a-voted-levy~~  
20 ~~schedule--amount~~ -- nonisolated school foundation program  
21 financing -- special education funds. (1) As used in this  
22 title, the term "foundation program" ~~shall-mean~~ means the  
23 minimum operating expenditures, ~~as-established-herein,~~ that  
24 are sufficient to provide for the educational--program  
25 operation of a school. The foundation program relates only

1 to those expenditures authorized by a district's general  
 2 fund budget and ~~shall~~ may not include expenditures from any  
 3 other fund. It ~~shall-be~~ is financed by:

4 (a) county equalization moneys ~~money~~; and, as provided  
 5 in 20-9-331 and 20-9-333;

6 (b) state equalization aid, as provided in 20-9-343;  
 7 and

8 (c) appropriations for special education.

9 (2) ~~The dollar amount of the foundation program shall~~  
 10 ~~be-----80%-----of-----the~~  
 11 ~~maximum-general-fund-budget-without-a-voted-levy--limitation~~  
 12 ~~as--set-forth-in-the-schedules-in-20-9-316-through-20-9-321.~~

13 The foundation program ~~of-an~~ includes:

14 (a) amounts in support of general education programs  
 15 as provided in the schedules in 20-9-316 through 20-9-320;  
 16 and

17 (b) payments in support of special education programs  
 18 under 20-9-321.

19 (3) An elementary school having an ANB of nine or  
 20 fewer pupils for 2 consecutive years which is not approved  
 21 as an isolated school under the provisions of 20-9-302 ~~shall~~  
 22 ~~be--80%-of~~ may budget and spend the schedule amount, but the  
 23 county and state shall participate in financing one-half of  
 24 the foundation program, and the district shall finance the  
 25 remaining one-half by a tax levied on the property of the

1 district. When a school of nine or fewer pupils is approved  
2 as isolated under the provisions of 20-9-302, the county and  
3 state shall participate in the financing of the total amount  
4 of the foundation program.

5 (3) Funds provided to support the special education  
6 accounting budget may be expended only for special education  
7 purposes as approved by the superintendent of public  
8 instruction in accordance with the special education  
9 budgeting provisions of this title. Expenditures for special  
10 education ~~shall~~ must be accounted for separately from the  
11 balance of the school district general fund. Transfers  
12 between items within the special education budget for  
13 accounting purposes may be made at the discretion of the  
14 board of trustees in accordance with the financial  
15 administration part of this title. The unexpended balance of  
16 the special education accounting budget ~~shall-carry~~ carries  
17 over to the next year to reduce the amount of funding  
18 required to finance the district's ensuing year's  
19 ~~maximum-budget-without-a-vote~~ foundation program amount for  
20 special education."

21 **Section 26.** Section 20-9-311, MCA, is amended to read:

22 "20-9-311. Calculation of average number belonging  
23 (ANB). (1) Average number belonging ~~shall-be~~ is computed by  
24 determining the total of the aggregate days of attendance by  
25 regularly enrolled, full-time pupils during the current

1 school fiscal year plus the aggregate days of absence by  
2 regularly enrolled, full-time pupils during the current  
3 school fiscal year and by dividing such the total by 180.  
4 However, when a school district has approval to operate less  
5 than 180 school days under 20-9-804, such the total ~~shall~~  
6 must be calculated in accordance with the provisions of  
7 20-9-805. For the purpose of calculating ANB under this  
8 section, the days of attendance for a regularly enrolled  
9 pupil may not exceed 180 pupil instruction days and 7  
10 pupil-instruction-related days. Attendance for a part of a  
11 morning session or a part of an afternoon session by a pupil  
12 ~~shall-be~~ is counted as attendance for one-half day. In  
13 calculating the ANB for pupils enrolled in a program  
14 established under ~~20-7-117-prior--to--January--17--1974,--or~~  
15 ~~pursuant--to~~ 20-7-117(1), attendance at or absence from a  
16 regular session of the program for at least 2 hours of  
17 either a morning or an afternoon session will be counted as  
18 one-half of a day attended or absent, as the case may be. If  
19 a variance has been granted as provided in 20-1-302, ANB  
20 will be computed in a manner prescribed by the  
21 superintendent of public instruction, but in no case ~~shall~~  
22 may the ANB exceed one-half for each kindergarten pupil.  
23 When any pupil has been absent, with or without excuse, for  
24 more than 10 consecutive school days, including  
25 pupil-instruction-related days, his absence after the 10th

1 day of absence ~~shall~~ may not be included in the aggregate  
2 days of absence and his enrollment in the school ~~shall~~ may  
3 not be considered in the calculation of the average number  
4 belonging until he resumes attendance at school.

5 (2) If a student spends less than half his time in the  
6 regular program and the balance of his time in school in the  
7 special education program, he ~~shall--be~~ is considered a  
8 full-time special pupil but ~~shall~~ may not be considered  
9 regularly enrolled for ANB purposes. If a student spends  
10 half or more of his time in school in the regular program  
11 and the balance of his time in the special education  
12 program, he ~~shall--be~~ is considered regularly enrolled for  
13 ANB purposes.

14 (3) The average number belonging of the regularly  
15 enrolled, full-time pupils for the public schools of a  
16 district must be based on the aggregate of all the regularly  
17 enrolled, full-time pupils attending the schools of the  
18 district, except that when:

19 (a) a school of the district is located more than 3  
20 miles beyond the incorporated limits of a city or town or  
21 from another school of the district, all of the regularly  
22 enrolled, full-time pupils of the school must be calculated  
23 individually for ANB purposes;

24 (b) a junior high school has been approved and  
25 accredited as a junior high school, all of the regularly

1 enrolled, full-time pupils of the junior high school shall  
2 must be considered as high school district pupils for ANB  
3 purposes;

4 (c) a middle school has been approved and accredited,  
5 in which case pupils below the 7th grade shall must be  
6 considered elementary school pupils for ANB purposes and the  
7 7th and 8th grade pupils shall must be considered high  
8 school pupils for ANB purposes; or

9 (d) a school has not been accredited by the board of  
10 public education, the regularly enrolled, full-time pupils  
11 attending the nonaccredited school shall may not be eligible  
12 for average number belonging calculation purposes, nor will  
13 an average number belonging for the nonaccredited school be  
14 used in determining the foundation program for such the  
15 district.

16 (4) When 11th or 12th grade students are regularly  
17 enrolled on a part-time basis, high schools may calculate  
18 the ANB to include an "equivalent ANB" for those students.  
19 The method for calculating an equivalent ANB shall must be  
20 determined in a manner prescribed by the superintendent of  
21 public instruction."

22 **Section 27.** Section 20-9-312, MCA, is amended to read:

23 "20-9-312. ~~Maximum--general--fund--budget~~ Foundation  
24 program schedule for grades seven and eight. The ANB  
25 calculated for grades 7 and 8 shall must be funded at the

1 high school rate, provided that the school meets the  
 2 standards for accreditation of a middle school. When such  
 3 the pupils are actually enrolled in an elementary school,  
 4 the foundation program schedule amount ~~of-the--general--fund~~  
 5 budget per ANB is determined from the high school schedule  
 6 using the total ANB of the elementary school. To determine  
 7 the total ANB of ~~such-an~~ the elementary school, the 7th and  
 8 8th grade pupils ~~shall~~ must be included in ~~such~~ the total."

9 **Section 28.** Section 20-9-315, MCA, is amended to read:

10 "20-9-315. Maximum general fund budget and exceptions.

11 (1) The total amount of the general fund budget of any  
 12 district ~~shall~~ may not be greater than the ~~general--fund~~  
 13 ~~budget---amount---specified--in--20-9-316--through--20-9-321~~  
 14 district's foundation program as provided in 20-9-303,  
 15 except when a district has adopted an emergency general fund  
 16 budget under the provisions of 20-9-165 or when a district  
 17 satisfies the requirements of 20-9-353.

18 (2) Notwithstanding the provisions of subsection (1),  
 19 a district's maximum general fund budget may not exceed 130%  
 20 of the foundation program amount for that district, except:

21 (a) when Public Law 81-874 funds are the source of  
 22 funding for the excess amount, until the state receives  
 23 approval of an application to equalize the funds under 20  
 24 U.S.C. 240(d);

25 (b) when a district had combined expenditures in

1 school fiscal year 1988 from its general fund, retirement  
 2 fund, and comprehensive insurance fund in an amount greater  
 3 than the maximum general fund budget allowed by this  
 4 section, in which case the maximum general fund budget of  
 5 the district is limited to its school fiscal year 1988  
 6 combined expenditure amount until that amount does not  
 7 exceed 130% of the district's foundation program amount;

8 (c) a nonapproved isolated school under 20-9-303(3) is  
 9 not subject to the limitation."

10 **Section 29.** Section 20-9-318, MCA, is amended to read:

11 "20-9-318. Elementary school maximum-budget foundation  
 12 program schedule for ~~1987-88~~ school fiscal year 1991 and  
 13 succeeding years. For 1987-88 the school fiscal year ending  
 14 June 30, 1991 and succeeding school years, the elementary  
 15 school maximum--budget foundation program schedule is as  
 16 follows:

17 (1) For each elementary school having an ANB of nine  
 18 or fewer pupils, the maximum ~~shall be \$20,150~~ is \$28,725 if  
 19 said the school is approved as an isolated school.

20 (2) For schools with an ANB of 10 pupils but less than  
 21 18 pupils, the maximum ~~shall be \$20,150~~ is \$28,725 plus  
 22 ~~\$842.50~~ \$1,201 per pupil on the basis of the average number  
 23 belonging over nine.

24 (3) For schools with an ANB of at least 14 pupils but  
 25 less than 18 pupils that qualify for instructional aide

1 funding under 20-9-322, the maximum ~~shall--be--\$33,042~~ is  
 2 \$47,085 plus ~~\$842-50~~ \$1,201 per pupil on the basis of the  
 3 average number belonging over 14.

4 (4) For schools with an ANB of 18 pupils and employing  
 5 one teacher, the maximum ~~shall-be-\$27,741~~ is \$39,531 plus  
 6 ~~\$842-50~~ \$1,201 per pupil on the basis of the average number  
 7 belonging over 18, not to exceed an ANB of 25.

8 (5) For schools with an ANB of 18 pupils and employing  
 9 two full-time teachers, the maximum ~~shall--be--\$44,290~~ is  
 10 \$63,113 plus ~~\$527-60~~ \$752 per pupil on the basis of the  
 11 average number belonging over 18, not to exceed an ANB of  
 12 50.

13 (6) For schools having an ANB in excess of 40, the  
 14 maximum, on the basis of the total pupils (ANB) in the  
 15 district ~~for-elementary-pupils-will-be,~~ is as follows:

16 (a) For a school having an ANB of more than 40 and  
 17 employing a minimum of three teachers, the maximum of ~~\$1,957~~  
 18 ~~shall-be~~ \$2,789 is decreased at the rate of ~~\$1-90~~ \$2.71 for  
 19 each additional pupil until the total number (ANB) ~~shall~~  
 20 ~~have-reached~~ reaches a total of 100 pupils.

21 (b) For a school having an ANB of more than 100  
 22 pupils, the maximum of ~~\$1,843~~ ~~shall-be~~ \$2,626 is decreased  
 23 at the rate of ~~\$1-74~~ \$2.48 for each additional pupil until  
 24 the ANB ~~shall-have-reached~~ reaches 300 pupils.

25 (c) For a school having an ANB of more than 300

1 pupils, the maximum ~~shall~~ may not exceed ~~\$17,496~~ \$2,324 for  
2 each pupil.

3 (7) The maximum per pupil for all pupils (ANB) and for  
4 all elementary schools ~~shall~~ must be computed on the basis  
5 of the amount allowed herein in this section on account of  
6 the last eligible pupil (ANB). All elementary schools  
7 operated within the incorporated limits of a city or town  
8 ~~shall~~ must be treated as one school for the purpose of this  
9 schedule."

10 **Section 30.** Section 20-9-319, MCA, is amended to read:

11 "20-9-319. High school maximum---budget foundation  
12 program schedule for ~~1987-88~~ school fiscal year 1991 and  
13 succeeding years. For ~~1987-88~~ the school fiscal year ending  
14 June 30, 1991 and succeeding school years, the high school  
15 maximum-budget foundation program schedule is as follows:

16 (1) For each high school having an ANB of 24 or fewer  
17 pupils, the maximum ~~shall-be-\$114,845~~ is \$175,139.

18 (2) For a secondary high school having an ANB of more  
19 than 24 pupils, the maximum ~~\$47,785-shall--be~~ of \$7,297 is  
20 decreased at the rate of \$26-10 \$39.80 for each additional  
21 pupil until the ANB ~~shall-have-reached~~ reaches a total of 40  
22 such pupils.

23 (3) For a school having an ANB of more than 40 pupils,  
24 the maximum of ~~\$47,368-shall-be~~ \$6,661 is decreased at the  
25 rate of ~~\$26-10~~ \$39.80 for each additional pupil until the

1 ANB ~~shall have reached~~ reaches 100 pupils.

2 (4) For a school having an ANB of more than 100  
3 pupils, a the maximum of ~~\$2,802~~ ~~shall be~~ \$4,273 is decreased  
4 at the rate of ~~\$4.37~~ \$6.66 for each additional pupil until  
5 the ANB ~~shall have reached~~ reaches 200 pupils.

6 (5) For a school having an ANB of more than 200  
7 pupils, the maximum of ~~\$2,365~~ ~~shall be~~ \$3,607 is decreased  
8 by ~~\$2.40~~ \$3.66 for each additional pupil until the ANB ~~shall~~  
9 ~~have reached~~ reaches 300 pupils.

10 (6) For a school having an ANB of more than 300  
11 pupils, the maximum of ~~\$2,125~~ ~~shall be~~ \$3,241 is decreased  
12 at the rate of ~~44~~ 67 cents for each additional pupil until  
13 the ANB ~~shall have reached~~ reaches 600 pupils.

14 (7) For a school having an ANB ~~over~~ of more than 600  
15 pupils, the maximum ~~shall~~ may not exceed ~~\$1,993~~ \$3,039 per  
16 pupil.

17 (8) The maximum per pupil for all pupils (ANB) and for  
18 all high schools ~~shall~~ must be computed on the basis of the  
19 amount allowed ~~herein~~ in this section on account of the last  
20 eligible pupil (ANB). All high schools and junior high  
21 schools which have been approved and accredited as junior  
22 high schools, operated within the incorporated limits of a  
23 city or town, ~~shall~~ must be treated as one school for the  
24 purpose of this schedule."

25 **Section 31.** Section 20-9-320, MCA, is amended to read:

1           "20-9-320. Maximum--general--fund--budget Foundation  
2 program schedule amount for junior high school. (1) The  
3 general-fund-budget foundation program schedule amount for  
4 an approved and accredited junior high school ~~shall~~ must be  
5 prorated between the elementary district general-fund-budget  
6 foundation program schedule amount and the high school  
7 district general--fund--budget foundation program schedule  
8 amount in the following manner:

9           (a) determine the per-ANB schedule amount for the  
10 school, as defined by 20-9-317 and 20-9-319, from the high  
11 school schedule;

12           (b) calculate the ANB for the regularly enrolled  
13 full-time pupils enrolled in the 7th and 8th grades of the  
14 junior high school;

15           (c) multiply the per-ANB schedule amount determined in  
16 subsection (1)(a) by the ANB calculated in subsection (1)(b)  
17 to determine the authorized general-fund-budget amount which  
18 shall-be available for the elementary district general--fund  
19 budget foundation program; and

20           (d) subtract the amount determined in subsection  
21 (1)(c) from the total authorized general-fund-budget amount  
22 for the school to determine the authorized general-fund  
23 budget amount which-shall-be available for the high school  
24 district general-fund-budget foundation program.

25           (2) The general-fund-budget amount determined for each

1 school of a district under the schedules provided in  
 2 20-9-316 through 20-9-319 shall must be totaled to determine  
 3 the ~~maximum-general-fund-budget-without-a-voted-levy~~  
 4 foundation program schedule amount for such the district."

5 **Section 32.** Section 20-9-321, MCA, is amended to read:

6 "20-9-321. ~~Maximum--general--fund--budget~~ Foundation  
 7 program and contingency funds for special education. (1) For  
 8 the purpose of establishing the  
 9 ~~maximum-budget-without-a-vote~~ foundation program amount for  
 10 a current year special education program for a school  
 11 district, the superintendent of public instruction ~~will~~  
 12 shall determine the total estimated cost of the special  
 13 education program for the school district on the basis of a  
 14 special education program budget submitted by the district.  
 15 The budget ~~will~~ must be prepared on forms provided by the  
 16 superintendent of public instruction and ~~will~~ must set out  
 17 for each program:

18 (a) the estimated allowable costs associated with  
 19 operating the program where allowable costs are as defined  
 20 in 20-7-431;

21 (b) the number of pupils expected to be enrolled in  
 22 the program; and

23 (c) any other data required by the superintendent of  
 24 public instruction for budget justification purposes and to  
 25 administer the provisions of 20-9-315 through 20-9-321.

1           (2) The total amount of allowable costs approved by  
2 the superintendent of public instruction ~~shall--be~~ is the  
3 special education ~~maximum-budget-without-a-vote~~ foundation  
4 program amount for current year special education program  
5 purposes. The total amount of allowable costs that are  
6 approved for the special education budget ~~shall~~ may not,  
7 under any condition, be less than the  
8 ~~maximum-budget-without-a-vote~~ foundation program amount for  
9 one regular ANB for each ~~special~~ full-time special pupil in  
10 the school district.

11           (3) If a special education program is implemented or  
12 expanded during a given school term too late to be included  
13 in the determination of the district  
14 ~~maximum-budget-without-a-vote~~ foundation program for the  
15 school year as prescribed in this part, allowable costs  
16 approved under the budgeting provisions of subsections (1)  
17 and (2) for the operation of the program during the given  
18 year must be funded from any legislative appropriation for  
19 contingency financing for special education. Contingency  
20 funds granted under this subsection must be deposited in a  
21 separate account of the miscellaneous programs fund of the  
22 district as provided in 20-9-507. However, if contingency  
23 funds are not available, then subject to the approval of the  
24 program by the superintendent under the emergency budget  
25 provisions of 20-9-161(5), allowable costs for the given

1 year may be added to the maximum-budget-without-a-vote  
 2 foundation program amount for special education for the  
 3 subsequent school year. Such The allowable costs must be  
 4 recorded as previous year special education expenses in the  
 5 school district budget for the subsequent school year.

6 (4) The sum of the previous year special education  
 7 expenses as defined in subsection (3) above and the  
 8 maximum-budget-without-a-vote foundation program amount for  
 9 current year special education as defined in subsections (1)  
 10 and (2) ~~shall--be~~ is the special education budget for  
 11 accounting purposes.

12 (5) The maximum-budget-without-a-vote foundation  
 13 program amount for special education ~~will~~ must be added to  
 14 the maximum-budget-without-a-vote foundation program amount  
 15 of the regular program ANB defined in 20-9-311 and 20-9-313  
 16 to obtain the total maximum-budget-without-a-vote foundation  
 17 program amount for the district."

18 **Section 33.** Section 20-9-322, MCA, is amended to read:

19 "20-9-322. Elementary instructional aide funding  
 20 qualification. (1) Any elementary school that anticipates an  
 21 ANB of at least 14 but less than 18 pupils for the ensuing  
 22 school fiscal year may determine the maximum--general--fund  
 23 budget foundation program amount under the provisions of  
 24 20-9-316(3) or 20-9-318(3) if eligibility is approved in  
 25 accordance with the following provisions:

1           (a) No later than May 10 of each year, the school  
2 district shall submit its application for approval for  
3 instructional aide funding to the superintendent of public  
4 instruction. The application shall must include:

5           (i) the previous year's ANB;

6           (ii) an estimate of the current school fiscal year's  
7 ANB, as calculated under the provisions of 20-9-314(1), and  
8 the number of grade levels being taught on May 1 of the  
9 current year;

10           (iii) an estimate of the ANB and the number of grade  
11 levels anticipated for the ensuing school fiscal year;

12           (iv) the factual information on which such estimates  
13 are based; and

14           (v) any other information or data that may be required  
15 by the superintendent of public instruction.

16           (b) The superintendent of public instruction shall  
17 immediately review all of the factors of the application and  
18 shall approve the application if the anticipated ANB is at  
19 least 14 but less than 18 pupils and a minimum of five grade  
20 levels are being taught as of May 1 of the current year or  
21 documentation is provided which indicates that the  
22 anticipated ANB will require a minimum of five grade levels  
23 to be taught in the ensuing school year.

24           (2) Whenever a school district applies for and is  
25 approved for instructional aide funding under the provisions

1 of subsection (1), the district ~~must~~ shall hire an  
2 instructional aide.

3 (3) For the purposes of this section, the term  
4 "instructional aide" means:

5 (a) a person who is under the direct supervision of a  
6 teacher; or

7 (b) a certified teacher."

8 **Section 34.** Section 20-9-331, MCA, is amended to read:

9 "20-9-331. Basic county tax and other revenues for  
10 county equalization of the elementary district foundation  
11 program. (1) ~~It shall be the duty of the~~ The county  
12 commissioners of each county ~~to~~ shall levy an annual basic  
13 tax of ~~28~~ 34 mills on the dollars of the taxable value of  
14 all taxable property within the county, except for ~~vehicles~~  
15 ~~subject to taxation under 61-3-504(2)~~ property subject to a  
16 tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
17 61-3-537, and 67-3-204, for the purposes of local and state  
18 foundation program support. The revenue ~~to be~~ collected from  
19 this levy ~~shall~~ must be apportioned to the support of the  
20 foundation programs of the elementary school districts in  
21 the county and to the state special revenue fund, state  
22 equalization aid account, in the following manner:

23 (a) In order to determine the amount of revenue raised  
24 by this levy which is retained by the county, the sum of the  
25 estimated revenues revenue identified in subsection (2)

1     ~~below--shall--be~~ is subtracted from the ~~sum-of-the-county~~  
2     ~~elementary-transportation-obligation-and-the~~ total of the  
3     ~~foundation programs of all elementary districts of the~~  
4     ~~county.~~

5           (b) If the basic levy prescribed by this section  
6     produces more revenue than is required to finance the  
7     difference determined above in subsection (1)(a), the county  
8     treasurer shall remit the surplus funds to the state  
9     treasurer for deposit to the state special revenue fund,  
10    state equalization aid account, immediately upon occurrence  
11    of a surplus balance and each subsequent month thereafter,  
12    with any final remittance due no later than June 20 of the  
13    fiscal year for which the levy has been set.

14           (c) If revenue from the basic levy prescribed by this  
15    section when combined with the other revenue from subsection  
16    (2) is insufficient to fully fund the percentage determined  
17    in 20-9-347(1)(b), and the county is eligible for an  
18    apportionment of state equalization aid under the provisions  
19    of 20-9-347(1)(c), the county superintendent shall notify  
20    the superintendent of public instruction of the deficiency.  
21    The superintendent of public instruction shall increase the  
22    state equalization aid payments to the districts in the  
23    affected county to offset the deficiency. A payment may not  
24    be made under this subsection (c) that allows a district to  
25    receive foundation program funding in excess of the

1 foundation program amount of the district.

2 (2) The ~~proceeds~~ revenue realized from the county's  
3 portion of the levy prescribed by this section and the  
4 ~~revenues~~ revenue from the following sources ~~shall~~ must be  
5 used for the equalization of the elementary district  
6 foundation programs of the county as prescribed in 20-9-334,  
7 and a separate accounting ~~shall~~ must be kept of such  
8 ~~proceeds-and-revenues~~ the revenue by the county treasurer in  
9 accordance with 20-9-212(1):

10 (a) the portion of the federal Taylor Grazing Act  
11 funds distributed to a county and designated for the common  
12 school fund under the provisions of 17-3-222;

13 (b) the portion of the federal flood control act funds  
14 distributed to a county and designated for expenditure for  
15 the benefit of the county common schools under the  
16 provisions of 17-3-232;

17 (c) all money paid into the county treasury as a  
18 result of fines for violations of law, except money paid to  
19 a justice's court, and the use of which is not otherwise  
20 specified by law;

21 (d) any money remaining at the end of the immediately  
22 preceding school fiscal year in the county treasurer's  
23 account accounts for the various sources of revenue  
24 established or referred to in this section;

25 (e) any federal or state money distributed to the

1 county as payment in lieu of the property taxation  
 2 ~~established-by-the-county-levy--required--by--this--section,~~  
 3 including federal forest reserve funds allocated under the  
 4 provisions of 17-3-213;

5 (f) net proceeds taxes for interim production and new  
 6 production, as defined in 15-23-601; and

7 (g) anticipated revenue from ~~vehiele~~ property taxes  
 8 and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
 9 61-3-521, and 61-3-537, and 67-3-204."

10 **Section 35.** Section 20-9-333, MCA, is amended to read:

11 "20-9-333. Basic special levy and other revenues for  
 12 county equalization of high school district foundation  
 13 program. (1) ~~It--shall--be--the--duty--of--the~~ The county  
 14 commissioners of each county to shall levy an annual basic  
 15 special tax for high schools of ~~17~~ 21 mills on the dollar of  
 16 the taxable value of all taxable property within the county,  
 17 ~~except for vehicles--subject-to-taxation-under-61-3-504(2)~~  
 18 property subject to a tax or fee under 23-2-517, 23-2-803,  
 19 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204, for the  
 20 purposes of local and state foundation program support. The  
 21 revenue ~~to--be~~ collected from this levy ~~shall~~ must be  
 22 apportioned to the support of the foundation programs of  
 23 high school districts in the county and to the state special  
 24 revenue fund, state equalization aid account, in the  
 25 following manner:

1 (a) In order to determine the amount of revenue raised  
2 by this levy which is retained by the county, the sum of the  
3 estimated revenues revenue identified in ~~subsections (2)(a)~~  
4 ~~and (2)(b) below shall be~~ subsection (2) must be subtracted  
5 from the sum of the county's high school tuition obligation  
6 and the total of the foundation programs of all high school  
7 districts of the county.

8 (b) If the basic levy prescribed by this section  
9 produces more revenue than is required to finance the  
10 difference determined above in subsection (1)(a), the county  
11 treasurer shall remit the surplus to the state treasurer for  
12 deposit to the state special revenue fund, state  
13 equalization aid account, immediately upon occurrence of a  
14 surplus balance and each subsequent month thereafter, with  
15 any final remittance due no later than June 20 of the fiscal  
16 year for which the levy has been set.

17 (c) If revenue from the basic levy prescribed by this  
18 section when combined with the other revenue from subsection  
19 (2) is insufficient to fully fund the percentage determined  
20 in 20-9-347(1)(b), and the county is eligible for an  
21 apportionment of state equalization aid under the provisions  
22 of 20-9-347(1)(c), the county superintendent shall notify  
23 the superintendent of public instruction of the deficiency.  
24 The superintendent of public instruction shall increase the  
25 state equalization aid payments to the districts in the

1 affected county to offset the deficiency. A payment may not  
2 be made under this subsection (c) that allows a district to  
3 receive foundation program funding in excess of the  
4 foundation program amount of the district.

5 (2) The proceeds revenue realized from the county's  
6 portion of the levy prescribed in this section and the  
7 revenues revenue from the following sources ~~shall~~ must be  
8 used for the equalization of the high school district  
9 foundation programs of the county as prescribed in 20-9-334,  
10 and a separate accounting ~~shall~~ must be kept of these  
11 proceeds the revenue by the county treasurer in accordance  
12 with 20-9-212(1):

13 (a) any money remaining at the end of the immediately  
14 preceding school fiscal year in the county treasurer's  
15 accounts for the various sources of revenue established in  
16 this section;

17 (b) any federal or state moneys money distributed to  
18 the county as a payment in lieu of the property taxation  
19 ~~established--by--the--county--levy--required--by--this--section,~~  
20 including federal forest reserve funds allocated under the  
21 provisions of 17-3-213;

22 (c) net proceeds taxes for interim production and new  
23 production, as defined in 15-23-601; and

24 (d) anticipated revenue from vehicle property taxes  
25 and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),

1 61-3-521, and 61-3-537, and 67-3-204."

2 **Section 36.** Section 20-9-334, MCA, is amended to read:

3 "20-9-334. Apportionment of county equalization moneys  
4 money by county superintendent. The county superintendent  
5 shall separately apportion the revenues deposited in the  
6 basic county tax account and the revenues deposited in the  
7 basic special tax for high schools account to the several  
8 districts of the county on a monthly basis. The  
9 apportionments ~~shall~~ must be known as "county equalization  
10 moneys money". Before the county superintendent makes the  
11 monthly apportionments, ~~he~~ the county superintendent shall:

12 ~~{1}--deduct-from-the-revenues-available--in--the--basic~~  
13 ~~county--tax-account-the-amount-required-for-the-month-to-pay~~  
14 ~~the--county's--obligation--for---elementary---transportation~~  
15 ~~reimbursements;-and~~

16 {2} deduct from the revenues available in the basic  
17 special tax for high schools account the amount required for  
18 the month to pay the county's obligation for high school  
19 out-of-county tuition."

20 **Section 37.** Section 20-9-343, MCA, is amended to read:

21 "20-9-343. Definition of and revenue for state  
22 equalization aid. (1) As used in this title, the term "state  
23 equalization aid" means ~~these-moneys~~ the money deposited in  
24 the state special revenue fund as required in this section  
25 plus any legislative appropriation of money from other

1 sources for distribution to the public schools for the  
2 purpose of equalization of the foundation program.

3 (2) The ~~legislative--appropriation~~ legislature shall  
4 biennially appropriate money for state equalization aid  
5 ~~shall-be--made--in--a--single--sum--for--the--biennium.~~ The  
6 superintendent of public instruction ~~has-authority-to~~ may  
7 spend ~~such~~ the appropriation, together with the earmarked  
8 revenues provided in subsection (3), as required for  
9 foundation program purposes throughout the biennium.

10 (3) The following ~~shall~~ must be paid into the state  
11 special revenue fund for state equalization aid to public  
12 schools of the state:

13 (a) ~~31.8%-of-all~~ money received from the collection of  
14 income taxes under chapter 30 of Title 15, as provided by  
15 15-1-501;

16 (b) ~~25%-of-all-money,~~ except as provided in 15-31-702,  
17 money received from the collection of corporation license  
18 and income taxes under chapter 31 of Title 15, as provided  
19 by 15-1-501;

20 (c) ~~100%--of-the~~ money allocated to state equalization  
21 from the collection of the severance tax on coal;

22 (d) ~~100%-of-the~~ money received from the treasurer of  
23 the United States as the state's shares of oil, gas, and  
24 other mineral royalties under the federal Mineral Lands  
25 Leasing Act, as amended;

1 (e) interest and income money described in 20-9-341  
2 and 20-9-342;

3 (f) income from the education trust fund account; and

4 (g) money received from the state equalization aid  
5 levy under [section 49];

6 (h) income from the lottery, as provided for in  
7 23-5-1027; and

8 ~~(g)~~(i) in addition to these revenues, the surplus  
9 revenues collected by the counties for foundation program  
10 support according to 20-9-331 and 20-9-333.

11 (4) Any surplus revenue in the state equalization aid  
12 account in the second year of a biennium may be used to  
13 reduce the appropriation required for the next succeeding  
14 biennium."

15 **Section 38.** Section 20-9-344, MCA, is amended to read:

16 "20-9-344. Purpose of state equalization aid and  
17 duties of the board of public education for distribution --  
18 conditions of first payment. (1) The money available for  
19 state equalization aid ~~shall~~ must be distributed and  
20 apportioned to provide an annual minimum operating revenue  
21 for the elementary and high schools in each county,  
22 exclusive of revenues required for debt service and for the  
23 payment of any ~~and--all~~ costs and expense incurred in  
24 connection with any adult education program, recreation  
25 program, school food services program, new buildings~~7-new~~

1 and grounds, and transportation.

2 (2) The board of public education shall administer and  
3 distribute the state equalization aid in the manner and with  
4 the powers and duties provided by law. To this end, the  
5 board of public education shall:

6 (a) adopt policies for regulating the distribution of  
7 state equalization aid in accordance with the provisions of  
8 law and in a manner that ~~would-most-effectively-meet-the~~  
9 ~~financial-needs-of-districts~~ provides for monthly  
10 distribution to each district of its equalization aid  
11 entitlement;

12 (b) have the power to require such reports from the  
13 county superintendents, budget boards, county treasurers,  
14 and trustees as it ~~may-deem~~ considers necessary; and

15 (c) order the superintendent of public instruction to  
16 distribute the state equalization aid on the basis of each  
17 district's annual entitlement to such the aid as established  
18 by the superintendent of public instruction. In ordering the  
19 distribution of state equalization aid, the board of public  
20 education ~~shall~~ may not increase or decrease the state  
21 equalization aid distribution to any district on account of  
22 any difference which that may occur during the school fiscal  
23 year between budgeted and actual receipts from any other  
24 source of school revenue.

25 (3) The board of public education may order the

1 superintendent of public instruction to withhold  
 2 distribution of state equalization aid from a district, in  
 3 an amount and under conditions determined by the board of  
 4 public education, when the district fails to:

5 (a) submit reports or budgets as required by law or  
 6 rules adopted by the superintendent of public instruction or  
 7 the board of public education;

8 (b) maintain accredited status; or

9 (c) comply with any other requirement of law or rules  
 10 adopted by the superintendent of public instruction or the  
 11 board of public education.

12 ~~(3)~~(4) Should a district receive more state  
 13 equalization aid than it is entitled to, the county  
 14 treasurer ~~must~~ shall return the overpayment to the state  
 15 upon the request of the superintendent of public instruction  
 16 in the manner prescribed by the department of commerce.

17 ~~(4)~~(5) (a) The first payment of state equalization aid  
 18 must be:

19 ~~(a)~~ based on an estimate of 20% of each district's  
 20 entitlement; and

21 ~~(b)~~ distributed by July 15 of the school fiscal year.

22 (b) Each subsequent monthly payment must be at least  
 23 7% of the district's entitlement."

24 **Section 39.** Section 20-9-353, MCA, is amended to read:

25 "20-9-353. Additional levy for general fund --

1 election for authorization to impose. (1) The Except as  
2 limited by 20-9-315(2), the trustees of any district may  
3 propose to adopt a general fund budget in excess of the  
4 ~~general--fund--budget-amount~~ foundation program for such the  
5 ~~district as-established-by-the-schedules-in-20-9-316-through~~  
6 ~~20-9-321~~ for any of the following purposes:

7 (a) building, altering, repairing, or enlarging any  
8 schoolhouse of the district;

9 (b) furnishing additional school facilities for the  
10 district;

11 (c) acquisition of land for the district;

12 (d) proper maintenance and operation of the school  
13 programs of the district.

14 (2) When the trustees of any district determine that  
15 an additional amount of financing is required for the  
16 general fund budget that is in excess of the statutory  
17 schedule amount, the trustees shall submit the proposition  
18 of an additional levy to raise such the excess amount of  
19 general fund financing to the electors who are qualified  
20 under 20-20-301 to vote upon such the proposition, except  
21 that ~~no~~ an election ~~shall-be~~ is not required to permit the  
22 school trustees to use any funds available to finance the  
23 additional amount other than those funds to be raised by the  
24 additional levy. Such The special election ~~shall~~ must be  
25 called and conducted in the manner prescribed by this title

1 for school elections. The ballot for ~~such~~ the election shall  
 2 must state only the amount of money to be raised by  
 3 additional property taxation, the approximate number of  
 4 mills required to raise ~~such~~ the money, and the purpose for  
 5 which ~~such~~ the money will be expended.~~7-and-it-shall~~ The  
 6 ballot must be in the following format:

7 PROPOSITION

8 Shall a levy be made in addition to the levies  
 9 authorized by law in ~~such~~ the number of mills as may be  
 10 necessary to raise the sum of (state the amount to be raised  
 11 by additional tax levy), and being approximately (give  
 12 number) mills, for the purpose of (insert the purpose for  
 13 which the additional tax levy is made)?

14 FOR the levy.

15 AGAINST the levy.

16 (3) If the election on any additional levy for the  
 17 general fund is approved by a majority vote of those the  
 18 electors voting at ~~such~~ the election, the proposition shall  
 19 ~~carry~~ carries and the trustees may use any portion or all of  
 20 the authorized amount in adopting the preliminary general  
 21 fund budget. The trustees shall certify the additional levy  
 22 amount authorized by ~~such--a~~ the special election on the  
 23 budget form that is submitted to the county superintendent,  
 24 and the county commissioners shall levy ~~such~~ the authorized  
 25 number of mills on the taxable value of all taxable property

1 within the district, as prescribed in 20-9-141, as--are  
2 required to raise the amount of such the additional levy.

3 (4) Authorization to levy an additional tax under the  
4 provisions of this section ~~shall be~~ is effective for only 1  
5 school fiscal year and ~~shall~~ must be authorized by a special  
6 election conducted before August 1 of the school fiscal year  
7 for which it is effective."

8 **Section 40.** Section 20-9-506, MCA, is amended to read:

9 "20-9-506. Budgeting and net levy requirement for  
10 nonoperating fund. (1) The trustees of any district which  
11 that does not operate a school or will not operate a school  
12 during the ensuing school fiscal year shall adopt a  
13 nonoperating school district budget in accordance with the  
14 school budgeting provisions of this title. Such nonoperating  
15 budget ~~shall~~ must contain the nonoperating fund and, when  
16 appropriate, a debt service fund. The nonoperating budget  
17 form ~~shall~~ must be promulgated and distributed by the  
18 superintendent of public instruction under the provisions of  
19 20-9-103.

20 (2) After the adoption of a final budget for the  
21 nonoperating fund, the county superintendent shall compute  
22 the net levy requirement for such the fund by subtracting  
23 from the amount authorized by such the budget the sum of:

24 (a) the end-of-the-year cash balance of the  
25 nonoperating fund or, if it is the first year of

1 nonoperation, the cash balance determined under the transfer  
2 provisions of 20-9-305;

3 (b) the estimated state and--county transportation  
4 reimbursements reimbursement; and

5 (c) any other moneys money that may become available  
6 during the ensuing school fiscal year.

7 (3) The county superintendent shall report the net  
8 nonoperating fund levy requirement and any net debt service  
9 fund levy requirement determined under the provisions of  
10 20-9-439 to the county commissioners on the second Monday of  
11 August, and such the levies shall must be made on the  
12 district by the county commissioners in accordance with  
13 20-9-142."

14 **Section 41.** Section 20-10-104, MCA, is amended to  
15 read:

16 "20-10-104. Penalty for violating law or rules. (1)  
17 Every district, its trustees and employees, and every person  
18 under a transportation contract with a district ~~shall-be~~ are  
19 subject to the policies prescribed by the board of public  
20 education and the rules prescribed by the superintendent of  
21 public instruction. When a district knowingly violates a  
22 transportation law or board of public education  
23 transportation policy, such the district shall forfeit any  
24 reimbursement otherwise payable under 20-10-145 and  
25 ~~20-10-146~~ for bus miles actually traveled during that fiscal

1 year in violation of ~~such--law~~ any laws or policies. The  
2 county superintendent shall suspend ~~all---~~ any  
3 reimbursements payable to the district until the district  
4 corrects the violation. When the district corrects the  
5 violation, the county superintendent shall resume paying any  
6 reimbursements to the district, but the amount forfeited may  
7 not be paid to the district.

8 (2) When a person operating a bus under contract with  
9 a district knowingly fails to comply with the transportation  
10 law or the board of public education transportation  
11 policies, the district may not pay him for any bus miles  
12 traveled during the contract year in violation of such law  
13 or policies. Upon discovering such a violation, the trustees  
14 of the district shall give written notice to the person that  
15 unless the violation is corrected within 10 days of the  
16 giving of notice, the contract will be canceled. The  
17 trustees of a district shall order the operation of a bus  
18 operated under contract suspended when the bus is being  
19 operated in violation of transportation law or policies and  
20 the trustees find that such violation jeopardizes the safety  
21 of pupils."

22 **Section 42.** Section 20-10-141, MCA, is amended to  
23 read:

24 "20-10-141. Schedule of maximum reimbursement by  
25 mileage rates. (1) The following mileage rates for school

1 transportation constitute the maximum reimbursement to  
2 districts for school transportation from state and--county  
3 sources--of transportation revenue under the provisions of  
4 20-10-145 and--20-10-146. These Except as provided in  
5 20-10-143, the rates shall may not limit the amount which a  
6 district may budget in its transportation fund budget in  
7 order to provide for the estimated and necessary cost of  
8 school transportation during the ensuing school fiscal year.  
9 All bus miles traveled on routes approved by the county  
10 transportation committee are reimbursable. Nonbus mileage is  
11 reimbursable for a vehicle driven by a bus driver to and  
12 from an overnight location of a school bus when the location  
13 is more than 10 miles from the school. A district may  
14 approve additional bus or nonbus miles within its own  
15 district or approved service area but may not claim  
16 reimbursement for such mileage. Any vehicle, the operation  
17 of which is reimbursed for bus mileage under the rate  
18 provisions of this schedule, shall must be a school bus, as  
19 defined by this title, driven by a qualified driver on a bus  
20 route approved by the county transportation committee and  
21 the superintendent of public instruction.

22 (2) The rate per bus mile traveled shall must be  
23 determined in accordance with the following schedule when  
24 the number of eligible transportees that board a school bus  
25 on an approved route is not less than one-half of its rated

1 capacity:

2 (a) 72--cents--in--fiscal--1984-and 80 cents in-fiscal  
3 1985-and-each-year-thereafter per bus mile for a school bus  
4 with a rated capacity of not less than 12 but not more than  
5 45 children; and

6 (b) when the rated capacity is more than 45 children,  
7 an additional 2 cents per bus mile for each additional child  
8 in the rated capacity in excess of 45 shall be added to a  
9 base rate of 72-cents-in-fiscal-1984-and 80 cents in--fiscal  
10 1985-and-each-year-thereafter per bus mile.

11 (3) Reimbursement for nonbus mileage provided for in  
12 subsection (1) may not exceed 50% of the maximum  
13 reimbursement rate determined under subsection (2).

14 (4) When the number of eligible transportees boarding  
15 a school bus on an approved route is less than one-half of  
16 its rated capacity, the rate per bus mile traveled shall  
17 must be computed as follows:

18 (a) determine the number of eligible transportees that  
19 board the school bus on the route;

20 (b) multiply the number determined in subsection  
21 (4)(a) by two and round off to the nearest whole number; and

22 (c) use the adjusted rated capacity determined in  
23 subsection (4)(b) as the rated capacity of the bus to  
24 determine the rate per bus mile traveled from the rate  
25 schedule in subsection (2).

1           (5) The rated capacity ~~shall--be~~ is the number of  
2 riding positions of a school bus as determined under the  
3 policy adopted by the board of public education."

4           **Section 43.** Section 20-10-142, MCA, is amended to  
5 read:

6           "20-10-142. Schedule of maximum reimbursement for  
7 individual transportation. The following rates for  
8 individual transportation constitute the maximum  
9 reimbursement to districts for individual transportation  
10 from state ~~and--county--sources--of~~ transportation revenue  
11 under the provisions of 20-10-145 ~~and-20-10-146~~. ~~These~~ The  
12 rates also ~~shall~~ constitute the limitation of the budgeted  
13 amounts for individual transportation for the ensuing school  
14 fiscal year. The schedules provided in this section ~~shall~~  
15 may not be altered by any authority other than the  
16 legislature of the state of Montana. When the trustees  
17 contract with the parent or guardian of any eligible  
18 transportee to provide individual transportation for each  
19 day of school attendance, they shall reimburse the parent or  
20 guardian on the basis of the following schedule:

21           (1) When a parent or guardian transports an eligible  
22 transportee or transportees from the residence of the parent  
23 or guardian to a school or to schools located within 3 miles  
24 of one another, the total reimbursement per day of  
25 attendance ~~shall~~ must be determined by multiplying the

1 distance in miles between the residence and the school, or  
2 the most distant school if more than one, by 2, subtracting  
3 6 miles from the product so obtained, and multiplying the  
4 difference by 20 cents provided that:

5 (a) if two or more eligible transportees are  
6 transported by a parent or guardian to two or more schools  
7 located within 3 miles of one another and if such schools  
8 are operated by different school districts, the total amount  
9 of the reimbursement shall must be divided equally between  
10 the districts;

11 (b) if two or more eligible transportees are  
12 transported by a parent or guardian to two or more schools  
13 located more than 3 miles from one another, the parent or  
14 guardian shall must be separately reimbursed for  
15 transporting the eligible transportee or transportees to  
16 each school;

17 (c) if a parent transports two or more eligible  
18 transportees to a school and a bus stop which school and bus  
19 stop are located within 3 miles of one another, the total  
20 reimbursement shall must be determined under the provisions  
21 of this subsection and shall must be divided equally between  
22 the district operating the school and the district operating  
23 the bus;

24 (d) if a parent transporting two or more eligible  
25 transportees to a school or bus stop must, because of

1 varying arrival and departure times, make more than one  
2 round-trip journey to the bus stop or school, the total  
3 reimbursement allowed by this section ~~shall~~ must be limited  
4 to one round trip per day for each scheduled arrival or  
5 departure time;

6 (e) notwithstanding subsection (1)(a), (1)(b), (1)(c),  
7 or (1)(d), no a reimbursement may not be less than 25 cents  
8 a day.

9 (2) When the parent or guardian transports an eligible  
10 transportee or transportees from the residence to a bus stop  
11 of a bus route approved by the trustees for the  
12 transportation of the transportee or transportees, the total  
13 reimbursement per day of attendance ~~shall~~ must be determined  
14 by multiplying the distance in miles between the residence  
15 and the bus stop by 2, subtracting 3 miles from the product  
16 so obtained, and multiplying the difference by 20 cents  
17 provided that:

18 (a) if the eligible transportees transported attend  
19 schools in different districts but ride on one bus, the  
20 districts shall divide the total reimbursement equally; and

21 (b) if the parent or guardian is required to transport  
22 the eligible transportees to more than one bus, the parent  
23 or guardian ~~shall~~ must be separately reimbursed for  
24 transportation to each bus.

25 (3) Where, due to excessive distances, impassable

1 roads, or other special circumstances of isolation the rates  
2 prescribed in subsection (1) or (2) would be an inadequate  
3 reimbursement for the transportation costs or would result  
4 in a physical hardship for the eligible transportee, his the  
5 transportee's parent or guardian may request an increase in  
6 the reimbursement rate. ~~Such-a~~ A request for increased rates  
7 due to isolation ~~shall~~ must be made by the parent or  
8 guardian on the contract for individual transportation for  
9 the ensuing school fiscal year by indicating the special  
10 facts and circumstances which exist to justify the increase.  
11 Before any increased rate due to isolation ~~can~~ may be paid  
12 to the requesting parent or guardian, ~~such~~ the rate must be  
13 approved by the county transportation committee and the  
14 superintendent of public instruction after the trustees have  
15 indicated their approval or disapproval. Regardless of the  
16 action of the trustees and when approval is given by the  
17 county transportation committee and the superintendent of  
18 public instruction, the trustees shall pay ~~such~~ the  
19 increased rate due to isolation. The increased rate ~~shall~~  
20 must be 1 1/2 times the rate prescribed in subsection (1)  
21 above.

22 (4) When the isolated conditions of the household  
23 where an eligible transportee resides require ~~such~~ the  
24 eligible transportee to live away from the household in  
25 order to attend school, ~~he--shall--be~~ the transportee is

1 eligible for the room and board reimbursement. Approval to  
 2 receive the room and board reimbursement ~~shall~~ must be  
 3 obtained in the same manner prescribed in subsection (3)  
 4 above. The per diem rate for room and board ~~shall-be~~ is \$5  
 5 for one eligible transportee and \$3 for each additional  
 6 eligible transportee of the same household.

7 (5) When the individual transportation provision is to  
 8 be satisfied by supervised home study or supervised  
 9 correspondence study, the reimbursement rate ~~shall~~ must be  
 10 the cost of such study, provided that the course of  
 11 instruction is approved by the trustees and supervised by  
 12 the district."

13 **Section 44.** Section 20-10-143, MCA, is amended to  
 14 read:

15 "20-10-143. Budgeting for transportation and  
 16 transmittal of transportation contracts -- transportation  
 17 fund limitation. (1) The Except as provided in subsection  
 18 (2), the trustees of any district furnishing transportation  
 19 to pupils who are residents of such the district shall have  
 20 ~~the-authority-and-it--shall--be--their--duty--to~~ provide a  
 21 transportation fund budget that is adequate to finance such  
 22 the district's transportation contractual obligations and  
 23 any other transportation expenditures necessary for the  
 24 conduct of its transportation program. The transportation  
 25 fund budget ~~shall~~ must include:

1 (a) an adequate amount to finance the maintenance and  
2 operation of district owned and operated school buses;

3 (b) the annual contracted amount for the maintenance  
4 and operation of school buses by a private party;

5 (c) the annual contracted amount for individual  
6 transportation, including any increased amount due to  
7 isolation, which ~~shall~~ must not exceed the schedule amounts  
8 prescribed in 20-10-142;

9 (d) any amount necessary for the purchase, rental, or  
10 insurance of school buses; and

11 (e) any other amount necessary to finance the  
12 administration, operation, or maintenance of the  
13 transportation program of the district, as determined by the  
14 trustees.

15 (2) The transportation fund budget of a district may  
16 not exceed the expenditures from the transportation fund for  
17 school fiscal year 1988, except the superintendent of public  
18 instruction may approve a request to exceed the budget  
19 limitation if an emergency or unusual circumstance occurs,  
20 as prescribed in rules adopted by the superintendent of  
21 public instruction.

22 ~~(2)~~(3) The trustees may include a contingency amount  
23 in the transportation fund budget for the purpose of  
24 enabling the district to fulfill any obligation to provide  
25 transportation in accordance with the transportation law

1 transportation constitute the maximum reimbursement to  
2 districts for school transportation from state and--county  
3 sources--of transportation revenue under the provisions of  
4 20-10-145 and--20-10-146. These Except as provided in  
5 20-10-143, the rates shall may not limit the amount which a  
6 district may budget in its transportation fund budget in  
7 order to provide for the estimated and necessary cost of  
8 school transportation during the ensuing school fiscal year.  
9 All bus miles traveled on routes approved by the county  
10 transportation committee are reimbursable. Nonbus mileage is  
11 reimbursable for a vehicle driven by a bus driver to and  
12 from an overnight location of a school bus when the location  
13 is more than 10 miles from the school. A district may  
14 approve additional bus or nonbus miles within its own  
15 district or approved service area but may not claim  
16 reimbursement for such mileage. Any vehicle, the operation  
17 of which is reimbursed for bus mileage under the rate  
18 provisions of this schedule, shall must be a school bus, as  
19 defined by this title, driven by a qualified driver on a bus  
20 route approved by the county transportation committee and  
21 the superintendent of public instruction.

22 (2) The rate per bus mile traveled shall must be  
23 determined in accordance with the following schedule when  
24 the number of eligible transportees that board a school bus  
25 on an approved route is not less than one-half of its rated

1 for:

2 (a) any pupils not residing in the district at the  
3 time of the adoption of the preliminary budget and who  
4 subsequently became residents of such the district during  
5 the school fiscal year; or

6 (b) pupils who have become eligible transportees since  
7 the adoption of the preliminary budget because their legal  
8 residence has been changed. The budgeted contingency amount  
9 ~~shall~~ must not exceed 10% of the transportation schedule  
10 amount as calculated under the provisions of 20-10-141 and  
11 20-10-142 for all transportation services authorized by such  
12 schedule and provided by the district unless 10% of such the  
13 transportation schedule amount ~~shall-be~~ is less than \$100,  
14 in which case \$100 ~~shall~~ must be the maximum limitation for  
15 such budgeted contingency amount.

16 ~~f3~~(4) As provided in 20-9-162, an emergency  
17 transportation fund budget may be adopted subject to the  
18 provisions of the emergency budgeting law.

19 ~~f4~~(5) The transportation fund budgeted expenditures  
20 appropriated by the trustees ~~shall~~ must be reported on the  
21 regular budget form prescribed by the superintendent of  
22 public instruction in accordance with 20-9-103, and the  
23 adoption of the transportation fund budget ~~shall~~ must be  
24 completed in accordance with the school budgeting laws. When  
25 the adopted preliminary budget is sent to the county

1 superintendent, the trustees shall also send copies of all  
2 completed transportation contracts for school bus  
3 transportation and individual transportation to the county  
4 superintendent. Such The contracts ~~shall~~ must substantiate  
5 all contracted transportation services incorporated in the  
6 preliminary budget, and after the county superintendent has  
7 utilized the contracts for ~~such~~ that purpose but before the  
8 fourth Monday of July, he shall send all the transportation  
9 contracts received by-him to the superintendent of public  
10 instruction. When the county superintendent determines a  
11 deviation between the preliminary transportation fund budget  
12 amount for contracted transportation services and the  
13 contracted amount for ~~such~~ the services, he shall  
14 immediately call the deviation to the attention of the  
15 appropriate trustees and shall allow the trustees to change  
16 the preliminary budgeted amount to compensate for such  
17 deviation."

18 **Section 45.** Section 20-10-144, MCA, is amended to  
19 read:

20 "20-10-144. Computation of revenues and net tax levy  
21 requirements for the transportation fund budget. Before the  
22 fourth Monday of July and in accordance with 20-9-123, the  
23 county superintendent shall compute the revenue available to  
24 finance the transportation fund budget of each district. The  
25 county superintendent shall compute the revenue for each

1 district on the following basis:

2 (1) The "schedule amount" of the preliminary budget  
3 expenditures that is derived from the rate schedules in  
4 20-10-141 and 20-10-142 ~~shall~~ must be determined by adding  
5 the following amounts:

6 (a) the sum of the maximum reimbursable expenditures  
7 for all approved school bus routes maintained by the  
8 district (to determine the maximum reimbursable expenditure,  
9 multiply the applicable rate per bus mile by the total  
10 number of miles to be traveled during the ensuing school  
11 fiscal year on each bus route approved by the county  
12 transportation committee and maintained by such district);  
13 plus

14 (b) the total of all individual transportation per  
15 diem reimbursement rates for such the district as determined  
16 from the contracts submitted by the district multiplied by  
17 the number of pupil-instruction days scheduled for the  
18 ensuing school attendance year; plus

19 (c) any estimated costs for supervised home study or  
20 supervised correspondence study for the ensuing school  
21 fiscal year; plus

22 (d) the amount budgeted on the preliminary budget for  
23 the contingency amount permitted in 20-10-143, except if  
24 such the amount exceeds 10% of the total of subsections  
25 (1)(a), (1)(b), and (1)(c), the transportation fund budget

1 limitation provided for in 20-10-143, or \$100, whichever is  
 2 larger, the contingency amount on the preliminary budget  
 3 shall must be reduced to such the limitation amount and used  
 4 in this determination of the schedule amount.

5 (2) The schedule amount determined in subsection (1)  
 6 or the total preliminary transportation fund budget,  
 7 whichever is smaller, shall--be--divided--by--3--and--the  
 8 resulting-one-third-amount-shall-be is used to determine the  
 9 available state and--county revenue to be budgeted on-the  
 10 following-basis.:

11 (a)--the--resulting--one-third--amount--shall--be--the  
 12 budgeted-state-transportation-reimbursement, except that the  
 13 state-transportation-reimbursement-for-the-transportation-of  
 14 special--education--pupils--under-the-provisions-of-20-7-442  
 15 shall-be-two-thirds-of-the-schedule-amount-attributed-to-the  
 16 transportation-of-special-education-pupils;

17 (b)--the--resulting--one-third--amount, except as provided  
 18 for-joint-elementary-districts-in-subsection--(2)(e), shall  
 19 be--the--budgeted--county--transportation--reimbursement-for  
 20 elementary-districts-and-shall--be--financed--by--the--basic  
 21 county-tax-under-the-provisions-of-20-9-334;

22 (c)--the--resulting--one-third--amount--multiplied-by-2  
 23 shall-be-the-budgeted--county--transportation--reimbursement  
 24 amount---for---high--school--districts--financed--under--the  
 25 provisions-of-subsection-(5)--of--this--section, except--as

1 provided--for--joint--high--school--districts--in-subsection  
 2 (2)(e),--and--except--that--the--county--transportation  
 3 reimbursement--for--the--transportation-of-special-education  
 4 pupils-under-the-provisions-of-20-7-442-shall--be--one-third  
 5 of--the--schedule-amount-attributed-to-the-transportation-of  
 6 special-education-pupils;

7 (d)(3) when Whenever the district has a sufficient  
 8 amount of cash for reappropriation and other sources of  
 9 district revenue, as determined in subsection (3) (4), to  
 10 reduce the total district obligation for financing to zero,  
 11 any remaining amount of such district revenue and cash  
 12 reappropriated shall must be used to reduce the-county  
 13 financing-obligation-in-subsections-(2)(b)-or-(2)(c)-and,--if  
 14 such-county-financing-obligations-are-reduced--to--zero,--to  
 15 reduce--the-state-financial-obligation-in-subsection-(2)(a);  
 16 and

17 (e)--the--county--revenue--requirement--for--a--joint  
 18 district,--after--the--application--of--any--district--moneys--under  
 19 subsection--(2)(d)--above,--shall--be--prorated--to--each--county  
 20 incorporated--by--the--joint--district--in--the--same--proportion--as  
 21 the-ANB-of--the--joint--district--is--distributed--by--pupil  
 22 residence--in--each--such--county the state financial obligation  
 23 in 20-10-145.

24 (3)(4) The total of the moneys money available for the  
 25 reduction of property tax on the district for the

1 transportation fund ~~shall~~ must be determined by totaling:

2 (a) anticipated federal moneys money received under  
3 the provisions of Title I of Public Law 81-874 or other  
4 anticipated federal moneys money received in lieu of such a  
5 federal act; plus

6 (b) anticipated payments from other districts for  
7 providing school bus transportation services for such the  
8 district; plus

9 (c) anticipated payments from a parent or guardian for  
10 providing school bus transportation services for his child;  
11 plus

12 (d) anticipated interest to be earned by the  
13 investment of transportation fund cash in accordance with  
14 the provisions of 20-9-213(4); plus

15 (e) anticipated revenue from ~~vehicle~~ property taxes  
16 and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
17 61-3-521, and 61-3-537, and 67-3-204; plus

18 (f) net proceeds taxes for interim production and new  
19 production, as defined in 15-23-601; plus

20 (g) any other revenue anticipated by the trustees to  
21 be earned during the ensuing school fiscal year which may be  
22 used to finance the transportation fund; plus

23 (h) any cash available for reappropriation as  
24 determined by subtracting the amount of the end-of-the-year  
25 cash balance earmarked as the transportation fund cash

1 reserve for the ensuing school fiscal year by the trustees  
 2 from the end-of-the-year cash balance in the transportation  
 3 fund. ~~Such~~ The cash reserve ~~shall~~ may not be more than 20%  
 4 of the final transportation fund budget for the ensuing  
 5 school fiscal year and ~~shall-be~~ is for the purpose of paying  
 6 transportation fund warrants issued by the district under  
 7 the final transportation fund budget.

8 ~~(4)~~(5) The district levy requirement for each  
 9 district's transportation fund ~~shall~~ must be computed by:

10 (a) subtracting the schedule amount calculated in  
 11 subsection (1) from the total preliminary transportation  
 12 budget amount ~~and, for an elementary district, adding such~~  
 13 ~~difference to the district obligation to finance one-third~~  
 14 ~~of the schedule amount as determined in subsection (2); and~~

15 (b) subtracting the amount of moneys money available  
 16 to reduce the property tax on the district, as determined in  
 17 subsection ~~(3)~~ (4), from the amount determined in subsection  
 18 ~~(4)(a)~~ (5)(a) above.

19 ~~(5)--The--county--levy--requirement--for--the--financing--of~~  
 20 ~~the--county--transportation--reimbursement--to--high--school~~  
 21 ~~districts--shall--be--computed--by--adding--all--such--requirements~~  
 22 ~~for--all--the--high--school--districts--of--the--county,--including~~  
 23 ~~the--county's--obligation--for--reimbursements--in--joint--high~~  
 24 ~~school--districts.~~

25 (6) The transportation fund levy requirements

1 determined in subsection ~~(4)~~ (5) for each district and in  
 2 subsection ~~(5)~~ for the county shall must be reported to the  
 3 county commissioners on the second Monday of August by the  
 4 county superintendent as the transportation fund levy  
 5 requirements for the district and ~~for the county~~, and such  
 6 levies ~~shall~~ the levy must be made by the county  
 7 commissioners in accordance with 20-9-142."

8 **Section 46.** Section 20-10-145, MCA, is amended to  
 9 read:

10 "20-10-145. State transportation reimbursement. (1)  
 11 Any district providing school bus transportation or  
 12 individual transportation in accordance with the  
 13 transportation ~~law~~ this title, board of public education  
 14 transportation policy, and superintendent of public  
 15 instruction transportation rules shall receive a state  
 16 reimbursement of its transportation expenditures under the  
 17 transportation reimbursement rate provisions of 20-10-141  
 18 and 20-10-142. The state transportation reimbursement ~~shall~~  
 19 ~~not exceed one-third~~ is 100% of the reimbursement amounts  
 20 ~~established in such sections or one-third~~ or 100% of the  
 21 district's transportation fund budget, whichever is smaller,  
 22 and ~~shall be~~ is computed on the basis of the number of days  
 23 the transportation services were actually rendered. In  
 24 determining the amount of the state transportation  
 25 reimbursement, no an amount claimed by a district ~~shall~~ may

1 not be considered for reimbursement unless such the amount  
2 has been paid in the regular manner provided for the payment  
3 of other financial obligations of the district.

4 (2) Requests for the state transportation  
5 reimbursement ~~shall~~ must be made by each district  
6 semiannually during the school fiscal year on the claim  
7 forms and procedure promulgated by the superintendent of  
8 public instruction. The claims for state transportation  
9 reimbursements ~~shall~~ must be routed by the district to the  
10 county superintendent, who after reviewing such the claims  
11 shall send them to the superintendent of public instruction.  
12 The superintendent of public instruction shall establish the  
13 validity and accuracy of the claims for the state  
14 transportation reimbursements by determining their  
15 compliance with ~~the-transportation-law~~ this title, board of  
16 public education transportation policy, and the  
17 transportation rules of the superintendent of public  
18 instruction. After making any necessary adjustments to such  
19 claims, ~~he--shall--cause--their~~ the superintendent of public  
20 instruction shall provide payment by ordering a disbursement  
21 ~~from the state-moneys-appropriated-by-the-legislature-of-the~~  
22 ~~state-of-Montana~~ legislative appropriation for the state  
23 transportation reimbursement. The payment of all the  
24 district's claims within one county ~~shall~~ must be made to  
25 the county treasurer of such the county, and the county

1 superintendent shall apportion such the payment in  
2 accordance with the apportionment order supplied by the  
3 superintendent of public instruction."

4 **Section 47.** Section 23-5-1027, MCA, is amended to  
5 read:

6 "23-5-1027. Disposition of revenue. (1) (a) As near as  
7 possible to 45% of the money paid for tickets or chances  
8 must be paid out as prize money, except as provided in  
9 subsection (1)(b).

10 (b) In the case of a regional lottery game, a maximum  
11 of 50% of the money paid for tickets or chances may be paid  
12 out as prize money.

13 (2) Up to 15% of the gross revenue from the state  
14 lottery may be used by the director to pay the operating  
15 expenses of the state lottery. Commissions paid to lottery  
16 ticket or chance sales agents are not a state lottery  
17 operating expense.

18 (3) Funds to pay the operating expenses of the lottery  
19 are statutorily appropriated as provided in 17-7-502.

20 (4) That part of all gross revenue not used for the  
21 payment of prizes, commissions, and operating expenses is  
22 net revenue and must be paid quarterly from the enterprise  
23 fund established by 23-5-1026 to the superintendent of  
24 public instruction for distribution as state equalization  
25 aid to-the-retirement-fund--obligations--of--elementary--and

1 ~~high--school-districts-in-the-manner-provided-in-20-9-532 to~~  
2 the public schools of Montana."

3 NEW SECTION. **Section 48.** District retirement fund and  
4 comprehensive insurance fund balances -- transfer. A  
5 district that has a balance remaining on [the effective date  
6 of this act] in the district retirement fund formerly  
7 established under 20-9-501 or the district comprehensive  
8 insurance fund shall transfer the balance to the district  
9 general fund.

10 NEW SECTION. **Section 49.** State equalization aid levy.  
11 There is a levy of 45 mills imposed on all taxable property  
12 within the state, except property for which a tax or fee is  
13 required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
14 61-3-537, and 67-3-204. Proceeds of the levy must be  
15 remitted to the state treasurer, and must be deposited to  
16 the credit of the state special revenue fund for state  
17 equalization aid to the public schools of Montana. The  
18 proceeds are statutorily appropriated, as provided in  
19 17-7-502, to the superintendent of public instruction to be  
20 distributed as state equalization aid to the public school  
21 districts.

22 **Section 50.** Section 17-7-502, MCA, is amended to read:

23 "17-7-502. Statutory appropriations -- definition --  
24 requisites for validity. (1) A statutory appropriation is an  
25 appropriation made by permanent law that authorizes spending

1 by a state agency without the need for a biennial  
2 legislative appropriation or budget amendment.

3 (2) Except as provided in subsection (4), to be  
4 effective, a statutory appropriation must comply with both  
5 of the following provisions:

6 (a) The law containing the statutory authority must be  
7 listed in subsection (3).

8 (b) The law or portion of the law making a statutory  
9 appropriation must specifically state that a statutory  
10 appropriation is made as provided in this section.

11 (3) The following laws are the only laws containing  
12 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
13 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304;  
14 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101;  
15 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424;  
16 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205;  
17 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606;  
18 19-12-301; 19-13-604; 20-4-109; 20-6-406; 20-8-111; [section  
19 49]; 23-5-610; 23-5-1027; 33-31-212; 33-31-401; 37-51-501;  
20 39-71-2504; 53-6-150; 53-24-206; 67-3-205; 75-1-1101;  
21 75-7-305; 76-12-123; 80-2-103; 80-2-228; 82-11-136;  
22 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306; 90-15-103;  
23 section 13, House Bill No. 861, Laws of 1985; and section 1,  
24 Chapter 454, Laws of 1987.

25 (4) There is a statutory appropriation to pay the

1 principal, interest, premiums, and costs of issuing, paying,  
2 and securing all bonds, notes, or other obligations, as due,  
3 that have been authorized and issued pursuant to the laws of  
4 Montana. Agencies that have entered into agreements  
5 authorized by the laws of Montana to pay the state  
6 treasurer, for deposit in accordance with 17-2-101 through  
7 17-2-107, as determined by the state treasurer, an amount  
8 sufficient to pay the principal and interest as due on the  
9 bonds or notes have statutory appropriation authority for  
10 such payments. (In subsection (3): pursuant to sec. 15, Ch.  
11 607, L. 1987, the inclusion of 15-65-121 terminates June 30,  
12 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion  
13 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.  
14 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.  
15 1987, terminates July 1, 1988.)"

16 NEW SECTION. **Section 51.** Definition. As used in  
17 [sections 51 through 57], "committee" means the legislative  
18 oversight committee on school funding implementation created  
19 in [section 52].

20 NEW SECTION. **Section 52.** Legislative oversight  
21 committee on school funding implementation -- composition  
22 and appointment. (1) There is a legislative oversight  
23 committee on school funding implementation.

24 (2) The committee consists of 11 members, including:  
25 (a) four members of the house of representatives

1 appointed by the speaker of the house;

2 (b) four members of the senate appointed by the  
3 committee on committees of the senate;

4 (c) the superintendent of public instruction or his  
5 designee as an ex officio nonvoting member;

6 (d) a member of the board of public education as an ex  
7 officio nonvoting member; and

8 (f) the governor or his designee as an ex officio  
9 nonvoting member.

10 (3) No more than two legislative members from each  
11 house may be of the same political party.

12 NEW SECTION. **Section 53.** Term of office -- vacancies.

13 (1) A committee member shall serve until the committee  
14 terminates as provided in [section 57].

15 (2) A vacancy on the committee must be filled in the  
16 same manner as the original appointment.

17 NEW SECTION. **Section 54.** Officers -- meetings --  
18 quorum -- compensation. (1) The committee shall choose from  
19 its membership a chairman and vice chairman.

20 (2) The committee shall meet upon the call of the  
21 chairman or at the request of any five members.

22 (3) Six members constitute a quorum to transact  
23 business.

24 (4) A legislative member is entitled to compensation  
25 as provided in 5-2-302.

1           (5) Members must be appointed no later than June 1,  
2 1989.

3           NEW SECTION.   **Section 55.** Duties of the committee. The  
4 duties of the committee include but are not limited to:

5           (1) monitoring the implementation of school funding  
6 equalization, including:

7           (a) identification of any problems of implementation  
8 and options for resolving these problems;

9           (b) continued analysis of school district budget and  
10 expenditure data and of improvements in school district  
11 accounting and reporting procedures;

12           (c) examination of other issues related to  
13 implementation.

14           (2) directing the following studies of issues related  
15 to school funding equalization:

16           (a) school transportation equalization including but  
17 not limited to:

18           (i) mechanisms to equalize transportation funding; and

19           (ii) analysis of issues related to the costs and  
20 efficiencies of school transportation, including  
21 reimbursement schedules, load requirements, 3-mile limit,  
22 transporting ineligible transportees, functions of the  
23 county transportation committee, and school district  
24 reporting and budgeting duties.

25           (b) school district capital outlay and debt service

1 equalization including but not limited to:

2 (i) analysis of school district funds and budgets for  
3 various school district capital outlay and debt service  
4 obligations;

5 (ii) options for equalizing school district capital  
6 outlay and debt service obligations;

7 (c) continued study of issues related to equalization,  
8 including but not limited to comprehensive insurance,  
9 uncollected taxes, tuition, student-based funding  
10 distribution methods, special education funding, and federal  
11 Public Law 874 revenue, especially as it pertains to revenue  
12 not linked to Native American students.

13 (3) ongoing analysis of revenue sources related to  
14 school funding.

15 (4) holding discussions with any party contemplating  
16 litigation regarding compliance with the supreme court and  
17 district court rulings on school funding equalization; and

18 (5) reporting its findings, options for legislative  
19 consideration, and any proposed legislation to the governor  
20 and the 52nd legislature.

21 NEW SECTION. **Section 56. Staff assistance.** The  
22 committee may request the following governmental entities to  
23 provide staff assistance to the committee:

24 (1) the office of public instruction;

25 (2) the governor's office of budget and program

1 planning;

2 (3) the board of public education;

3 (4) the legislative council;

4 (5) the office of the legislative fiscal analyst; and

5 (6) the office of the legislative auditor.

6 NEW SECTION. **Section 57.** Termination. [Sections 51  
7 through 56] terminate December 31, 1990.

8 NEW SECTION. **Section 58.** Repealer. Sections 20-9-105,  
9 20-9-352, 20-9-501, 20-9-531, 20-9-532, and 20-10-146, MCA,  
10 are repealed.

11 NEW SECTION. **Section 59.** Appropriation. (1) All  
12 revenue received under the provisions of 20-9-343 is  
13 appropriated to the superintendent of public instruction for  
14 the fiscal year ending June 30, 1991.

15 (2) There is appropriated from the general fund  
16 \$53,840,000 for the fiscal year ending June 30, 1991, to the  
17 superintendent of public instruction to be used to the  
18 extent that funds appropriated in subsection (1) are  
19 insufficient to finance the foundation program schedules for  
20 public schools, excluding special education.

21 (3) There is appropriated from the general fund  
22 \$4,300,000 for the fiscal year ending June 30, 1991, to the  
23 superintendent of public instruction to be used to finance  
24 state support of the special education programs, including  
25 retirement benefits, of the public school districts and

1 cooperatives.

2 (4) There is appropriated from the general fund  
3 \$11,568,000 for the fiscal year ending June 30, 1991, to the  
4 superintendent of public instruction to be used to finance  
5 the public school transportation reimbursement schedules.

6 (5) There is appropriated from the general fund  
7 \$204,950 for the biennium ending June 30, 1991, to the  
8 superintendent of public instruction to establish standard  
9 accounting and reporting practices in all Montana public  
10 school districts.

11 (6) There is appropriated from the general fund  
12 \$20,000 to the legislative council for the biennium ending  
13 June 30, 1991, for use by the committee established in  
14 [section 52].

15 NEW SECTION. **Section 60.** Extension of authority. Any  
16 existing authority to make rules on the subject of the  
17 provisions of [this act] is extended to the provisions of  
18 [this act].

19 NEW SECTION. **Section 61.** Codification instruction.  
20 [Section 49] is intended to be codified as an integral part  
21 of Title 20, chapter 9, and the provisions of Title 20,  
22 chapter 9, apply to [section 49].

23 NEW SECTION. **Section 62.** Effective date. (1)  
24 [Sections 1 through 50, 58, 60, 61] are effective July 1,  
25 1990.

1           (2) [Section 59] is effective July 1, 1989.

2           (3) [Sections 51 through 57 and this section] are  
3 effective on passage and approval.

4           (4) The superintendent of public instruction may,  
5 prior to July 1, 1990, adopt rules and conduct training  
6 necessary to implement 20-9-201(2) and 20-10-143(2).

7           NEW SECTION.   **Section 63.**   Applicability. [Section 49]  
8 applies retroactively, within the meaning of 1-2-109, to all  
9 taxable years beginning after December 31, 1989.

-End-

DATE

3-28-89

COMMITTEE ON

Select Committee on Ed Funding

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
Clarey Wallen	Leg. Wife	SB #203		
Loris Cudde	Legislative Aide	SB #203		
John A. MERCER	House District 50	SB #203		
Roger Knapp	House District 27	SB #203		
Allen Petersen	✓ ✓ 41	SB #203		
Carl Cabell	Bolt Public Schools	SB 203		
Robert McMillan	✓ ✓ 41	203		
John Campbell	Helena School District	203		
John Kummerell	Chester Public School	203		
Rick Moe	Boulder Public Schools	203		
Rich Ripley	Augusta Schools	203		
Ernie "Jaki" Hittinger	Chetum Public Schools	203		
CRAIG BREWINGTON	Fort Benton Schools	203		?
Fay W. Lemeister	San River Valley / Jimmie Public Schools	203		
Michael McManis	Great Falls Public Schools	203		
Bender Allen	Fort Benton Schools	203		
Roger DeBryester	House Dis 13	203		
Ryan Diermer	Office of Public Instruction			
Tom	OPI	203		
Dori Nielson	OPI	SB 203		
Doug Walsh	Plentywood School Dist #20	SB 203		
Robert Othman	Wooty Schools	SB 203		
Holly Kalczyk	OPI	203		
Shea Van Nieu	OPI	203		
Robert Torres	Missoula Schools (house staff)	203		
TOM BLODEAU	MEA	203		

(Please leave prepared statement with Secretary)

DATE 3-28-89

COMMITTEE ON Select Committee Col Funding

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Keith Chambers	Bozeman P. Schools	203	—	—
John Zant	Shelby Schools	203	—	—
John With	Conrad Public Schools	203	—	✓
Steve Colberg	314 Chancer Helena			
Bob Oderman	BUTTE DISTRICT #1	203		
J. Henry Bolt	MACSS	203		✓
Alan Ryan	Sunburst S.D. #2	203		✓
Ted S. Doney	ASARCO; MT. Drymon/Amn.	203	—	—
Geri Weaver	NEA	203		✓
Don Waldron	S.A.M.	203		✓
Kew Williams	Entech	203	Amend	
Steve Brown	Indian Impact Schools	203	Support in part	Oppose in part
Jacob Block	Missoula Schol. Dist #1	203	—	—
Wesley Kraft	Missoula County A.S.	203	—	—
Pat Melby	Underfoot Schol. Coalition			amend
Dale Redgor	Helena Area Chamber of Commerce			X
Nancy Keenan	Supt. of Public Instr.	203		X
George Miller		203		—
Edward Lombardi	Helena, 1217	203		X
Frank Moreni	Anaconda School Dist	203		

(Please leave prepared statement with Secretary)

