

## MINUTES

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

#### SELECT COMMITTEE ON EDUCATION FUNDING

Call to Order: By Chairman Ray Peck, on March 17, 1989, at 4:05 p.m.

#### ROLL CALL

Members Present: All members were present with the exception of Dan Harrington

Members Excused: None

Members Absent: Rep. Dan Harrington

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

#### Discussion:

Rep. Grinde presented information and amendments regarding generally accepted accounting principles (GAAP). (See Exhibit 1.)

Dave Cogley stated that the sanction clause provides the Board of Public Education with the authority to withhold state equalization aid for any district that doesn't submit the necessary reports.

Kathy Fabiano and Greg Groepper, OPI, presented information on the cost of instituting the GAPP principles. (See Exhibit 2.)

Dave Cogley, Andrea Merrill and Madalyn Quinlan gave a summary of the action that was taken on March 16, 1989, in the Select Committee on Education Funding. (See Exhibit 3.)

Madalyn Quinlan stated that if FY 89 budgets for elementary districts above 300 students were inflated by 9%, the cost is about \$12 million more. When you are thinking about how much this increase will cost, it would be \$12 million multiplied by whatever other schedules increases are included in the bill. The category 8 elementary schools represent 60% of the ANB in the state in 73 districts.

#### Motion:

Rep. Eudaily moved that the state fully fund transportation schedules (\$17.8 million), that each district's transportation fund be capped at the amount of state funding for the transportation schedules, that districts fund the difference (over-schedule costs) through local permissive

(non-voted) levies, that OPI be given authority to allow an exception to the cap for emergency or unusual circumstances, and that transportation equalization be studied during interim. (See Exhibit 4.)

Discussion:

Rep. Schye asked whether the local levy mentioned is a permissive levy? Rep. Eudaily stated that it is permissive as now.

Rep. Kadas asked how to pay for the \$17.8 in transportation schedule costs? Rep. Eudaily stated that you would pay for it the same way as the rest of the base.

Rep. Kadas made a proposal on transportation to equalize \$17.8 million, to be funded the same way the county basic levy does now. The \$11 million not from county sources now should be put in the base of the total amount that gets equalized. When it is part of the base, it gives districts some money up front for the schedules, plus it builds the base and the cap higher so they have the flexibility to go get additional money.

Votes:

The motion passed with all members voting aye except for Rep. Kadas.

Motion:

Rep. Eudaily moved that the state provide equalized funding through the foundation program schedules for SFY 91 equal to 90% of SFY 88 actual general fund expenditures of all districts (\$445,363,847) plus SFY 88 expenditures for retirement etc. (\$52,724,066) and comprehensive insurance (\$10,620,110), less the amount of PL 874 money expended by the districts in support of their general fund budgets (\$17,992,365) and for comprehensive insurance (\$81,524) in SFY 88 and less the SFY 88 expenditures for special education (\$24,455,751) and retirement etc. attributable to special education salaries (\$4,300,000). The total base to be equalized would be \$461,878,383. The equalized amount would be \$415,690,545. No district's general fund budget could exceed 125% of the equalized amount (foundation program schedule amount) for that district. (See Exhibit 4, Item 6).

Amendments:

Rep. Kadas moved to amend Rep. Eudaily's motion to clarify that funding for retirement costs would in fact be provided through the schedules (since the base being used included non special education retirement), and to set the cap on maximum general fund budget at 130% of the equalized amount rather than 125%, and adjust foundation program schedules for school FY 1990-1991 to provide funding equal to 90% of total 1988 general fund expenditures plus retirement and comprehensive insurance.

Rep. Kadas also moved to amend the motion to provide the cap on maximum general fund budgets at 130% of foundation program. The cap would be effective upon the effective date of the bill. Districts then currently above the cap would be frozen, but would not have to reduce budgets.

Amendments:

Rep. Glaser moved to provide for 100% funding of SFY 88 non special education retirement costs, with funding to be distributed as part of the district's schedule amount. Thus the base amount to be equalized would remain the same, but since the 90% funding level would not apply to the non special education retirement amount (\$52,724,066 less 4,300,000 = 48,424,066), the equalized amount would be \$48,424,066 plus 90% of (\$461,878,383 - 48,424,066), or \$420,532,951.

Votes:

The motion passed with all members voting aye except for Rep. Kadas.

Motion:

Rep. Schye moved to "grandfather" any district having FY 90 expenditures exceeding the amount allowed by the cap, providing that such districts would be frozen at SFY 90 expenditure level, but would not have to reduce their budgets.

Votes:

The motion passed with all members voting aye except Rep. Grinde.

Motion:

Rep. Kadas moved to increase the percentage of personal income tax allocated to state equalization aid from 31.8% to 40%, and increase the county elementary and high school levies in SB 203 to 125 mills total.

Votes:

The motion failed with Rep. Eudaily voting nay, Rep. Gilbert voting nay, Rep. Glaser voting nay, Rep. Grinde voting nay, Rep. Peck voting aye, Rep. Harrington voting aye, Rep. Kadas voting aye and Rep. Schye voting aye.

Motion:

Rep. Schye moved to increase the percentage of personal income tax allocated to state equalization aid from 31.8% to 40.

Votes:

The motion failed with Rep. Eudaily voting nay, Rep. Gilbert voting nay, Rep. Glaser voting nay, Rep. Grinde voting nay, Rep. Peck voting aye, Rep. Harrington voting aye, Rep. Kadas voting aye and Rep. Schye voting aye.

Motion:

Rep. Glaser moved to include a general fund appropriation in the

bill to fund the amount required for the SFY 91 schedules (with the amount required to be appropriated from the general fund to be determined by staff after calculating projected revenue from other designated sources).

Votes:

The motion passed with all members voting aye except for Rep. Harrington.

Motion:

Rep. Eudaily moved that staff determine other bills requiring coordination with SB 203, and present committee with any technical amendments by the next committee meeting. Staff was also directed to prepare a revised "gray bill" as an amendment to SB 203, third reading copy.

Votes:

The motion passed with all members voting aye.

ADJOURNMENT

Adjournment At: 6:35 p.m.

  
\_\_\_\_\_  
REP. Ray Peck, Chairman

RP/jf

6204.min

DATE 3-17-89

Form CS-30A  
Rev. 1985

REASONS WHY SCHOOL DISTRICTS SHOULD ADOPT  
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

- I. School District financial reports determine the amount of State aid distributed to each district. Adopting GAAP will give the Legislature assurance that the reports are consistent, accurate and complete. For example, adopting GAAP will give assurance -
- that one district's definition of a "reserve" is the same as all other districts' definition;
  - that activities reported in one district's General Fund are the same as the activities reported in every other districts' General Fund;
  - that moneys designated for a specific purpose, such as transportation, were actually used for that purpose;
  - that only expenses actually due in a given a year are reported as paid in that year, preventing school districts, in the same way State agencies are prevented, from inflating their base budget by prepaying expenditures; and
  - that when an analysis or study needs to be performed, OPI will have comparable, meaningful data on which to base that analysis.
- II. If OPI cannot collect data from school districts that complies with GAAP, it could soon affect the amount of Federal funds we receive from the Department of Education. According to officials with the Department of Education, they will release an accounting manual this June that deals with school district accounting. The manual will tell OPI how financial information must be reported to the Federal government for purposes of determining Montana's share of federal funds. This manual will address and emphasize GAAP.
- III. Like the rating agencies that rate the State's bond issues, financial institutions interested in purchasing a school district's bonds prefer to analyze financial statements that comply with GAAP. GAAP will add credibility to a district's financial statements that could translate into better interest rates on their debt.

## DRAFT

### STATEMENT OF INTENT

Under sections 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 section 20-9-344 the board of public education has authority to require any reports it considers necessary. Under section 2-7-504 the department of commerce is required to prescribe the general methods and details of accounting for the receipts and disbursement of all money belonging to first- and second-class school districts and third-class school districts that maintain a high school.

It is intended that school districts be required to maintain accounting systems using generally accepted accounting principles, and to file accurate and timely reports with the Superintendent of Public Instruction. Districts shall also 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 will 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. Where 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 shall be maintained in an electronic format easily accessible by other state agencies and the legislature.

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

Amendment to SB203/gray copy

1. Title  
Page 2, line 6  
Following: "SECTIONS"  
Insert: "2-7-504"
2. Title  
Page 2, line 12  
Following: "20-9-112."  
Insert: "20-9-113,"
3. Page 56  
Following: Line 19  
Insert: "Section 34. Section 2-7-504, MCA, is amended to read: "2-7-504. Accounting methods. The department shall prescribe the general methods and details of accounting for the receipt and disbursement of all moneys belonging to governmental entities referred to in this part and shall establish in those offices general methods and details of accounting. All governmental entity officers shall conform with the standards prescribed by the department; unless the standard is established in law."
4. Page 62, Line 5  
Following: "activities."  
Insert: "Elementary and high school districts shall record the receipt and disbursement of all moneys in accordance with generally accepted accounting principles."
5. Page 65  
Following: line 15  
Insert: "Section 39. Section 20-9-213, MCA is amended to read: Duties of trustees. The trustees of each district shall have the sole power and authority to transact all fiscal business and execute all contracts in the name of such district. No person other than the trustees acting as a governing board shall have the authority to expend moneys of the district. In conducting the fiscal business of the district, the trustees shall:  
  - (1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school moneys for each fund maintained by the district in accordance with generally accepted accounting principles and the rules prescribed by the superintendent of public instruction. The record of such accounting shall be open to public inspection at any meeting of the trustees.
  - (2) cause the school district to record all necessary transactions in their accounts before the accounts are closed at the end of the fiscal year in order to properly report the receipt, use and disposition of all money and property for which the school district is accountable.

Renumber subsequent subsections.



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

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

(a) adopt policies for regulating the distribution of state equalization aid in accordance with the provisions of law and in a manner that would most effectively meet the financial needs of districts;

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

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

(3) The board of public education may order the superintendent of public instruction to withhold distribution of state equalization aid from a district, in an amount and under conditions determined by the board of public education, when the district fails to:

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

(ii) maintain accreditation status; or

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

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

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

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

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



OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL  
HELENA, MONTANA 59620  
(406) 444-3095

Nancy Keenan  
Superintendent

To: Representative Grinde  
Select Committee on Education

From: *Gregg Groepper*, Assistant Superintendent  
Office of Public Instruction

Date: March 17, 1989

RE: COST ESTIMATE

At your request, we have estimated the cost of establishing standard accounting and reporting practices in all Montana School Districts. Our estimates are based on the assumption it will take three years to accomplish your objective. We did not include costs, if any, that School Districts themselves may incur to install new accounting systems or reprogram existing automated systems.

Estimated Cost Over Three Years:

SALARY AND BENEFITS	\$260,000
OFFICE EQUIPMENT	12,000
OFFICE SPACE	5,000
PRINTING/MAILING	7,500
RENT -TRAINING ROOMS	8,400
TRAVEL	20,000
OFFICE SUPPLIES	1,500
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TOTAL	\$314,400
	=====

Section 2-7-504, MCA currently grants the Department of Commerce the authority to "prescribe the general methods and details of accounting for the receipt and disbursement of all moneys belonging to (school districts) and shall establish in those offices general methods and details of accounting. All governmental entity officers shall conform with the standards prescribed by the department."

The Office of Public Instruction, under Section 20-9-201, MCA, has "general supervisory authority over the school financial administration provisions, as they relate to elementary and high school districts, as prescribed by law and shall establish such rules as are necessary to secure compliance with the law."

Summary of House Select Committee action  
March 16, 1989

1. Motion by Rep. Kadas to include retirement, social security, and unemployment insurance costs associated with special education salaries as special education allowable costs to be reimbursed by OPI. Passed unanimously.
2. Motion by Rep. Kadas to amend gray bill to exclude PL 874 expenditures from any cap on maximum general fund budget until such time as the system is approved by secretary of education as meeting federal wealth neutrality test. Passed unanimously.
3. Motion by Rep. Kadas to amend gray bill to limit general fund cash reserve for districts receiving more than 25% of their total general fund budget (TGFB) from state equalization aid to 20% of their ensuing SFY general fund budget, districts receiving 25% or less of their TGFB from state equalization aid to 30% of ensuing SFY general fund budget, and schools receiving no state equalization aid to 35% of ensuing SFY general fund budget. Passed unanimously.
4. Motion by Rep. Kadas to increase category 8 elementary districts' schedule funding by 9% and require that any cap be based on the foundation program amount. Passed *unanimous*
5. Motion by Rep. Kadas to amend the gray bill to change ANB calculation method to an enrollment count method. Failed. 5-3
6. Motion by Rep. Kadas to fully fund transportation schedule reimbursement in same manner that county portion of elementary transportation is currently funded, to place transportation into the general fund, and eliminate the transportation fund and levy. Withdrawn.
7. Motion by Rep. Schye to delete tuition amendments from the gray bill. Passed 5-2.
8. Motion by Rep. Kadas to amend the gray bill to only include retirement and comprehensive insurance in the district general fund and leave all other school funds as in current law, to eliminate the current county retirement levy and comprehensive insurance levy, to delete the state retirement levy proposed in the gray bill, and to require transfer of any balance in a district's retirement fund to its general fund. Passed unanimously.
9. Motion by Rep. Eudaily to amend the gray bill to include retirement in the foundation program schedules and delete the requirement for OPI to direct pay district contributions for retirement, social security, and unemployment insurance. Failed 4-4.

Motion on Transportation  
Rep. Eudaily

Prepared by Andrea Merrill  
March 17, 1989

MOTION:

State fully funds transportation schedules -- \$17.8

Cap each district transportation fund at 1988 expenditures,  
minus the state funding for transportation schedules

District funds the difference (over-schedule costs) through  
local nonvoted levy

Allow exception to cap for emergency or unusual  
circumstances, with approval by OPI

School Funding Proposal  
Representative Eudaily  
March 16, 1989

Motions:

1. Amend the gray bill to only include retirement and comprehensive insurance in the district general fund, and leave all other school funds as in current law. Eliminate the current county retirement levy and comprehensive insurance levy, and delete the state retirement levy proposed in the gray bill. Require transfer of any balance in a district's retirement fund to its general fund.
2. Amend the gray bill to include retirement in the foundation program schedules and delete the requirement for OPI to direct pay district contributions for retirement, social security, and unemployment insurance.
3. Include comprehensive insurance in the foundation program schedules (as provided in the gray bill).
4. Amend the gray bill to reinstate tuition. (Leave tuition as provided in current law.)
5. Amend the gray bill to adjust foundation program schedules for school fiscal year 1990-1991 to provide funding equal to 85% of total 1988 general fund expenditures (not including special education) plus retirement and comprehensive insurance.
6. Amend the gray bill to provide cap on maximum general fund budget at 120% (rather than 117%) of foundation program. The cap would be effective upon the effective date of the bill. Districts then currently above the cap would be frozen, but would not have to reduce budgets.
7. Eliminate the 10-mill permissive levy (as provided in the gray bill).
8. Lottery revenue would be reallocated to state equalization aid (as provided in gray bill).
9. (Glaser motion on 3-7-89 raised county elementary levy to 60 mills and county high school levy to 40 mills).
10. Expenditures using PL 874 money would not be subject to cap on maximum general fund budget, until such time as the system is approved by secretary of education as meeting federal wealth neutrality test.
11. Amend the gray bill to delete the 20% limit on the general fund cash reserve. (Leave at 35% as in current law.)
12. No motion - leave schedule categories as currently defined, but include for study in separate bill.

13. (Kadas motion on 3-7-89 to limit funding for PI days to 180, but allow districts to conduct more days if they wish.)

14. No motion - leave ANB calculation as provided in current law.

15. No motion - leave capital expenditures funding as in current law, or as may be supplemented by HB 735. Include for study in separate bill.

16. No motion - leave transportation funding as in current law, but include for study in separate bill.

17. No motion - leave special education funding as in current law.

18. No motion - no consolidation of elementary and high school districts.

19. (Kadas motion 3-7-89 to provide monthly payments of state equalization aid, with 20% first month and no less than 7% each month following.)

20. Direct staff to determine other bills requiring coordination with this bill, and present committee with all technical amendments by next committee meeting.

21. Adopt gray bill, as amended, and direct staff to prepare it as a substitute bill for SB 203, third reading copy.

	Current law	SB 203 (introduced)	SB 203 (gray)	SB 203 (3rd reading)
1.	<u>11 budgeted funds, 15+ nonbudgeted funds, reserves in some</u>	Retain current funds except add comprehensive insurance to GF	4 budgeted funds: general, building, transportation, adult education	Retain current funds except add retirement to GF
2.	Mandatory county <u>retirement levy</u> for PERS, TRS, UI, SS, (25 mill average) district retirement fund, lottery \$ used for equalization	Retain local levy and fund, but equalize 90% with state levy, lottery \$ to state equalization	Eliminate local levy, retirement in GF, 100% equalized with state levy, OPI to direct pay 100% of each district's cost	Eliminate local levy, retirement in GF, included in FP schedule
3.	Mandatory district levy for <u>comprehensive insurance</u> (5 mill average)	Included in GF and FP schedule	Included in GF and FP schedule	No change, but study needs and method of equalization (\$5 million appropriation proposed for state support in FY 91 - separate bill)
4.	<u>Separate tuition fund, tuition agreements required for nonresident pupils</u>	No tuition except out of state, attendance agreements required	Same as introduced, except effective July 1990	Same as introduced, except effective FY 91
5.	<u>FP schedules not based on actual costs of operating schools</u>	FP schedules reflect 100% of actual FY 87 GF expenditures, less state sp. ed. payment? (60%-65% increase)	Same as introduced, except effective FY 91	FP schedule reflects inclusion of retirement only (18.6% increase) for FY 90, then additional 30.1 % increase for FY 91
6.	No statutory <u>expenditure limitations</u> (except I-105)	Voted levy capped at 117% of FP by 1995 (GF 85% equalized)	Same as introduced, except cap effective 1996	Sliding cap based on past level of spending per pupil



7.	<u>10-mill permissive levy</u> (elem. and H.S.)	Eliminate	Eliminate	Eliminate
8.	<u>State revenue sources</u> earmarked for FP	No change except state levy to fund retirement and add lottery to state equalization	Same as introduced	No change except add lottery
9.	<u>Local revenue sources</u> (federal forest, grazing, vehicle, misc. used for county equalization)	No change	No change	No change
10.	<u>PL 874</u> not counted as resource for equalization	No change	No change	No change
11.	<u>General fund reserve limit</u> of 35%; no penalty for exceeding limit	20% limit on GF reserve except districts receiving no state equalization	Same as introduced, but retain 35% limit for districts receiving no state equalization	Same as gray
12.	FP schedule structure based on school size	No change	No change	No change
13.	<u>Minimum 180-day school year</u> with no maximum, no limit on days creates disequity in FP payments	No change	Limit school year to 180 days for all schools	Same as gray
14.	Payments based on <u>ANB</u> (ANB is 150,000, but actual pupils approx. 130,000)	No change	No change	No change

15.	<u>Building/debt service not equalized</u>	No change	No change	Study needs and method of equalization (\$10 million appropriation proposed for state support for FY 91 - separate bill)
16.	<u>Transportation program separate</u>	No change	No change	Study needs and method of equalization (\$10 million appropriation proposed for state support for FY 91 - separate bill)
17.	<u>Special education</u> part of GF and FP, actual costs not fully funded, separate accounting and OPI oversight	No change, except eliminates tuition	Same as introduced	Equalizes by using average sp. ed. salaries (\$6 million increased state funding proposed for FY 90 and 91 in separate bill)
18.	Elementary and high school districts may be separate	No change	No change	No change
19.	<u>Current payment schedule is 5 times a year</u>	Monthly payments of state equalization aid, with 20% in first payment (July)	Same as introduced	Same as introduced

OFFICE OF THE LEGISLATIVE AUDITOR  
FY '90 REVENUES USED IN FINANCING PROPOSAL FOR FOUNDATION PAYMENT

COGLEY1.WK1

REVENUE SOURCE: HJR NO. 13 85%  
FY89 SCHEDULE ADJUSTMENT 1.47

03/16/89

02:36 PM

AMOUNT OF BASE EXPENDITURES EQUALIZED \$411,614,431

AVAILABLE REVENUE SOURCES:

INCOME TAX	\$81,604,000
CORPORATE LICENCE TAX	\$11,632,000
U.S. OIL & GAS ROYALTIES	\$17,119,000
INTEREST & INCOME	\$33,599,000
COAL TAX	\$2,010,000
EDUCATION TRUST	\$1,564,000
COUNTY REVENUES LESS MANDATORY LEVY	\$3,926,000
DISTRICT REVENUES LESS PERM. LEVY	\$1,410,000
LOTTERY REVENUE	\$4,000,000

TOTAL REVENUE SOURCES \$157,024,000

DIFFERENCE \$254,590,431  
LESS AMOUNT FUNDED BY STATEWIDE 100 MILLS \$190,300,800

AMOUNT NOT FUNDED BY 100 MILLS \$64,289,631

ADDITIONAL MILLS NEEDED TO COVER USE OF EXPENDITURES 33.76

FOUNDATION  
PROGRAM

GENERAL FUND	\$445,363,847
RETIREMENT FUND	\$52,724,066
COMP. INSURANCE	\$10,620,110
	\$508,708,023
LESS SPECIAL ED	\$24,455,751
BASE FOUNDATION	\$484,252,272
HJR-13 REVENUE ESTIMATE	\$255,766,000
LOTTERY REVENUE	\$4,000,000
LESS MANDATORY MILLS	\$85,635,000
LESS PERMISSIVE LEVY	\$17,127,000
TOTAL AVAILABLE	\$157,024,000

DIFFERENCE

FY '90 STATEWIDE TAXABLE VALUATION \$1,903,008,000

\*SPECIAL EDUCATION IN THE RETIREMENT FUND IS AN ESTIMATE BASED ON DISCUSSION WITH OPI PERSONNEL

\*\*SUM OF P.L. 81-874 (\$17,993,365) AND FY89 BUDGETED SPECIAL EDUCATION (\$24,455,751)

OFFICE OF THE LEGISLATIVE AUDITOR  
 FY '90 REVENUES USED IN FINANCING PROPOSAL FOR FOUNDATION PAYMENT

COGLEY1.WK1

REVENUE SOURCE: HJR NO. 13

90%

FY89 SCHEDULE ADJUSTMENT 1.56

03/16/89

02:37 PM

AMOUNT OF BASE EXPENDITURES EQUALIZED

\$435,827,045

AVAILABLE REVENUE SOURCES:

INCOME TAX	\$81,604,000
CORPORATE LICENCE TAX	\$11,692,000
U.S. OIL & GAS ROYALTIES	\$17,119,000
INTEREST & INCOME	\$33,699,000
COAL TAX	\$2,010,000
EDUCATION TRUST	\$1,564,000
COUNTY REVENUES LESS MANDATORY LEVY	\$3,926,000
DISTRICT REVENUES LESS PERM. LEVY	\$1,410,000
LOTTERY REVENUE	\$4,000,000

TOTAL REVENUE SOURCES

\$157,024,000

DIFFERENCE

\$278,803,045

LESS AMOUNT FUNDED BY STATEWIDE 100 MILLS

\$190,300,800

AMOUNT NOT FUNDED BY 100 MILLS

\$88,502,245

ADDITIONAL MILLS NEEDED TO COVER 90% OF EXPENDITURES

46.51

FOUNDATION  
PROGRAM

GENERAL FUND	\$445,363,847
RETIREMENT FUND	\$52,724,066
COMP. INSURANCE	\$10,620,110
	\$508,708,023
LESS SPECIAL ED	\$24,455,751
BASE FOUNDATION	\$484,252,272
HJR-13 REVENUE ESTIMATE	\$255,786,000
LOTTERY REVENUE	\$4,000,000
LESS MANDATORY MILLS	\$85,635,000
LESS PERMISSIVE LEVY	\$17,127,000
TOTAL AVAILABLE	\$157,024,000

DIFFERENCE

FY '90 STATEWIDE TAXABLE VALUATION \$1,903,008,000

\*SPECIAL EDUCATION IN THE RETIREMENT FUND IS AN ESTIMATE BASED ON DISCUSSION WITH OPI PERSONNEL

\*\*SUM OF P.L. 81-874 (\$17,552,355) AND FY89 BUDGETED SPECIAL EDUCATION (\$24,455,751)