

## MINUTES

### MONTANA SENATE 51st LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON EDUCATION

Call to Order: By Senator H. W. Hammond, Chairman, on  
February 11, 1989, at 11:30 am in Room 402 at the State  
Capitol

#### ROLL CALL

Members Present: Senators; H. W. Hammond, Dennis Nathe,  
Chet Blaylock, Bob Brown, William Farrell, Pat Regan,  
John Anderson Jr., and Joe Mazurek

Members Excused: None

Members Absent: Senator R. J. "Dick" Pinsoneault

Staff Present: Dave Cogley, Staff Researcher and  
Julie Harmala, Committee Secretary

#### Announcements/Discussion:

Senator Hammond brought the special meeting to  
order to hear further discussion on SB 203.

He also announced that Monday the committee will  
meet at 12:30 pm.

#### DISPOSITION OF SB 203

##### Discussion:

Senator Hammond announced that all of the  
amendments except the one on how to cap the high  
spending districts and low spending districts had  
been adopted.

Senator Regan said that the amendment that she  
wanted dealt with the reserves and how much  
reserve was necessary, given different scenarios  
and different types of schools.

Dave Cogley stated that Dori worked up figures for  
five districts that she had figures for, she was  
not able to get figures on a lot of other  
districts because of the time element. She has  
copies and it shows dollar values and what the cap

would be at 20% or 15% or 10% for five different districts. We do not have the information available to make the model that was suggested and to show what the effect would be on different size districts and different distributions of state equalization aid. The information was just not available.

Senator Hammond asked the committee if all were in agreement of the idea.

Senator Regan said that she thought if a scenario was put together, the committee could see if it would prove to be a rational way to approach it. Until these models are run, we will not know the conclusions.

Dori Neilson of OPI told the committee that she had not had the opportunity to get to the information that was needed. But several things must be dug out before a model can be put together. By Monday the information needed should be available. Until we see what it looks like we will not know what is being created.

Dave Cogley stated that there was another amendment that deals with the figures and that is the adjustment in the foundation program schedule amounts using the 1988 actual costs. He explained they did not have these figures yet so this adjustment will have to be made. This is just a matter of running numbers. If the committee agrees to the concept of using 1988 actual costs then this will be sufficient for a motion.

Senator Nathe moved this motion that we accept 1988 actual costs.

Senator Farrell ask Mr. Groepper if he had these costs.

Mr. Groepper replied that OPI has the 1988 actual expenditures, the difficulty from yesterday to today is that we have been operating in gross numbers and for purposes of this bill there needs to be a separation for elementary and secondary districts. This must be broken out yet. The actual expenditures are known by all the fund categories for 1988, but this extra step must be taken for an elementary and secondary break down.

Dori Neilson mentioned that she would also like to touch base with a couple of administrators that generated these numbers and show them how she generated a new set to make sure that the concept they used in generagin the first set is not being violated.

Senator Hammond would like to have this motion moved.

Senator Blaylock said he was willing to come in on Tuesday if necessary because he said this is going to be the most important legislation that the committee is going to be working on. He said that he wanted to do it right and if more time is needed by the "number crunchers," this is fine. We should not just shove this out, not really having completed our work on it.

Several of the committee members agreed to come in when necessary to take care of SB 203.

Senator Regan began with issue #5 (See Exhibit #1). She said that this was the issue that dealt with the distribution formula and this bothered her because she wondered if there was a "special hook" in it or something that she was not understanding. Dori provided her with information that she thought Dori should share with the committee.

Dori explained that the distribution schedules for the foundation program by ANB and the figures that were in the bill, and there is no favor to any size district, and the schedule was increased proportionately for every schedule category. There is "no weight" for someone that needs more money than someone else.

Senator Regan stated that in view of this, she wanted to move that the committee accepts the distribution formula in SB 203 which is presented in Issue #5 (See Exhibit #1) by the Superintendents that spoke to the committee. She said she does so because she has been assured that it is a fair formula and it is in place and has a rational basis and it seems to work. It also raises the amount of money that goes into each school district per ANB and this is one of our aims which is to close this gap so we bring the

districts up to the necessary level of state support.

Senator Hammond explained that this would not close the gap between the size schools.

Senator Regan said that she realized this, but it does treat them all alike.

The motion was carried unanimously.

Senator Brown ask if Senator Regan's motion carried with it the Nathe motion as it applies in number 8.

Senator Regan stated that her motion included the restriction on voted levies and the expenditures being capped at 117% of the foundation program.

Dave explained that there was duplicating information in #5 and #8 (See Exhibit #1) because of the way the chart was put together. The 117% cap is a cap on the voted levy and this probably should not have been mentioned in number 5 because #5 deals with the adjustment of the schedules themselves.

Senator Brown asked Dave, "Having adopted #5, where does this leave us with #8?"

Dave explained that #8 deals with capping the amount of a voted levy. If the committee wants to leave this at 17% of the foundation program nothing needs to be done because it is already in the bill. If the committee does not like the way the cap was designed then something does need to be done with it. The way the bill is now, there is a 17% cap on the voted levy and the 17% is based on the foundation program.

Senator Hammond asked if this addresses the schedule.

Dave replied that it does not address the schedule.

Senator Farrell asked Dave if the committee adopts what is in SB 203 how does this equalize within five years and that is all the different categories of the schools, the one that are over 85% and the ones that are under 85%.

Dave explained that this does not do anything to equalize within the five year period and the only equalization that it would affect after these five years is that all districts would have to be within 117% of the mandated foundation program amount. This does not address Senator Farrell's 4th amendment.

Senator Farrell ask, "Can't in the five year period we start addressing the equalization problem with amendment #4?"

Senator Regan stated that she thought her motion for #5 was to accept the schedule and she did not say anything about the cap. It was voted that the cap would be at 117%. All she was talking about is the formula that is presented in the bill dealing with the distribution formula for moneys going out to the districts. This is what her amendment was intended to do.

Senator Mazurek asked, "Was there discussion about #5 because I am curious why you went with 1988 expenditures as opposed to 1989's."

Senator Hammond replied that this was because they have the exact numbers for 1988.

Senator Brown stated that #5 does not really address Senator Regan's motion. It is more related to #8.

Senator Farrell stated that he is proposing with his amendment #4 (See Exhibit #1) to start equalization. Those are schools that have actual spending that is above 85% of the average spending of similar sized schools and there are schools that are below the 85% level. His cap of the general fund expenditures for those schools with less than 85% of the average expenditures would allow those districts to increase general fund expenditures in the ensuing year by a factor of 8%. If the district general fund is greater than 85% but less than 117% of the average expenditures the district may increase expenditures by 4%. So the lower ones are being allowed to come up with the 8% and the average ones are able to increase by 4% and the ones that are above the 117% of average will have their payment frozen until every district starts equaling out.

Senator Brown stated that with the amendment Senator Farrell is trying to narrow the disparity but if the districts are spending more than 117% you are taking money from them in order to narrow the gap. Do you want to just keep the top from getting further away and let the bottom move up faster so that in five years the gap is narrowed.

Senator Hammond stated that there is a built in escalator in that the 4% is with the average and when they are all average this not take away from any district.

Senator Farrell explained that this just freezes the high spending districts at their present level way above the average spending until the rest of the districts in that category can slowly catch up. He said that he was not sure that this could be done in five years or if five years was too much time.

Senator Blaylock ask Senator Farrell if he wanted to move those districts that are way down at double the rate of the others.

Senator Farrell replied that he wanted to double the rate that the average is and he thought that the ones that are way up they will be held stable, with the average school increasing by 4%.

Senator Hammond stated that this would be addressing the court decision because they said that the legislature must do away with the inequity.

Senator Farrell agreed and said that he is trying to narrow the disparity with this plan a year at a time.

Senator Hammond explained that Senator Farrell is putting this in at this time because SB 203 seems to take care of this at the end of the five years but this may be an awful jolt to some districts.

Senator Farrell stated that Dave had put a staff note on the bottom, "that currently the 117% cap of SB 203 would not take effect until school fiscal year 1995." He explained that the cap he is proposing would be imposed as of the effective

date of the bill. In other words the districts would start immediately trying to solve the disparities.

Senator Regan ask what the maximum or largest disparity was, because she suspected that it would take longer to play catch up.

Senator Hammond pointed out that what was going to have to be done is that the schools of approximately similar sizes would be required to have similar expenditure limitations and we have to compare the high and low between them.

Senator Regan stated that she was sympathetic in many respects but there are some schools she said that are 185% of the cap. She said that because of this there should be some small downward motion by these schools also, that the disparity should be narrowed from both ends.

Senator Farrell stated that it is not his intent to lower the standards at any school. He spoke to a chart that had been presented to him (See Exhibit #3) and the chart is an ANB that gives the range. He said that he assumed there were about three different ranges on the chart.

Don Waldron explained that this chart shows what happens when you figure average costs and the ANB. What this chart points out is that the larger schools have less of a range in disparate spending per ANB than the smaller schools.

Senator Blaylock stated that if the committee has to look at this issue by trying to get to where the Supreme Court says the districts should be, philosophically he said he is uneasy with Senator Farrell proposal in that the committee is rather generously reward some of the small schools who have not been making an effort as compared to the other schools and now we say we are shoveling the money in to bring them up.

Senator Regan stated that looking at this chart, these are the larger cities and the disparity is not great. There seems to be an anomaly in the figures. If you are going to raise the dollars to \$8,000 per student in some schools and \$9,000 in another and the others are going to be kept at half or less, this can not be justified. She said that she thought it would have to be worked from

both top and bottom to be fair. Other wise every kid in a school between 1 and 25 enrollment at \$8,000 per student.

Senator Brown stated that there will literally be money taken from these schools that they already have budgeted.

Senator Regan explained that she thought what was going to be done is that these districts would be ask to drop their expenditures gradually.

Senator Brown said that there are 70 to 80% of the school districts that have their personal services budgeted and this is a contract that would be difficult to get out of.

Senator Regan went on to explain that this will be phased in over a five year period of time where the districts will be addressing this and indeed there may be a school district where economically it is not feasible. They can do two things, they can prove to OPI that they are truly isolated and by law must spend that percentage, but she stated that everyone knows there are a lot of schools that are truly not isolated that evidently they should be moving to a larger district. She stated that she was not taking about consolidation but she said that she can not see spending \$9,000 per student if they are not truly isolated. We are being asked to set a formula like this in motion and it is not right. When it is necessary she agrees with it but to adopt it as a policy and maintain this is not right.

Senator Brown again wondered how do we get the districts down. So the district is spending \$9,000 student and then they are told they can only spend \$8,000 next year, \$7,000 the next. He wondered how this could be done.

Senator Hammond said that many district expenditures are forced because of accreditation standards and the number of teachers that they have to have.

Senator Farrell stated that it was his understanding that the committee did not want to "dummy down." And the Supreme Court is not saying that money creates more opportunity but we all know that money helps opportunity. He wondered why it would ever be wanted to reverse the



decision and "dummy down" some of the schools and rob the districts when getting to the funding side of it.

Don Waldron added that he wondered if the committee is confusing trying to get an average cost across the state and if the schedules that are put out accommodate those sizes. So when these two are blended together the 17% is not going to hurt as bad as some may think, but SB 203 as it is understood is to give each school their own way to sit down and in five years get themselves in line. Some will have to bite the bullet a little bit. He did not think that there was any intent to work from the other end so he was having a difficult time understanding limitations proposed on school spending below 85%.

Senator Farrell explained that his intent was that a district start working on a disparity in the first year and what SB 203 does, is say that at the end of five years the district must be within a certain range. Therefore he explained with his amendment he was trying to bring the schools up with the state's payments to the average expenditure in what ever category they fall in instead of it all happening at one time.

Don Waldron said that he understood what Senator Farrell was saying, but he felt that the ones below would be taken care of because they will have increases. The one above the five year thing will jolt if they don't do something about it each year. They will have to start working on it. There may be a better way but the way the bill is written, in five years the districts must get in line and the districts will have to start figuring out how to do this. They have about three years of actual planning.

Senator Regan stated that having gone through a study and recognizing all the problems that there are, she thinks that Nathe's approach is fairly good. She added that a five year phase in is good and inflation is built in also which will give the districts the 4%. Therefore she said SB 203 was a rational approach.

Senator Nathe explained at the end of five years, by 1996, the school districts that are way up there are going to have to get themselves down and how they do this is up to the separate districts

left at the local discretion. They can not exceed 117% and they have five years to get to this goal by themselves.

Senator Hammond stated that a school like Colstrip, any program would be tough on them because if districts are going to be equalized, big spending schools are hurt and the low spending schools get help.

Senator Brown added that he did not want to necessarily hurt the big spending schools but he felt that the others should be helped.

Senator Farrell reminded the committee that not every district is a Colstrip, there are other districts that are considered rich because of a cooperation plan that may be located in that district but may be there are carrying their fair share of the load and still collecting a lot more money and he did not see any reason why these folks should have to come back down to a standard that is less, therefore districts should be brought up slowly over a period of time.

Senator Nathe asked Senator Farrell if what he was doing was pumping in money faster down below than what SB 203 does.

Senator Farrell responded that it does not make any difference what is being done because money will still have to be pumped in and he explained that he would rather do it over a certain number of years.

Mr. Groepper stated from the audience that it was confusing as to what the language that talks to average expenditures means and he said that he thought once this was put together every expenditure is deciding how much money is wanted to be into the foundation program distributions and what Senator Farrell is trying to do as we understand it is to try to go down to the district level and talk about what they ought to be able to spend and be able to raise and as it is understood, Senator Farrell is saying for lower districts they would not have the 117% cap they would have a higher cap and medium sized districts would have a little bit higher cap but the ones that are already at 117% would get nothing. What he stated that he is trying to understand is what is trying to be accomplished here and he wondered

if that was trying to assure yourself that the districts will realize that five years out there is a 117% wall that they have to run into or to assure yourself that they are going to plan for this. He thinks there are other way to do this other than putting arbitrary numbers on it for example requiring them to submit a plan to the OPI of how they are going to get to the 117% and this would insure that all these districts are taking it seriously about the cap. If Senator Farrell is truly trying to get more money to smaller districts faster and equalize up then a better way to equalize up would be instead of setting the expenditures at the average would be to set the funding at something above the average and all these lower districts could be moved up without penalizing the ones that are already at 85%. If we had a better understanding of what Senator Farrell was trying to accomplish we could give suggestions how this could be done. The language is confusing.

Pat Melby from the audience stated that the way he reads Senator Farrell's plan is that the foundation levels have already been increased so that the money has already been put in then there is a separate 17% cap on the low spending districts plus another 8% so there is a 125% cap. This is what is says "In addition to the 17% foundation program cap they also can increase their general fund expenditures in an assuming year by a factor of 1.08.

Dave explained that this was not the intent of this amendment, the intent is the existing 17% cap that is in the bill now would remain there and this would not become effective until 5 years down the road. In the mean time, the expenditures of the districts which are not capped during this period would be limited by this capping mechanism. That is, take the average expenditures of the districts in each size category within the schedule and if a district is 85% or lower than average then that district is going to be subject to a cap on its total general fund expenditures of 8% over the previous year. The district that is in the medium or the 85% to 115% of the average expenditures can also increase somewhat, but only by 4%. The high spending districts (those above 115% of the average in that category) are locked in. The idea is, within the five year period to give the low spending districts more flexibility

but also to impose a cap. The idea is to impose a cap on every district based on their current expenditures but giving the low spending district more flexibility to come up within the five year period. This is the intent.

Mr. Melby stated that to him this says that a high spending district that is spending 125% over and above the foundation general fund is going to get to continue to spend that and the low spending districts are going to have a cap of 8% over their general fund. This is not what is being looked for in equalization.

Dave explained that the key is that at the end of the five years they all have to be within 17% of whatever the legislature provided in the foundation program.

Mr. Melby said he does not understand what the difficulty is in allowing a low spending district to raise 17% over and above their general fund instead of limiting them to 8%. This is not going to be liked at all. He suggested that if it is wanted to not penalize high spending districts then grandfather them in, that may not be accepted, but do not grandfather them in and then penalize the low spending districts by putting an 8% cap on them.

Senator Hammond told the committee they now should understand better after being given this information. He pointed out that it probably depends on the what the philosophies are.

Senator Brown stated that he did not want to protract the situation but he said he did not know what the point is in inhibiting lower spending districts from closing the gap if they have some way of doing this, but he still agree with the concept that Senator Farrell is proposing. May be an amendment to the amendment would take away this limitation that the low paying districts would have.

Senator Farrell said that this is not a problem for him but it could be a problem when trying to implement the money sources over the next 4 or 5 years. The shock that is provided to all the payers and the folks that have to pay the money and may be phasing in the money over a five year period should be thought of also when we get to

that solution.

Senator Regan stated that she was not really comfortable with what Senator Farrell is trying to do. She suggested that some "number crunching go on" and see how this thing works. If a model could be brought in to see what is really being proposed here because she stated that she is not sure she understands all the implications of it.

Senator Hammond explained that the 8% for the low spending districts will have to come from voted levies. If 17% is gone to this may be pretty impossible for the districts to do. This is a local matter.

Senator Brown said that this being the case there is some logic is not necessarily tying them below 8%.

Senator Mazurek stated that he felt this was worth working on.

Senator Farrell ask, "When the mill levy goes down what happens then?" "I'm simply saying that you should only raise those lower districts to 8% because what happens if you come with a 17% raise and it goes down, then what do you do."

Senator Hammond stated that one thing that must be kept in mind is that we do not know what the numbers really do when building the general fund up to 85% from the state and where the money is going to come from and how able the districts might be to levy these mills. These things we are not really aware of here.

Senator Blaylock stated that he thought Senator Regan had a good idea and that was for the committee to see some numbers.

Senator Hammond ask Dori and Mr. Groepper to come up with some examples.

Dori ask when average was being discussed, what is meant by "average", average of what to base the numbers on.

Dave explained that as he understands it is the average of every category in the schedule of all the schools that are in that category.

Dori ask, "But average from what year, average from 1988, or 1989, average expenditure of what. I do not understand what the base is?"

Mr Groepper asked that after the first year of this implementation which he assumes is 1991, and if, he stated, that he understands what Senator Farrell is trying to do "in 1991 the schedule comes in and some of these poorer districts get more ANB and be able to lower (he used property tax as an example appreciating that this issue is still out) their property tax then in 1991 when they got the extra ANB being a poor district, they could also lower their mills and they could have more money. And this is why Dori is confused he explained, "if we look at this after the first year that they got their money it a far different comparison than it is to look at an average of expenditures in 1988 and start talking about caps because the average expenditures in 1988 are only number that will help tell how much money needs to be coming from some state equalized source what ever is started with. After the first distribution under which ever funding mechanism a lot of these lower districts are going to be brought up anyway and the average concept is a different average than the average of 1988 and this is what is confusing." Do you want us to start after the first year of distribution or what happened historically?"

Senator Farrell answered that this is based on the 85% of the foundation program at the state level. It would be on the 1988 expenditures and then the next year there will be a big change so it would be on the 1989 expenditures the next year.

Mr. Greopper said that if he understands the caps right the intent of the cap is to say once the districts have restructured the whole thing and the money goes out to all the districts there will be a cap of 117% of their new foundation schedule program. So when future adjustment to this cap are being talked about the 117% is being looked after the first distribution has been made. This distribution can be made for the committee from assumption that it is going to be paid for somehow. Then we can show you what these schedules do to the caps.

One problem in using 88 expenditures to do these averages within the school districts is that some

school district sizes have more wealthy districts and some sizes have more poor districts than wealthy, so with average expenditures you do not have the same curve that you would have with the foundation program. Therefore this will provide for some inequities by doing this, that is basing it on averages and using 88 data. There is a lot of skewing just based on the fact that there is a large number of districts in one size that might be wealthy and a large number of districts in another size that are poor. Averages are skewed. Using 88 data causes the average to be skewed when talking school district size. There is a built in inequity in the system.

Mr Greopper stated that given the confusion may be the best thing would be to try a couple different options.

#### DISPOSITION OF SB 304

#### Discussion:

Senator Regan stated that she understood that Dave Cogley had made up an amendment to incorporate in the fire fighters.

Senator Farrell stated the he thought Senator Regan's intention was to amend HB 213 into your bill.

Senator Regan explained that at the end of the meeting on SB 304 it was suggested that this be done and the fire fighters had no trouble with it and rather than have a separate bill HB 213 could be amended into SB 304. So Dave Cogley prepared these amendments. (See Exhibit #1)

Senator Regan moved that the committee accept the amendments dated February 9, 1989 prepared by Dave Cogley into SB 304. This is the amendment that puts into the list of fee waivers, Montana fire fighters or peace officers killed in the course of employment or survivor or a child of any of the following. These amendments cover HB 213. Therefore she moved the amendment.

Senator Farrell called for the questions.

THE MOTION CARRIED, All were in favor except for two nos by Senators Blaylock and Pinsoneault.

Senator Farrell stated that he wanted to move his amendments into SB 304 and what these amendments do is add volunteer firemen and excludes those people that are eligible for federal social security benefits. A sheriff and a policeman told the committee that some of their departments are already eligible for social security benefits.

Senator Regan wondered if the federal social security benefits exception applied only to the peace officers or does it apply to anyone who is entitled to a fee waiver. If not to all, there will be a disparity.

Dave stated that the way it was set up, was that federal social security benefits exception would only apply to the waiver for police officers and the law enforcement officials under what previously was HB 213. The exception would not apply to the other waivers that already existed in SB 304.

Senator Mazurek added that a person could be eligible for social security benefits if they were a widow, so would the benefits have to be limited which are received on the account of a husband's death. Is there any way a child would be eligible for social security benefits other than through the father. Assuming for example that a father is killed as a fire fighter not eligible for social security, is there any other way through the mother. She may have benefits in her own right.

Senator Hammond stated that the children will have benefits as long as they're school age.

Senator Mazurek stated that he is assuming the father is not eligible for social security benefits, he assumed that the children would get the benefits only if the father was or if the wife was. In other words does the wife being eligible for social security disqualify the children from benefits because the husband was killed.

Senator Farrell explained that this is only for the people that are killed in the line of duty.

Dave explained Senator Mazurek's question that if a child was eligible for social security benefits regardless of whether it was through the deceased



father or through the mother or some other source, that child would not be eligible for the tuition and waiver. This amendment does not require that eligibility for social security, be due to the father's death.

Senator Mazurek stated that he finds it difficult to believe that there would be benefits if it was not through the father.

Senator Nathe ask if "Is this tied specifically to the full time fire fighters. We have also inserted volunteers and the volunteers are normally covered by social security. Do we negate the volunteers?"

Dave replied, "Yes to a large extent we do."

Senator Farrell ask if he included volunteer firemen and they are killed on the job will they be paid social security benefits.

Senator Farrell wondered about police officers also.

Senator Mazurek stated that wanted to ask Mr. Shramm a question prefaced by noting all of this is discretionary with the Board of Regents.

Mr. Shramm stated that what the Board of Regents intended to do by "may," was to keep the present policy that basically says for veterans, they are not eligible for this fee waiver if you are eligible for a similar benefit from federal sources mainly the GI bill. This is in the present statute, this lengthy language was not repeated in the present bill because they made it "may" and the policies already say this. What the board had intended to do before HB 213 was put into SB 304, was to deny the fee waiver if in fact they can get a similar benefit from some other federal source, in this case social security. There is no trouble with the statute by doing this because it is permissive. Granted this means that the statute is left a little vaguer and this leaves some discretion with the Regents but they have operated with "may" under many of the fee waivers for many years and never had any problem. This would be the solution to the problem. This gets away from the drafting and frankly it is a good idea and should apply to veterans, peace officers, and Native Americans. But the Regents

do not want to be subsidizing students at state expense if the money can be gotten from the federal government. Using the word "may", this amendment could be viewed as being redundant.

Senator Farrell stated that he would be in agreement with this as long as volunteer firemen were included, because none of the bill so far include volunteer firemen.

Mr. Shramm said that this was a policy choice that the committee would make, if the committee includes volunteer firemen the Regents then will honor that and treat them just as the other fee waivers.

Senator Mazurek said that he did not think the Regents could make a policy that said they would grant a waiver only to a paid firefighter, this is not a policy the Regents could make, the Regents could exercise your discretion but it will have to done on some rational basis.

Mr. Shramm stated that if the committee puts volunteers in the bill, the Regents would be inviting a law suit by excluding them. The Regents preference is to keep the waivers as narrow as possible.

Senator Farrell stated that he would withdraw his social security section of his amendment if the Regents can handle it that way. But he still wanted to include volunteer firemen, because he said he can envision a case where firemen and volunteer firemen could be killed on the same job. There may also be a case where a highway patrolmen is not eligible for social security and volunteering on a fire and being killed and there would be no social security benefits for the survivors.

Dave explained that the amendments are joined, but if agreeable with the committee he would take the concept of the social security recipient out and leave the concept of the volunteer fire fighters included in the amendment.

Senator Farrell moved these rewritten amendments.

The motion carried unanimously.

Mr. Shramm stated that Senator Pinsoneault, even though he was absent, would probably want this said to the committee. He had asked about the MIA being included in the bill and Mr. Shramm went back to the statute and discovered that because of an oversight the MIAs were left off. This was not intended. If the committee wishes to make the statute totally parallel to the present scope of the veteran statute on Page 3, line 2 after "war" add "...or missing in action." This would make it parallel to the present statute. The present statute has some dates as those declared missing in action after 1961 in the Southeast Asian conflict. These are not necessary because once again this is permissive with the Board of Regents.

Senator Mazurek moved the amendment to include the missing in action.

The motion was carried unanimously.

Senator Mazurek expressed one other concern that was raised at the hearing, and that was that there was an amendment .....if you just look at the bill, on the first section it says "....the regents may.." then you can down the page "prescribe tuition rates.." then it says "waive" and has the term "...at their discretion" "may" applies throughout and the only place it says "at their discretion" is on the number 2, which suggests that when all the conditions are met the "may" might become "shall", so he wondered if the committee should strike "at their discretion" there or that it should be put in throughout.

Dave stated that the committee should strike it because this is an oversight and would normally have been deleted in the drafting, as being redundant.

Senator Mazurek said that he had a written amendment and the reason why he thinks this is important is that our minutes should reflect an amendment is made just because "at their discretion" on page 1, line 21 is redundant.

Senator Hammond said, "You have heard the motion and all those in favor say I."

THE MOTION CARRIED UNANIMOUSLY.

Senator Hammond reminded the committee that they had heard the motion to move the bill as amended.

THE MOTION TO MOVE SB 304 AS AMENDED WAS CARRIED UNANIMOUSLY.

Senator Regan will carry the bill on the floor.

DISPOSITION OF SJR 6

Amendments and Votes:

Senator Brown moved that the amendments to SJR do pass.  
(See Exhibit #1)

Senator Farrell called for the question.

THE MOTION CARRIED, WITH SENATOR REGAN VOTING NO.

Recommendation and Vote:

Senator Brown moved that SJR 6 do pass as amended.

THE MOTION CARRIED, WITH SENATOR REGAN AND SENATOR NATHE VOTING AGAINST IT.

ADJOURNMENT

Adjournment At: 1:00 pm

  
\_\_\_\_\_  
Senator H. W. Hammond, Chairman

HH/jh

Senmin.211

ROLL CALL

EDUCATION

COMMITTEE

5<sup>th</sup> LEGISLATIVE SESSION -- 1989

Date 2-11-89

NAME	PRESENT	ABSENT	EXCUSED
<u>Chairman Swede Hammond</u>	✓		
<u>Vice Chairman Dennis Nathe</u>	✓		
<u>Senator Chet Blaylock</u>	✓		
<u>Senator Bob Brown</u>	✓		
<u>Senator Dick Pinsoneault</u>		✓	
<u>Senator William Farrell</u>	✓		
<u>Senator Pat Regan</u>	✓		
<u>Senator John Anderson Jr.</u>	✓		
<u>Senator Joe Mazurek</u>	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

February 13, 1989

MR. PRESIDENT:

We, your committee on Education and Cultural Resources, having had under consideration SB 304 (first reading copy -- white), respectfully report that SB 304 be amended and as so amended do pass:

1. Title, line 7.

Following: "AND"

Insert: "SURVIVORS OF"

2. Title, line 8.

Strike: "OTHER PERSONS"

Insert: "VETERANS, FIREFIGHTERS, OR PEACE OFFICERS"

3. Page 1, lines 16 and 17.

Strike: "waiver of nonresident fees"

Insert: "waivers"

4. Page 1, line 21.

Strike: ", at their discretion,"

5. Page 3, line 2.

Following: "war"

Strike: "."

Insert: "or missing in action;"

6. Page 3.

Following: line 2

Insert: "(5) waive tuition charges for qualified survivors of Montana firefighters or peace officers killed in the course and scope of employment. For purposes of this subsection, a qualified survivor is a person who meets the entrance requirements at the state university or college of his choice and is the surviving spouse or child of any of the following who were killed in the course and scope of employment:

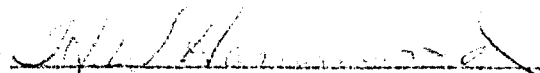
(a) a paid or volunteer member of a municipal or rural fire department;

(b) a law enforcement officer as defined in 7-32-201;

or

(c) a full-time highway patrol officer."

AND AS AMENDED DO PASS

Signed:   
H. W. Hammond, Chairman

2/13/89

SENATE STANDING COMMITTEE REPORT

February 13, 1989

MR. PRESIDENT:

We, your committee on Education and Cultural Resources, having had under consideration SJR 6 (first reading copy -- white), respectfully report that SJR 6 be amended and as so amended do pass:

1. Title, lines 6 and 7.

Strike: "ALLOW THE VOCATIONAL-TECHNICAL CENTERS TO GRANT AN"

Insert: "PROVIDE ACCESS TO THE"

2. Page 2, lines 19 through 21.

Following: "urge"

Strike: remainder of line 19 through "and" on line 21

3. Page 3, lines 1 through 5.

Strike: line 1 through "that" on line 5

Insert: "That"

4. Page 3.

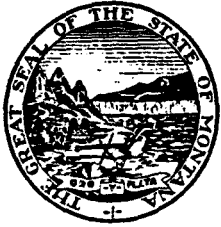
Following: line 8

Insert: "BE IT FURTHER RESOLVED, that the Board of Regents be encouraged to provide, through the vocational-technical centers and the units of the University System, joint opportunities for students to have access to associate degrees in appropriate curriculum areas."

AND AS AMENDED DO PASS

Signed: *H. W. Hammond*

H. W. Hammond, Chairman



JUDY RIPPINGALE  
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA

Office of the Legislative Fiscal Analyst

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986

~~Exhibit 7~~  
SENATE EDUCATION

EXHIBIT NO. 1

DATE 2-11-89

SB 203

May 12, 1988

*Impact money*

TO: Legislative Finance Committee  
K-12 Education Subcommittee

FROM: Madalyn Quinlan, Associate Fiscal Analyst *MJQ*  
Curtis Nichols, Deputy Fiscal Analyst *CNN*

SUBJECT: Equalization of Federal Impact Aid (P.L. 81-874)

Federal impact aid, authorized under Public Law 81-874, serves to compensate school districts for property tax losses due to federal installations within a district. Federal installations, which are exempt from property taxation, include Indian reservations, military installations, and federal housing projects. Impact aid is paid on a per student basis; payments vary according to whether a student lives on or off the federal installation and whether his parents work on or off the installation. In fiscal 1987, Montana received \$23.18 million in federal impact aid for 106 elementary and secondary school districts.

In his district court decision declaring the Montana public school funding system unconstitutional, Judge Loble declined to remove P.L. 81-874 monies from consideration in designing a general statewide equalization funding plan. In developing a new finance system, the legislature must decide whether to include P.L. 81-874 funds in the state equalization aid package (i.e., whether to count these funds as local resources when measuring a district's contribution to the foundation program). The federal government does not allow states to equalize P.L. 81-874 monies unless the state's equalization aid program meets certain



federal criteria. This paper describes the federal criteria for including P.L. 81-874 funds in a state's equalization formula and discusses the changes that would be necessary for Montana to meet the federal criteria. The paper also analyzes how school districts presently receiving federal impact aid would be affected if P.L. 81-874 funds were included as revenues available for state equalization aid.

### FEDERAL CRITERIA FOR EQUALIZATION

In order to assist states in equalizing public school funding systems and meeting the requirements of their state constitutions, the federal government developed rules in the late 1970's to allow states to include P.L. 81-874 funds in their equalization formulas. The federal government has developed two tests for measuring the degree of equalization within a school funding system: 1) the expenditure disparity test; and 2) the wealth neutrality test. States can meet the federal criteria by passing either one of these tests.

#### Expenditure Disparity Test

The expenditure disparity test measures the variation in current expenditures per pupil for operation and maintenance among school districts. In order to measure "the equal treatment of equals," the test removes two categories of special cost differentials from the calculation of current expenditures. The first category is special educational needs of children, such as handicapped children, economically disadvantaged children, non-English speaking children, and gifted and talented children. The second category is costs associated with sparsity or density of population, cost of living, or special socioeconomic characteristics within the area served by a school district. Once these educationally relevant differentials have been removed, the test lists all school districts from

high to low in terms of current expenditures per student. The federal formula uses the same student count used in each state's equalization formula. For Montana, the appropriate measure of total pupils is average number belonging (ANB). The top 5 percent of students and the lowest 5 percent are removed from the test range. If the disparity in current expenditures per pupil is no more than 25 percent for pupils between the 95th and 5th percentile, the program qualifies as an equalized program. The federal regulations allow the same test to be given on the basis of revenues per pupil with the same 25 percent disparity limitation in effect. The federal regulations explain the rationale behind the test as follows:

A disparity standard has been chosen because it is a method of evaluating school finance programs in terms of equalization that has been used by both the courts and authorities in the field of school finance, and because it is believed that the phrase "equalize expenditures" focuses on the relative availability of funds to local educational agencies for educating children within their school systems. "Revenue" data, as an alternative to "expenditure" data, is permitted because revenues generally reflect the amounts of funds available for expenditure in a school district and because revenue data is more accessible for the current fiscal year evaluation. In calculating the disparity, revenues or expenditures are likely to fluctuate considerably from year to year. The exclusion of the upper and bottom 5 percentile school districts is based upon the accepted principle to statistical evaluation that such percentiles usually represent unique or noncharacteristic situations. (45 CFR Pt. 222)

The expenditures and revenues included in the disparity test are current expenditures (revenues) for operation and maintenance. These include all current expenditures (revenues) from state and local sources, except for those expenditures (revenues) which are designated for special cost differentials. The test also includes any federal funds received by a school district for which the district is not accountable to the federal government for their use, such as Federal Forest Reserve funds. Expenditures for capital outlay and debt service are excluded from the disparity test. If a state requests it, the federal government will make separate disparity computations for different groups of school districts

which have similar grade levels. For Montana, the expenditure disparity test could be applied separately to elementary and secondary districts.

### **Wealth Neutrality Test**

The second test of equalization is the wealth neutrality test. Wealth neutral revenues are revenues received by a school district which are not derived from any wealth advantage that one school district may have over another. More specifically, state and local revenues available under a state school finance equalization program are wealth neutral to the extent that each school district receives the same number of dollars per pupil for the same tax effort and is allowed to spend as much per pupil as any other school district in the state under the program. Tax revenues in excess of those determined to be equally available to all school districts are not wealth neutral. Non-tax revenues are subject to the same test. Non-tax revenues are wealth neutral only to the extent that each school district has access to the same number of dollars per pupil. The federal regulations deem a state aid program to be equalized if no less than 85 percent of the state, intermediate, and local revenues for all school districts in the state are wealth neutral.

### **APPLICATION TO MONTANA**

The following section of this paper illustrates how the federal tests apply to Montana's school districts.

### **Expenditure Disparity Test Applied to Montana**

In this analysis, the disparity test is applied to school district general fund expenditures less special education. Expenditures for transportation, teachers' retirement, and comprehensive insurance are also not included here, but would need to be included if the state applies to

the federal government to equalize P.L. 81-874 monies. Montana statutes adjust the general fund schedules according to school size in order to adjust for sparsity factors. Therefore, this analysis tests the disparity within various size school districts. The categories in Table 1 below correspond to the school groupings within the maximum general fund schedules listed in state statute.

Table 1  
General Fund Expenditure Disparity  
1987 - 1988 School District Budgets  
w/o Special Education

**Elementary School Districts**

<u>ANB Category</u>	<u>Total ANB</u>	<u>5% of ANB</u>	<u>5th Percentile</u>	<u>95th Percentile</u>	<u>Ratio</u>
0-9	312	16	\$2,240	\$6,719	3.00
10-17	582	29	1,890	6,811	3.60
18-40	1,233	62	1,769	5,367	3.03
41-100	5,676	284	1,950	5,774	2.96
101-300	14,680	734	1,946	4,978	2.56
300 +	81,398	4,070	1,976	3,512	1.78

**High School Districts**

<u>ANB Category</u>	<u>Total ANB</u>	<u>5% of ANB</u>	<u>5th Percentile</u>	<u>95th Percentile</u>	<u>Ratio</u>
0-24	84	4	\$8,297	\$15,593	1.88
25-40	836	42	5,639	11,958	2.12
41-100	3,353	168	3,792	10,443	2.75
101-200	4,944	247	3,198	6,521	2.04
201-300	4,250	213	2,311	6,773	2.93
301-600	8,374	419	2,393	6,197	2.59
600 +	24,540	1,227	2,790	3,441	1.23

Table 1 shows the disparity in per pupil general fund expenditures, excluding special education, for elementary and secondary school districts within given size categories. The only category which shows a disparity of 25 percent or less is high school districts with more than 600 students.

Therefore, Montana would not qualify as an equalized state under the expenditure disparity test.

One scenario, by which the legislature could limit the variation in per pupil expenditures to 25 percent, would be to restrict the expenditures per student within a given size category to 12.5 percent above and below the expenditure level at the 50th student percentile. This scenario would result in an increase of \$17.1 million in school district general fund expenditures statewide; it would also result in a major redistribution of expenditures among school districts. Districts which receive P.L. 81-874 monies generally expend more per ANB than the district at the 50th student percentile. Under this scenario, these districts would be required to reduce expenditures by \$14.9 million. The effect of such a redistribution upon those districts which receive more than \$100 of P.L. 81-874 monies per pupil is shown in Table 2.

**Table 2**  
**Effect of Expenditure Limitation on PL-874 Districts Receiving More than \$100/ANB**  
**Fiscal 1988 General Fund Budgets without Special Education**

COUNTY	DISTRICT	ANB	FY 1988 GEN FUND BUDGET	GEN FUND/ ANB (W/O SPEC ED)	CHANGE IN GENERAL FUND PER ANB	CHANGE IN GENERAL FUND BUDGET
Glacier	E BROWNING ELEM	1,325	\$5,750,000	\$4,117	(\$1,283)	(\$1,700,184)
Roosevelt	E POPLAR ELEM	653	\$2,870,508	\$4,186	(\$1,352)	(\$882,904)
Rosebud	E COLSTRIP ELEM	1,011	\$3,858,647	\$3,677	(\$843)	(\$852,371)
Big Horn	E LODGE GRASS ELEM	385	\$1,841,422	\$4,645	(\$1,811)	(\$697,169)
Big Horn	E HARDIN ELEM	1,095	\$4,021,700	\$3,439	(\$605)	(\$662,565)
Rosebud	E LAME DEER ELEM	292	\$1,573,038	\$4,978	(\$2,000)	(\$583,864)
Blaine	E HARLEM ELEM	405	\$1,730,156	\$4,173	(\$1,339)	(\$542,327)
Hill	E ROCKY BOY ELEM	272	\$1,324,754	\$4,659	(\$1,681)	(\$457,347)
Blaine	E HAYS-LODGE POLE ELEM	160	\$962,822	\$5,786	(\$2,808)	(\$449,313)
Hill	E BOX ELDER ELEM	107	\$784,007	\$7,078	(\$4,100)	(\$438,705)
Valley	E FRAZER ELEM	119	\$763,344	\$6,233	(\$3,255)	(\$387,337)
Big Horn	E MYOLA ELEM	71	\$649,072	\$8,958	(\$5,049)	(\$358,479)
Pondera	E HEART BUTTE ELEM	142	\$781,153	\$5,368	(\$2,390)	(\$339,413)
Big Horn	E PRYOR ELEM	70	\$611,718	\$8,382	(\$4,473)	(\$313,115)
Lake	E ARLEE ELEM	320	\$1,165,622	\$3,512	(\$678)	(\$217,102)
Valley	E FT PECK ELEM	34	\$223,285	\$6,567	(\$3,807)	(\$129,445)
Park	E GARDINER ELEM	110	\$491,726	\$4,154	(\$1,176)	(\$129,308)
Roosevelt	E BROCKTON ELEM	94	\$453,104	\$4,596	(\$687)	(\$64,608)
Roosevelt	E CULBERTSON ELEM	227	\$749,397	\$3,200	(\$222)	(\$50,330)
Rosebud	E ASHLAND ELEM	114	\$408,574	\$3,419	(\$441)	(\$50,275)
Glacier	E GLACIER PARK ELEM	41	\$185,000	\$4,401	(\$492)	(\$20,160)
Sanders	E DIXON ELEM	49	\$194,720	\$3,974	(\$65)	(\$3,179)
Mineral	E ST REGIS ELEM	126	\$387,210	\$2,878	\$0	\$0
Roosevelt	E WOLF POINT ELEM	716	\$1,960,325	\$2,575	\$0	\$0
Lake	E CHARLO ELEM	182	\$546,762	\$2,928	\$0	\$0
Lake	E ST IGNATIUS ELEM	395	\$1,074,725	\$2,647	\$0	\$0
Phillips	E DODSON ELEM	99	\$384,009	\$3,666	\$0	\$0
Lake	E RONAN ELEM	984	\$2,544,298	\$2,362	\$0	\$0
Cascade	E GREAT FALLS EL	8,124	\$21,511,858	\$2,519	\$0	\$0
Lincoln	E SYLVANITE ELEM	17	\$36,915	\$2,171	\$103	\$1,743
Pondera	E VALIER ELEM	179	\$440,000	\$2,306	\$10	\$1,855
Sanders	E HOT SPRINGS ELEM	157	\$389,210	\$2,303	\$13	\$2,068
Lincoln	E TROY ELEM	467	\$1,128,737	\$2,193	\$11	\$5,000
Lake	E POLSON ELEM	965	\$1,850,524	\$1,798	\$406	\$391,420
<b>Elementary Districts</b>						<b>(\$8,927,415)</b>
Phillips	HS DODSON H S	39	\$302,487	\$7,756	\$0	\$0
Lake	HS CHARLO H S	90	\$408,905	\$4,401	\$395	\$35,593
Pondera	HS VALIER H S	86	\$428,000	\$4,977	\$0	\$0
Mineral	HS ST REGIS H S	55	\$300,173	\$5,458	\$0	\$0
Valley	HS NASHUA H S	78	\$450,962	\$5,466	\$0	\$0
Roosevelt	HS CULBERTSON H S	74	\$421,767	\$5,700	\$0	\$0
Park	HS GARDINER H S	86	\$625,948	\$7,278	(\$1,112)	(\$95,672)
Blaine	HS HAYS-LODGE POLE H S	76	\$709,800	\$9,122	(\$2,956)	(\$224,665)
Roosevelt	HS BROCKTON H S	43	\$400,000	\$9,302	(\$3,136)	(\$134,862)
Hill	HS BOX ELDER H S	73	\$762,303	\$10,443	(\$4,277)	(\$312,185)
Valley	HS FRAZER H S	55	\$584,210	\$10,622	(\$4,456)	(\$245,080)
Big Horn	HS PLENTY COUPS HS	58	\$805,500	\$13,888	(\$7,722)	(\$447,872)
Lake	HS ST IGNATIUS H S	168	\$676,200	\$3,938	\$0	\$0
Lake	HS ARLEE H S	132	\$559,285	\$4,237	\$0	\$0
Blaine	HS HARLEM H S	129	\$858,025	\$6,521	(\$1,910)	(\$246,329)
Big Horn	HS LODGE GRASS H S	150	\$1,393,230	\$9,129	(\$4,518)	(\$677,765)
Lincoln	HS TROY H S	209	\$820,995	\$3,790	\$0	\$0
Roosevelt	HS POPLAR H S	213	\$1,891,627	\$8,881	(\$4,910)	(\$1,045,804)
Lake	HS POLSON H S	419	\$1,198,892	\$2,792	\$0	\$0
Lake	HS RONAN H S	395	\$1,146,262	\$2,902	\$0	\$0
Roosevelt	HS WOLF POINT H S	326	\$1,236,262	\$3,792	(\$318)	(\$103,738)
Rosebud	HS COLSTRIP H S	466	\$2,243,843	\$4,654	(\$1,180)	(\$549,950)
Big Horn	HS HARDIN H S	417	\$2,263,177	\$5,267	(\$1,793)	(\$747,497)
Glacier	HS BROWNING H S	436	\$2,800,000	\$6,197	(\$2,723)	(\$1,187,224)
<b>Secondary Districts</b>						<b>(\$5,983,050)</b>
<b>Net Change for P.L. 874 Districts</b>						<b>(\$14,910,464)</b>

Appendix A shows, for all school districts, the increase or decrease in general fund budgets that would result if per pupil expenditures were confined to 12.5 percent above or below the expenditures of the 50th student percentile for each district size category.

Some states have chosen to include P.L. 81-874 monies in their equalization formulas while at the same time giving additional weight to students on Indian reservations based on special educational needs. The Montana legislature may want to pursue this approach in equalizing P.L. 81-874 monies.

#### **Wealth Neutrality Test Applied to Montana**

Under the wealth neutrality test the revenues available to each school district under the foundation and permissive programs would qualify as wealth neutral. While revenues per pupil vary within the foundation and permissive programs, these variations are based on educationally relevant factors for which special cost differentials apply. The revenues available to a school district from the over-schedule amount are wealth neutral to the extent that they are available to every school district in the state regardless of local wealth. The poorest school district in Montana in terms of taxable value per ANB is Heart Butte with a taxable valuation per ANB of \$343 for fiscal 1988. Any revenues generated per student, per mill above the \$343 generated by the poorest district are considered non-neutral revenues. The same test applies to non-tax revenues and cash reappropriated. Because there are districts with no non-tax revenue and districts with no cash reappropriated, none of these revenues are considered wealth neutral when used to meet over-schedule expenditures.

To calculate the level of wealth neutral, voted levies for a school district, the district's general fund levy (less the permissive levy) is

multiplied by the district's ANB count and the taxable valuation per student of the poorest district. For example, Grant Elementary district in Beaverhead County has an ANB count of 28 and levies 12.22 general fund mills. Six of these mills are fully equalized under the permissive program. The remaining 6.22 mills generate \$5,528 of which \$60 is wealth neutral. ( $\$60 = 6.22 \text{ mills} * \$343/\text{ANB} * 28 \text{ ANB}$ ) General fund levies will generate \$118.8 million for schools in 1987-1988. Of this amount, \$18.4 million is wealth neutral under the permissive program and only \$2.0 million of voted levies are wealth neutral.

Budgeted general fund expenditures for the 1987-1988 school year total \$472.6 million. Of this, \$245.1 million is guaranteed under the foundation program and \$61.3 million is provided to districts under the permissive program. The foundation and permissive amounts plus \$2.0 million of wealth neutral revenues in the over-schedule category total \$308.4 million. Sources of local, non-tax revenue, other than those sources included in the foundation and permissive programs, are non-neutral because they are not available to all districts. Under the present school funding system in Montana, fiscal 1988 revenues are 65 percent wealth neutral and 35 percent non-neutral. Montana does not meet the federal criteria of 85 percent wealth neutral revenues which would allow the state to equalize P.L. 81-874 monies in its school funding formula.

In order to meet the federal criteria at the present level of school funding, Montana would need to convert 20 percent of public school revenues from non-neutral to wealth neutral revenues. Expressed in dollars, this 20 percent would amount to \$94.5 million for fiscal 1988. P.L. 81-874 monies could contribute \$23 million toward this conversion, leaving \$71.5 million to be converted from unequalized to equalized revenues. The



percentage of wealth neutral dollars could be increased through an increase in the foundation program guarantee or through a guaranteed revenue base, where an equal effort results in an equal yield.

### CONCLUSION

At the present time, the State of Montana receives approximately \$23 million annually of federal impact aid under P.L. 81-874. These funds could be counted as local resources under the state's equalization aid formula if the state's school finance system could pass one of two tests. The expenditure disparity tests requires that, after educationally relevant cost differentials have been accounted for, the variation among school districts in per pupil expenditures for operation and maintenance be no greater than 25 percent. The wealth neutrality test requires that no less than 85 percent of public school revenues be wealth neutral. Montana's present school funding system fails both of these tests.

Using fiscal 1988 budget data, the variation in per pupil expenditures exceeds 25 percent for all school size groupings except the 12 high school districts with more than 600 ANB. Under a scenario where district expenditures could vary by no more than 12.5 percent above and below the expenditure level of the 50th student percentile for the district's size category, the state would pass the expenditure disparity test. The net effect of such a scenario would be to increase expenditures for 147 school districts and reduce expenditures for 178 school districts. Of the 58 elementary and secondary districts that receive more than \$100 of P.L. 81-874 monies per pupil, 35 districts would experience a reduction in general fund expenditures per student, 17 districts would experience no change, and 6 districts would experience an increase. The net effect for

P.L. 81-874 recipients would be a \$14.9 million reduction in general fund expenditures.

When evaluated in terms of wealth neutrality, Montana does not meet the federal criteria. Approximately 65 percent of Montana's public school expenditures are wealth neutral. The state would need to convert another 20 percent of its school revenues to wealth neutral to qualify under the federal test. For fiscal 1988, this 20 percent amounts to \$94.5 million. Under a new funding system, if Montana meets the 85 percent criteria, the state's P.L. 81-874 allotment could be converted from non-neutral to wealth-neutral revenues.

The legislature has many options in equalizing P.L. 81-874 monies. Even if the legislature designs a funding system which meets the federal equalization criteria, it may choose to count all or none of these funds as local resources. In addition, the legislature may choose to develop an "educationally relevant" weighting factor which recognizes the special needs of students living on reservations. The fiscal impact on school districts of equalizing P.L. 81-874 monies will depend on the funding system that is designed by the legislature and the special needs that are determined to warrant increased funding.

Appendix A  
Effect of Limiting District Budgets to a 12.5 Percent Variation Around the 50th Percentile  
Fiscal 1988 General Fund Budget Data

COUNTY	DISTRICT	ANB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Garfield	E BENZIEN ELEM	9	\$20,158		\$2,240	\$1,288	\$11,594
Carter	E RIDGE ELEM	9	\$20,158		\$2,240	\$1,288	\$11,594
Phillips	E SECOND CRK ELEM	9	\$25,456	\$3,298	\$2,462	\$1,066	\$9,594
Blaine	E N HARLEM COLONY	8	\$31,705	\$11,547	\$2,520	\$1,008	\$8,066
Carter	E ALBION ELEM	8	\$22,658		\$2,832	\$696	\$5,566
Garfield	E ROSS ELEM	7	\$25,383	\$5,225	\$2,880	\$648	\$4,538
Custer	E S H-FOSTER CRK E	7	\$20,158		\$2,880	\$648	\$4,538
Powder River	E POWDERVILLE EL	7	\$20,158		\$2,880	\$648	\$4,538
Custer	E GARLAND ELEM	7	\$22,900	\$2,742	\$2,880	\$648	\$4,538
Sanders	E CAMAS PRAIRIE EL	7	\$20,158		\$2,880	\$648	\$4,538
Custer	E TWIN BUTTES EL	7	\$23,524	\$3,366	\$2,880	\$648	\$4,538
Fergus	E COTTONWOOD ELEM	7	\$21,658		\$3,094	\$434	\$3,038
McCone	E PRAIRIE ELK ELEM	8	\$25,553		\$3,194	\$334	\$2,671
Rosebud	E ROCK SPRING ELEM	6	\$20,158		\$3,360	\$168	\$1,010
Powder River	E BILLUP ELEM	7	\$25,341		\$3,620	\$0	\$0
Phillips	E SUN PRAIRIE ELEM	6	\$22,155		\$3,693	\$0	\$0
Liberty	E WHITLASH ELEM	8	\$31,021		\$3,878	\$0	\$0
Chouteau	E KNEES ELEM	9	\$35,138		\$3,904	\$0	\$0
Chouteau	E HARRICK ELEM	7	\$29,866	\$1,791	\$4,011	\$0	\$0
Powder River	E BEAR CREEK ELEM	5	\$20,158		\$4,032	\$0	\$0
Phillips	E LANDUSKY ELEM	5	\$20,158		\$4,032	\$0	\$0
Powder River	E SO STACEY ELEM	5	\$20,158		\$4,032	\$0	\$0
Blaine	E COW ISLAND TRAIL	5	\$20,158		\$4,032	\$0	\$0
Fergus	E SPRING CRK COLON	5	\$20,158		\$4,032	\$0	\$0
Chouteau	E BENTON LAKE EL	9	\$37,915	\$1,611	\$4,034	\$0	\$0
Hill	E DAVEY ELEM	9	\$39,953	\$2,020	\$4,215	\$0	\$0
Carter	E JOHNSTON ELEM	5	\$21,340		\$4,268	\$0	\$0
Fergus	E KING COLONY EL	5	\$21,658		\$4,332	\$0	\$0
Beaverhead	E POLARIS ELEM	5	\$21,747		\$4,349	\$0	\$0
Dawson	E UPPER CRACKERBOX	5	\$24,000		\$4,800	(\$264)	(\$1,320)
Garfield	E SAND SPRINGS EL	4	\$20,158		\$5,040	(\$504)	(\$2,014)
Garfield	E FLAT CREEK ELEM	4	\$20,158		\$5,040	(\$504)	(\$2,014)
Custer	E TRAIL CREEK EL	4	\$20,367		\$5,092	(\$556)	(\$2,223)
Wheatland	E TWO DOT ELEM	6	\$30,720		\$5,120	(\$584)	(\$3,504)
McCone	E SOUTHVIEW ELEM	6	\$31,158		\$5,193	(\$657)	(\$3,942)
Sweet Grass	E BRIDGE ELEM	5	\$26,434		\$5,287	(\$751)	(\$3,754)
Fergus	E MAIDEN ELEM	6	\$32,008		\$5,335	(\$799)	(\$4,792)
Fergus	E HILGER ELEM	5	\$28,158		\$5,632	(\$1,096)	(\$5,478)
Toole	E NICKOL ELEM	4	\$22,800		\$5,700	(\$1,164)	(\$4,656)
Chouteau	E LOMA ELEM	8	\$49,669	\$1,969	\$5,963	(\$1,427)	(\$11,412)
Chouteau	E CARTER ELEM	8	\$55,900	\$4,491	\$6,426	(\$1,890)	(\$15,121)
Big Horn	E SQUIRREL CRK ELE	9	\$58,158		\$6,462	(\$1,926)	(\$17,334)
Mineral	E SALTESE ELEM	4	\$26,000		\$6,500	(\$1,964)	(\$7,856)
Garfield	E VAN NORMAN ELEM	5	\$32,950		\$6,590	(\$2,054)	(\$10,270)
Garfield	E CAT CREEK ELEM	3	\$20,158		\$6,719	(\$2,183)	(\$6,550)
Big Horn	E BIG BEND ELEM	3	\$20,158		\$6,719	(\$2,183)	(\$6,550)
Garfield	E KESTER ELEM	3	\$20,158		\$6,719	(\$2,183)	(\$6,550)
Garfield	E SUTHRLND-COULEE	6	\$40,316		\$6,719	(\$2,183)	(\$13,100)
Meagher	E RINGLING ELEM	5	\$33,625		\$6,725	(\$2,189)	(\$10,945)
Fergus	E AYERS ELEM	3	\$22,458		\$7,486	(\$2,950)	(\$8,850)
Fallon	E FERTILE PRAIRIE	5	\$40,158		\$8,032	(\$3,496)	(\$17,478)
Park	E COOKE CITY ELEM	0					
Yellowstone	E YLSTN BOYS&GIRLS	0	\$589,982	\$69,377			
Richland	E THREE BUTTES EL	0					
Lincoln	E REXFORD ELEM	0					
Lake	E ELMO ELEM	0					
Dawson	E UNION ELEM	0					
Broadwater	E CROW CREEK EL	0					
<b>Subtotal</b>		<b>312</b>					<b>(\$85,352)</b>
Garfield	E BLACKFOOT ELEM	13	\$26,341	\$2,813	\$1,810	\$464	\$6,034
Park	E SPRINGDALE ELEM	13	\$24,956	\$1,428	\$1,810	\$464	\$6,034
Carter	E ALZADA ELEM	12	\$22,686		\$1,890	\$384	\$4,603
Garfield	E BIG DRY CREEK EL	12	\$22,686		\$1,890	\$384	\$4,603
Custer	E S Y ELEM	12	\$22,686		\$1,890	\$384	\$4,603
Custer	E WHITNEY CRK EL	11	\$21,843		\$1,986	\$288	\$3,171
Custer	E MOON CREEK EL	11	\$21,843		\$1,986	\$288	\$3,171

Appendix A  
Effect of Limiting District Budgets to a 12.5 Percent Variation Around the 50th Percentile  
Fiscal 1988 General Fund Budget Data

COUNTY	DISTRICT	ANB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Gallatin	E PASS CREEK ELEM	10	\$21,001		\$2,100	\$174	\$1,739
Garfield	E PINE GROVE ELEM	10	\$21,001		\$2,100	\$174	\$1,739
Powder River	E HORKAN CRK ELEM	10	\$21,379		\$2,138	\$136	\$1,361
Hill	E GILDFORD COLONY	13	\$30,371	\$2,340	\$2,156	\$118	\$1,531
Meagher	E LENNEP ELEM	12	\$25,950		\$2,163	\$112	\$1,338
Lincoln	E SYLVANITE ELEM	17	\$36,915		\$2,171	\$103	\$1,743
Gallatin	E COTTONWOOD EL	12	\$26,286		\$2,190	\$84	\$1,002
Gallatin	E SPRINGHILL EL	12	\$26,925		\$2,244	\$30	\$363
Lincoln	E YAAK ELEM	16	\$38,904	\$1,904	\$2,313	\$0	\$0
Park	E RICHLAND ELEM	12	\$30,650	\$2,780	\$2,323	\$0	\$0
Carbon	E JACKSON ELEM	14	\$33,042		\$2,360	\$0	\$0
Lake	E VALLEY VIEW ELEM	14	\$33,042		\$2,360	\$0	\$0
Gallatin	E MALMBORG ELEM	10	\$23,651		\$2,365	\$0	\$0
Wheatland	E SHAMMUT ELEM	12	\$28,950		\$2,413	\$0	\$0
Blaine	E LLOYD ELEM	10	\$24,751		\$2,475	\$0	\$0
Teton	E PENDROY ELEM	16	\$41,330		\$2,583	\$0	\$0
Gallatin	E LOGAN ELEM	12	\$31,186		\$2,599	\$0	\$0
Sweet Grass	E MCLEOD ELEM	15	\$40,000		\$2,667	\$0	\$0
Fergus	E DEERFIELD ELEM	17	\$47,572		\$2,798	\$0	\$0
Beaverhead	E REICHL ELEM	16	\$45,409		\$2,838	\$0	\$0
Blaine	E CLEVELAND ELEM	14	\$41,159		\$2,940	(\$16)	(\$223)
Cascade	E DEEP CREEK ELEM	13	\$40,333	\$1,791	\$2,965	(\$41)	(\$530)
Flathead	E PLEASANT VALLEY	14	\$42,612		\$3,044	(\$120)	(\$1,676)
Stillwater	E MOLT ELEM	16	\$48,727		\$3,045	(\$121)	(\$1,943)
Fergus	E BROOKS ELEM	14	\$47,926	\$5,011	\$3,065	(\$141)	(\$1,979)
Carter	E PINE HILL-PLAINV	15	\$47,316		\$3,154	(\$230)	(\$3,456)
Lewis and Clark	E CRAIG ELEM	10	\$33,903	\$1,083	\$3,282	(\$358)	(\$3,580)
Carbon	E LUTHER ELEM	11	\$36,373		\$3,307	(\$383)	(\$4,209)
Sweet Grass	E GREYCLIFF ELEM	13	\$44,069		\$3,390	(\$466)	(\$6,057)
Dawson	E BLOOMFIELD ELEM	15	\$52,207		\$3,480	(\$556)	(\$8,347)
Jefferson	E BASIN ELEM	12	\$44,843	\$2,777	\$3,506	(\$582)	(\$6,978)
Liberty	E LIBERTY ELEM	13	\$48,258		\$3,712	(\$788)	(\$10,246)
Custer	E HKT-BASIN SPR CR	11	\$44,182	\$1,960	\$3,838	(\$914)	(\$10,058)
Carter	E HAMMOND-BOX ELDE	10	\$40,316		\$4,032	(\$1,108)	(\$11,076)
Lewis and Clark	E WOLF CREEK ELEM	10	\$46,924	\$2,165	\$4,476	(\$1,552)	(\$15,519)
Sheridan	E HIAWATHA ELEM	17	\$105,040	\$2,953	\$6,005	(\$3,081)	(\$52,379)
Richland	E BRORSON ELEM	15	\$102,165		\$6,811	(\$3,887)	(\$58,305)
Toole	E KEVIN ELEM	15	\$107,650		\$7,177	(\$4,253)	(\$63,790)
Subtotal		582					(\$217,314)
Park	E PINE CREEK ELEM	31	\$55,704	\$4,555	\$1,650	\$496	\$15,377
Beaverhead	E WISE RIVER ELEM	37	\$65,442		\$1,769	\$377	\$13,960
Glacier	E SEVILLE ELEM	25	\$47,983		\$1,919	\$227	\$5,667
Lake	E UPPER WEST SHORE	25	\$47,983		\$1,919	\$227	\$5,667
Garfield	E COHAGEN ELEM	25	\$47,983		\$1,919	\$227	\$5,667
Lincoln	E MCCORMICK ELEM	29	\$58,277	\$1,799	\$1,948	\$198	\$5,756
Pondera	E DUPUYER ELEM	34	\$75,300	\$8,647	\$1,960	\$186	\$6,311
Stillwater	E FISHTAIL ELEM	37	\$74,296		\$2,008	\$138	\$5,106
Powell	E ELLISTON ELEM	30	\$60,621		\$2,021	\$125	\$3,759
Custer	E COTTONWOOD EL	21	\$42,844		\$2,040	\$106	\$2,222
Powell	E HELMVILLE ELEM	28	\$57,566		\$2,056	\$90	\$2,522
Beaverhead	E GRANT ELEM	28	\$58,510		\$2,090	\$56	\$1,578
Teton	E BYNUM ELEM	27	\$57,456		\$2,128	\$18	\$486
Powell	E AVON ELEM	27	\$58,732		\$2,175	\$0	\$0
Powell	E OVANDO ELEM	27	\$59,038		\$2,187	\$0	\$0
Lewis and Clark	E TRINITY ELEM	26	\$59,572	\$1,083	\$2,250	\$0	\$0
Dawson	E LINDSAY ELEM	21	\$48,573		\$2,313	\$0	\$0
Sweet Grass	E MELVILLE ELEM	25	\$59,319		\$2,373	\$0	\$0
Pondera	E MIAMI ELEM	21	\$49,873		\$2,375	\$0	\$0
Broadwater	E TOSTON ELEM	20	\$47,671		\$2,384	\$0	\$0
Silver Bow	E MELROSE ELEM	31	\$73,936		\$2,385	\$0	\$0
Powell	E GOLD CREEK ELEM	21	\$50,873		\$2,423	\$0	\$0
Blaine	E BEAR PAW ELEM	25	\$61,317		\$2,453	\$0	\$0
Granite	E HALL ELEM	31	\$77,541		\$2,501	\$0	\$0
Madison	E ALDER ELEM	21	\$53,035		\$2,525	\$0	\$0
Missoula	E SUNSET ELEM	19	\$59,384	\$10,358	\$2,580	\$0	\$0
Stillwater	E NYE ELEM	18	\$47,790		\$2,655	\$0	\$0

Appendix A  
Effect of Limiting District Budgets to a 12.5 Percent Variation Around the 50th Percentile  
Fiscal 1988 General Fund Budget Data

COUNTY	DISTRICT	AMB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Lake	E SHAN LAKE-SALMON	30	\$90,105	\$10,358	\$2,658	\$0	\$0
McCone	E BROCKWAY ELEM	23	\$61,325		\$2,666	\$0	\$0
Beaverhead	E JACKSON ELEM	19	\$51,062		\$2,687	\$0	\$0
Lewis and Clark	E AUCHARD CRK ELEM	20	\$58,854	\$4,207	\$2,732	\$0	\$0
Carbon	E BOYD ELEM	19	\$53,303		\$2,805	(\$45)	(\$863)
Yellowstone	E MORIN ELEM	28	\$78,994		\$2,821	(\$61)	(\$1,714)
Teton	E GOLDEN RIDGE ELE	20	\$57,690		\$2,885	(\$125)	(\$2,490)
Powder River	E BIDDLE ELEM	19	\$54,818		\$2,885	(\$125)	(\$2,378)
Silver Bow	E DIVIDE ELEM	19	\$59,020		\$3,106	(\$346)	(\$6,580)
Rosebud	E BIRNEY ELEM	18	\$56,000		\$3,111	(\$351)	(\$6,320)
Powell	E GARRISON ELEM	21	\$67,571		\$3,218	(\$458)	(\$9,611)
Gallatin	E OPHIR ELEM	29	\$93,370		\$3,220	(\$460)	(\$13,330)
Judith Basin	E RAYNESFORD ELEM	19	\$61,752		\$3,250	(\$490)	(\$9,312)
Toole	E GALATA ELEM	29	\$99,800	\$5,448	\$3,254	(\$494)	(\$14,312)
Big Horn	E COMMUNITY ELEM	20	\$65,345		\$3,267	(\$507)	(\$10,145)
Prairie	E FALLON ELEM	19	\$63,890		\$3,363	(\$603)	(\$11,450)
McCone	E VIDA ELEM	23	\$78,857		\$3,429	(\$669)	(\$15,377)
Gallatin	E WILLOW CREEK EL	31	\$140,263	\$6,987	\$4,299	(\$1,539)	(\$47,716)
Musselshell	E MUSSELHELL ELEM	23	\$109,308	\$3,360	\$4,606	(\$1,846)	(\$42,468)
Carbon	E EDGAR ELEM	18	\$85,553		\$4,753	(\$1,993)	(\$35,873)
Rosebud	E INGOMAR ELEM	18	\$96,600		\$5,367	(\$2,607)	(\$46,920)
Valley	E FT PECK ELEM	34	\$223,285		\$6,567	(\$3,807)	(\$129,445)
Powder River	E BELLE CREEK EL	24	\$159,826		\$6,659	(\$3,899)	(\$93,586)
Subtotal		1,233					(\$425,813)
Lincoln	E FORTINE ELEM	75	\$141,930		\$1,892	\$1,149	\$86,145
Park	E ARROWHEAD ELEM	58	\$119,995	\$8,362	\$1,925	\$1,116	\$64,745
Gallatin	E AMSTERDAM ELEM	55	\$106,172		\$1,930	\$1,111	\$61,083
Custer	E KINSEY ELEM	48	\$96,737	\$3,439	\$1,944	\$1,097	\$52,670
Flathead	E MOUNTAIN BROOK E	50	\$97,510		\$1,950	\$1,091	\$54,540
Flathead	E BOORMAN ELEM	49	\$95,731		\$1,954	\$1,087	\$53,278
Flathead	E CRESTON ELEM	59	\$137,480	\$18,500	\$2,017	\$1,024	\$60,439
Gallatin	E LA MOTTE ELEM	53	\$109,563		\$2,067	\$974	\$51,610
Yellowstone	E BLUE CREEK ELEM	98	\$204,000		\$2,082	\$959	\$94,018
Dawson	E DEER CREEK ELEM	44	\$94,500		\$2,148	\$893	\$39,304
Beaverhead	E WISDOM ELEM	46	\$99,623		\$2,166	\$875	\$40,263
Teton	E GREENFIELD ELEM	71	\$157,788		\$2,222	\$819	\$58,123
Gallatin	E ANDERSON ELEM	95	\$217,193	\$4,299	\$2,241	\$800	\$76,001
Flathead	E BATAVIA ELEM	75	\$182,679	\$14,353	\$2,244	\$797	\$59,749
Lincoln	E TREGO ELEM	63	\$142,798		\$2,267	\$774	\$48,785
Jefferson	E CARDWELL ELEM	42	\$102,121		\$2,431	\$610	\$25,601
Sanders	E PARADISE ELEM	46	\$112,703		\$2,450	\$591	\$27,183
Custer	E KIRCHER ELEM	62	\$169,515	\$17,064	\$2,459	\$582	\$36,021
Blaine	E ZURICH ELEM	54	\$146,566	\$10,372	\$2,522	\$519	\$28,020
Flathead	E MARION ELEM	98	\$276,000	\$22,027	\$2,592	\$449	\$44,045
Flathead	E DEER PARK ELEM	94	\$260,551	\$15,012	\$2,612	\$429	\$40,315
Carbon	E ROBERTS ELEM	89	\$250,853	\$7,973	\$2,729	\$312	\$27,769
Park	E WILLSALL ELEM	95	\$290,420	\$29,254	\$2,749	\$292	\$27,729
Cascade	E SUN RIVER ELEM	99	\$299,999	\$27,568	\$2,752	\$289	\$28,628
Missoula	E DESMET SCHOOL	85	\$256,349	\$17,264	\$2,813	\$228	\$19,400
Madison	E HARRISON ELEM	58	\$175,021	\$4,437	\$2,941	\$100	\$5,794
Beaverhead	E LIMA ELEM	74	\$250,319	\$22,516	\$3,078	\$0	\$0
Flathead	E WEST GLACIER ELE	54	\$168,712		\$3,124	\$0	\$0
Wheatland	E JUDITH GAP ELEM	77	\$247,473	\$5,892	\$3,137	\$0	\$0
Missoula	E POTOMAC ELEM	100	\$365,014	\$50,298	\$3,147	\$0	\$0
Richland	E RAU ELEM	65	\$209,293		\$3,220	\$0	\$0
Blaine	E TURNER ELEM	80	\$275,212	\$8,709	\$3,331	\$0	\$0
Rosebud	E ROSEBUD ELEM	84	\$300,091	\$18,723	\$3,350	\$0	\$0
Fergus	E GRASS RANGE EL	67	\$228,675	\$3,651	\$3,359	\$0	\$0
Lewis and Clark	E AUGUSTA ELEM	97	\$340,382	\$13,816	\$3,367	\$0	\$0
Stillwater	E REEDPOINT ELEM	41	\$138,710		\$3,383	\$0	\$0
Petroleum	E WINNETT ELEM	74	\$260,000	\$7,700	\$3,409	\$0	\$0
Teton	E POWER ELEM	94	\$333,349	\$12,286	\$3,416	\$0	\$0
Fergus	E WINIFRED ELEM	93	\$325,378	\$3,893	\$3,457	\$0	\$0
Judith Basin	E HOBSON ELEM	100	\$355,859	\$8,375	\$3,475	\$0	\$0
Valley	E HINSDALE ELEM	65	\$236,484	\$9,634	\$3,490	\$0	\$0
Stillwater	E RAPELJE ELEM	60	\$217,573	\$7,797	\$3,496	\$0	\$0

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COUNTY	DISTRICT	ANB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Golden Valley	E LAVINA ELEM	53	\$196,125	\$9,529	\$3,521	\$0	\$0
Silver Bow	E RAMSAY ELEM	96	\$358,896	\$16,531	\$3,566	\$0	\$0
Valley	E LUSTRE ELEM	73	\$276,509	\$16,086	\$3,567	\$0	\$0
Musselshell	E MELSTONE ELEM	78	\$295,420	\$14,285	\$3,604	\$0	\$0
Phillips	E DODSON ELEM	99	\$384,009	\$21,026	\$3,666	\$0	\$0
Missoula	E SWAN VALLEY ELEM	62	\$244,939	\$17,264	\$3,672	\$0	\$0
Judith Basin	E GEYSER ELEM	65	\$249,017	\$6,103	\$3,737	\$0	\$0
Missoula	E WOODMAN ELEM	51	\$208,513	\$17,264	\$3,750	\$0	\$0
Yellowstone	E ELYSIAN ELEM	63	\$237,645		\$3,772	\$0	\$0
Sanders	E TROUT CRK ELEM	73	\$276,840		\$3,792	\$0	\$0
Yellowstone	E BROADVIEW ELEM	88	\$344,008	\$7,882	\$3,820	\$0	\$0
Golden Valley	E RYEGATE ELEM	63	\$249,297	\$7,996	\$3,830	\$0	\$0
Fergus	E MOORE ELEM	79	\$314,781	\$10,604	\$3,850	\$0	\$0
Teton	E DUTTON ELEM	93	\$373,831	\$15,438	\$3,854	\$0	\$0
Sanders	E DIXON ELEM	49	\$194,720		\$3,974	(\$65)	(\$3,179)
Daniels	E FLAXVILLE ELEM	65	\$276,081	\$14,939	\$4,018	(\$109)	(\$7,057)
Pondera	E BRADY ELEM	71	\$306,536	\$8,423	\$4,199	(\$290)	(\$20,574)
Hill	E COTTONWOOD ELEM	45	\$189,241		\$4,205	(\$296)	(\$13,336)
Phillips	E SACO ELEM	80	\$345,029	\$3,112	\$4,274	(\$365)	(\$29,197)
Roosevelt	E FROID ELEM	81	\$357,536	\$8,811	\$4,305	(\$396)	(\$32,096)
Chouteau	E HIGHWOOD ELEM	86	\$396,673	\$25,237	\$4,319	(\$410)	(\$35,262)
Glacier	E E GLACIER PARK E	41	\$185,000	\$4,571	\$4,401	(\$492)	(\$20,160)
Fergus	E ROY ELEM	44	\$199,455	\$5,562	\$4,407	(\$498)	(\$21,897)
Fallon	E PLEVNA ELEM	93	\$418,525	\$7,079	\$4,424	(\$515)	(\$47,909)
Hill	E BLUE SKY ELEM	100	\$460,911	\$12,303	\$4,486	(\$577)	(\$57,708)
Roosevelt	E BROCKTON ELEM	94	\$453,104	\$21,050	\$4,596	(\$687)	(\$64,608)
Chouteau	E GERALDINE ELEM	91	\$479,635	\$38,635	\$4,846	(\$937)	(\$85,281)
Sheridan	E WESTBY ELEM	94	\$473,454	\$14,829	\$4,879	(\$970)	(\$91,179)
Hill	E K-G ELEM	69	\$354,852	\$6,120	\$5,054	(\$1,145)	(\$79,011)
Dawson	E RICHEY ELEM	96	\$493,684	\$7,842	\$5,061	(\$1,152)	(\$110,578)
Phillips	E WHITEMATER ELEM	62	\$325,676	\$1,992	\$5,221	(\$1,312)	(\$81,326)
Daniels	E PEERLESS ELEM	53	\$302,222	\$14,649	\$5,426	(\$1,517)	(\$80,396)
Sheridan	E OUTLOOK ELEM	54	\$305,890	\$6,150	\$5,551	(\$1,642)	(\$88,654)
Richland	E LAMBERT ELEM	89	\$519,947	\$6,065	\$5,774	(\$1,865)	(\$165,981)
Roosevelt	E BAINVILLE ELEM	56	\$363,296	\$8,511	\$6,335	(\$2,426)	(\$135,881)
Big Horn	E PRYOR ELEM	70	\$611,718	\$24,973	\$8,382	(\$4,473)	(\$313,115)
Big Horn	E NYOLA ELEM	71	\$649,072	\$13,054	\$8,958	(\$5,049)	(\$358,479)
Subtotal		5,676					(\$731,536)
Flathead	E WEST VALLEY EL	198	\$382,142	\$25,306	\$1,802	\$514	\$101,732
Yellowstone	E INDEPENDENT ELEM	154	\$280,739		\$1,823	\$493	\$75,925
Flathead	E FAIR-MONT-EGAN E	118	\$234,625	\$15,207	\$1,859	\$457	\$53,870
Stillwater	E PARK CITY ELEM	239	\$474,794	\$23,787	\$1,887	\$429	\$102,517
Madison	E SHERIDAN ELEM	202	\$408,373	\$15,213	\$1,946	\$370	\$74,672
Flathead	E CAYUSE PRAIRIE E	158	\$327,251	\$18,500	\$1,954	\$362	\$57,177
Yellowstone	E ELDER GROVE ELEM	178	\$350,764		\$1,971	\$345	\$61,484
Flathead	E KILA ELEM	103	\$222,101	\$17,630	\$1,985	\$331	\$34,077
Flathead	E SOMERS ELEM	279	\$604,657	\$41,970	\$2,017	\$299	\$83,477
Cascade	E CENTERVILLE EL	221	\$513,363	\$67,173	\$2,019	\$297	\$65,646
Missoula	E CLINTON ELEM	251	\$575,049	\$57,093	\$2,064	\$252	\$63,360
Teton	E FAIRFIELD ELEM	214	\$520,087	\$78,441	\$2,064	\$252	\$53,978
Ravalli	E LONE ROCK ELEM	162	\$335,351		\$2,070	\$246	\$39,841
Flathead	E HELENA FLATS EL	181	\$392,958	\$14,172	\$2,093	\$223	\$40,410
Yellowstone	E CANYON CRK ELEM	217	\$482,856	\$28,515	\$2,094	\$222	\$48,231
Lewis and Clark	E KESSLER ELEM	249	\$552,479	\$29,426	\$2,101	\$215	\$53,631
Carbon	E JOLIET ELEM	246	\$548,106	\$21,871	\$2,139	\$177	\$43,501
Yellowstone	E PIONEER ELEM	102	\$221,796		\$2,174	\$142	\$14,436
Flathead	E OLNEY-BISSELL EL	103	\$240,968	\$15,859	\$2,186	\$130	\$13,439
Sanders	E HOT SPRINGS ELEM	157	\$389,210	\$27,666	\$2,303	\$13	\$2,068
Pondera	E VALIER ELEM	179	\$440,000	\$27,291	\$2,306	\$10	\$1,855
Lewis and Clark	E LINCOLN ELEM	115	\$280,313	\$14,527	\$2,311	\$5	\$554
Wheatland	E HARLOWTON ELEM	204	\$498,660	\$19,744	\$2,348	\$0	\$0
Jefferson	E BOULDER ELEM	243	\$630,524	\$59,623	\$2,349	\$0	\$0
Stillwater	E ABSAROOKEE ELEM	216	\$542,910	\$32,828	\$2,361	\$0	\$0
Gallatin	E MONFORTON EL	186	\$473,499	\$33,486	\$2,366	\$0	\$0
Gallatin	E THREE FORKS EL	254	\$653,085	\$50,397	\$2,373	\$0	\$0
Teton	E CHOTEAU ELEM	294	\$792,095	\$80,118	\$2,422	\$0	\$0

Appendix A  
Effect of Limiting District Budgets to a 12.5 Percent Variation Around the 50th Percentile  
Fiscal 1988 General Fund Budget Data

COUNTY	DISTRICT	AMB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER AMB (W/O SE)	CHANGE PER AMB	DISTRICT CHANGE
Ravalli	E VICTOR ELEM	171	\$439,044	\$17,654	\$2,464	\$0	\$0
Carbon	E FROMBERG ELEM	131	\$340,850	\$15,311	\$2,485	\$0	\$0
Liberty	E CHESTER ELEM	230	\$611,554	\$37,916	\$2,494	\$0	\$0
Cascade	E CASCADE ELEM	203	\$523,132	\$15,829	\$2,499	\$0	\$0
Gallatin	E GALLATIN GTWY EL	130	\$338,590	\$13,192	\$2,503	\$0	\$0
Prairie	E TERRY ELEM	193	\$529,026	\$43,205	\$2,517	\$0	\$0
Cascade	E ULM ELEM	101	\$276,551	\$21,536	\$2,525	\$0	\$0
Garfield	E JORDAN ELEM	145	\$377,718	\$6,472	\$2,560	\$0	\$0
Fergus	E DENTON ELEM	128	\$343,678	\$11,871	\$2,592	\$0	\$0
Cascade	E FT SHAW-SIMMS EL	144	\$419,065	\$43,086	\$2,611	\$0	\$0
Cascade	E VAUGHN ELEM	158	\$454,627	\$37,485	\$2,640	\$0	\$0
Richland	E FAIRVIEW ELEM	291	\$800,838	\$30,549	\$2,647	\$0	\$0
Mineral	E SUPERIOR ELEM	289	\$835,568	\$63,174	\$2,673	\$0	\$0
Cascade	E BELT ELEM	208	\$606,588	\$48,484	\$2,683	\$0	\$0
Madison	E MNIS ELEM	281	\$788,383	\$32,487	\$2,690	\$0	\$0
Flathead	E SWAN RIVER EL	143	\$408,537	\$18,877	\$2,725	\$0	\$0
Granite	E PHILIPSBURG EL	197	\$564,160	\$20,050	\$2,762	\$0	\$0
Granite	E DRUMMOND ELEM	115	\$327,931	\$9,662	\$2,768	\$0	\$0
McCone	E CIRCLE ELEM	271	\$798,326	\$35,147	\$2,816	\$0	\$0
Meagher	E MHT SULPHUR SPGS	223	\$647,330	\$16,371	\$2,829	\$0	\$0
Park	E CLYDE PARK ELEM	101	\$327,183	\$40,608	\$2,837	\$0	\$0
Chouteau	E BIG SANDY ELEM	212	\$625,557	\$16,892	\$2,871	\$0	\$0
Mineral	E ST REGIS ELEM	126	\$387,210	\$24,534	\$2,878	\$0	\$0
Madison	E TWIN BRIDGES ELE	151	\$468,027	\$27,461	\$2,918	\$0	\$0
Lake	E CHARLO ELEM	182	\$546,762	\$13,784	\$2,928	\$0	\$0
Treasure	E HYSHAM ELEM	127	\$372,151		\$2,930	\$0	\$0
Mineral	E ALBERTON ELEM	157	\$508,310	\$40,678	\$2,979	(\$1)	(\$86)
Sanders	E NOXON ELEM	177	\$552,241	\$23,610	\$2,987	(\$9)	(\$1,525)
Carbon	E BRIDGER ELEM	164	\$536,286	\$33,436	\$3,066	(\$88)	(\$14,458)
Daniels	E SCOBAY ELEM	237	\$740,791		\$3,126	(\$148)	(\$35,005)
Sheridan	E MEDICINE LK EL	188	\$604,327	\$16,455	\$3,127	(\$149)	(\$28,008)
Valley	E NASHUA ELEM	141	\$501,592	\$53,601	\$3,177	(\$199)	(\$28,093)
Roosevelt	E CULBERTSON ELEM	227	\$749,397	\$23,061	\$3,200	(\$222)	(\$50,330)
Judith Basin	E STANFORD ELEM	113	\$387,915	\$10,115	\$3,343	(\$365)	(\$41,286)
Roosevelt	E FRONTIER ELEM	132	\$447,662	\$5,142	\$3,352	(\$374)	(\$49,424)
Ravalli	E FLORENCE-CARLTON	166	\$575,915	\$16,400	\$3,371	(\$393)	(\$65,167)
Rosebud	E ASHLAND ELEM	114	\$408,574	\$18,807	\$3,419	(\$441)	(\$50,275)
Missoula	E SEELEY LAKE ELEM	180	\$657,235	\$38,298	\$3,439	(\$461)	(\$82,897)
Toole	E SUNBURST ELEM	183	\$671,993	\$31,066	\$3,502	(\$524)	(\$95,953)
Powder River	E BROADUS ELEM	229	\$831,492	\$26,071	\$3,517	(\$539)	(\$123,459)
Carter	E EKALAKA ELEM	105	\$385,222	\$15,881	\$3,518	(\$540)	(\$56,651)
Wibaux	E WIBAUX ELEM	178	\$681,010	\$37,324	\$3,616	(\$638)	(\$113,602)
Gallatin	E W YELLOWSTONE EL	136	\$545,535	\$29,341	\$3,796	(\$818)	(\$111,186)
Jefferson	E MONTANA CITY ELE	142	\$553,962	\$12,992	\$3,810	(\$832)	(\$118,094)
Richland	E SAVAGE ELEM	122	\$501,878	\$10,791	\$4,025	(\$1,047)	(\$127,771)
Valley	E OPHEIM ELEM	103	\$423,869		\$4,115	(\$1,137)	(\$117,135)
Park	E GARDINER ELEM	110	\$491,726	\$34,838	\$4,154	(\$1,176)	(\$129,308)
Liberty	E J-I ELEM	101	\$429,598	\$8,338	\$4,171	(\$1,193)	(\$120,482)
Carbon	E BELFRY ELEM	109	\$510,000	\$20,973	\$4,486	(\$1,508)	(\$164,425)
Hill	E ROCKY BOY ELEM	272	\$1,324,754	\$57,391	\$4,659	(\$1,681)	(\$457,347)
Rosebud	E LAME DEER ELEM	292	\$1,573,038	\$119,598	\$4,978	(\$2,000)	(\$583,864)
Pondera	E HEART BUTTE ELEM	142	\$781,153	\$18,864	\$5,368	(\$2,390)	(\$339,413)
Blaine	E HAYS-LOGGE POLE	160	\$962,822	\$37,029	\$5,786	(\$2,808)	(\$449,313)
Valley	E FRAZER ELEM	119	\$763,344	\$21,625	\$6,233	(\$3,255)	(\$387,337)
Hill	E BOX ELDER ELEM	107	\$784,007	\$26,656	\$7,078	(\$4,100)	(\$438,705)
Subtotal		14,680					(\$3,294,717)
Lake	E POLSON ELEM	965	\$1,850,524	\$115,084	\$1,798	\$406	\$391,420
Gallatin	E MANHATTAN ELEM	328	\$677,485	\$66,372	\$1,863	\$341	\$111,799
Yellowstone	E SHEPHERD ELEM	430	\$834,064	\$32,402	\$1,864	\$340	\$146,058
Broadwater	E TOWNSEND ELEM	467	\$945,953	\$43,939	\$1,932	\$272	\$127,254
Flathead	E EVERGREEN ELEM	777	\$1,669,470	\$165,841	\$1,935	\$269	\$208,879
Ravalli	E DARBY ELEM	413	\$861,814	\$54,479	\$1,955	\$249	\$102,917
Lewis and Clark	E HELENA ELEM	935	\$1,934,382	\$86,606	\$1,976	\$228	\$212,964
Yellowstone	E LAUREL ELEM	1,320	\$2,824,554	\$179,728	\$2,004	\$200	\$264,454
Ravalli	E FLORENCE-CARLTON	428	\$858,656		\$2,006	\$198	\$84,656
Ravalli	E STEVENSVILLE EL	664	\$1,395,176	\$54,459	\$2,019	\$185	\$122,739

Appendix A  
Effect of Limiting District Budgets to a 12.5 Percent Variation Around the 50th Percentile  
Fiscal 1988 General Fund Budget Data

COUNTY	DISTRICT	AMB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Sweet Grass	E BIG TIMBER ELEM	367	\$797,769	\$55,227	\$2,023	\$181	\$66,326
Missoula	E TARGET RANGE ELE	426	\$921,218	\$53,172	\$2,038	\$166	\$70,858
Musselshell	E ROUNDUP ELEM	504	\$1,083,412	\$52,169	\$2,046	\$158	\$79,573
Gallatin	E BELGRADE ELEM	1,033	\$2,313,847	\$173,021	\$2,072	\$132	\$135,906
Ravalli	E CORVALLIS ELEM	573	\$1,188,112		\$2,073	\$131	\$74,780
Lincoln	E EUREKA ELEM	527	\$1,196,000	\$89,968	\$2,099	\$105	\$55,476
Ravalli	E HAMILTON ELEM	798	\$1,803,692	\$103,649	\$2,130	\$74	\$58,749
Sheridan	E PLENTYMOOD ELEM	376	\$862,963	\$48,615	\$2,166	\$38	\$14,356
Flathead	E WHITEFISH ELEM	1,113	\$2,553,170	\$122,346	\$2,184	\$20	\$22,228
Lincoln	E TROY ELEM	467	\$1,128,737	\$104,469	\$2,193	\$11	\$5,000
Sanders	E PLAINS ELEM	303	\$740,149	\$72,378	\$2,204	\$0	\$41
Flathead	E BIGFORK ELEM	461	\$1,072,019	\$45,910	\$2,226	\$0	\$0
Beaverhead	E DILLON ELEM	928	\$2,181,907	\$110,290	\$2,232	\$0	\$0
Richland	E SIDNEY ELEM	1,211	\$2,926,814	\$212,164	\$2,242	\$0	\$0
Stillwater	E COLUMBUS ELEM	322	\$807,370	\$80,204	\$2,258	\$0	\$0
Phillips	E MALTA ELEM	480	\$1,167,090	\$82,444	\$2,260	\$0	\$0
Fergus	E LEWISTOWN ELEM	1,056	\$2,648,177	\$250,116	\$2,271	\$0	\$0
Flathead	E COLUMBIA FALLS E	1,567	\$3,719,040	\$138,450	\$2,285	\$0	\$0
Jefferson	E WHITEHALL ELEM	350	\$820,195	\$18,280	\$2,291	\$0	\$0
Missoula	E LOLO ELEM	506	\$1,273,559	\$113,686	\$2,292	\$0	\$0
Dawson	E GLENDIVE ELEM	1,265	\$3,170,324	\$256,170	\$2,304	\$0	\$0
Park	E LIVINGSTON ELEM	993	\$2,655,984	\$318,010	\$2,354	\$0	\$0
Lake	E RONAN ELEM	984	\$2,544,298	\$220,057	\$2,362	\$0	\$0
Carbon	E RED LODGE ELEM	340	\$840,263	\$33,075	\$2,374	\$0	\$0
Missoula	E HELLGATE ELEM	745	\$1,916,898	\$145,852	\$2,377	\$0	\$0
Custer	E MILES CITY ELEM	1,362	\$3,534,844	\$282,041	\$2,388	\$0	\$0
Rosebud	E FORSYTH ELEM	511	\$1,290,473	\$64,911	\$2,398	\$0	\$0
Hill	E HAVRE ELEM	1,677	\$4,350,015	\$319,127	\$2,404	\$0	\$0
Yellowstone	E LOCKWOOD ELEM	1,168	\$3,016,919	\$200,810	\$2,411	\$0	\$0
Yellowstone	E HUNTLEY PROJ ELE	472	\$1,205,944	\$65,989	\$2,415	\$0	\$0
Flathead	E KALISPELL ELEM	2,148	\$5,674,279	\$484,337	\$2,416	\$0	\$0
Sanders	E THOMPSON FALLS E	394	\$1,035,225	\$78,723	\$2,428	\$0	\$0
Jefferson	E CLANCY ELEM	336	\$858,740	\$30,313	\$2,466	\$0	\$0
Deer Lodge	E ANACONDA ELEM	1,143	\$3,162,008	\$305,248	\$2,499	\$0	\$0
Lincoln	E LIBBY ELEM	1,493	\$4,047,510	\$291,973	\$2,515	\$0	\$0
Cascade	E GREAT FALLS EL	8,124	\$21,511,858	\$1,047,077	\$2,519	\$0	\$0
Lewis and Clark	E HELENA ELEM	4,685	\$12,584,453	\$751,536	\$2,526	\$0	\$0
Glacier	E CUT BANK ELEM	720	\$1,973,348	\$136,204	\$2,552	\$0	\$0
Missoula	E BONNER ELEM	376	\$1,028,817	\$65,596	\$2,562	\$0	\$0
Missoula	E MISSOULA ELEM	5,378	\$14,893,349	\$1,056,586	\$2,573	\$0	\$0
Roosevelt	E WOLF POINT ELEM	716	\$1,960,325	\$116,282	\$2,575	\$0	\$0
Gallatin	E BOZEMAN ELEM	2,668	\$7,393,052	\$497,166	\$2,585	\$0	\$0
Yellowstone	E BILLINGS ELEM	10,249	\$28,645,143	\$2,134,985	\$2,587	\$0	\$0
Pondera	E CONRAD ELEM	508	\$1,434,250	\$99,716	\$2,627	\$0	\$0
Powell	E DEER LODGE ELEM	663	\$1,921,558	\$175,501	\$2,634	\$0	\$0
Lake	E ST IGNATIUS ELEM	395	\$1,074,725	\$29,279	\$2,647	\$0	\$0
Blaine	E CHINOOK ELEM	311	\$902,979	\$33,750	\$2,795	\$0	\$0
Missoula	E FRENCHTOWN ELEM	510	\$1,516,771	\$46,157	\$2,884	(\$50)	(\$25,274)
Silver Bow	E BUTTE ELEM	3,827	\$12,125,087	\$940,691	\$2,922	(\$88)	(\$338,678)
Toole	E SHELBY ELEM	451	\$1,459,176	\$93,936	\$3,027	(\$193)	(\$87,106)
Valley	E GLASGOW ELEM	728	\$2,337,834	\$102,834	\$3,070	(\$236)	(\$171,848)
Chouteau	E FT BENTON ELEM	337	\$1,108,141	\$71,299	\$3,077	(\$243)	(\$81,784)
Big Horn	E HARDIN ELEM	1,095	\$4,021,700	\$255,905	\$3,439	(\$605)	(\$662,565)
Fallon	E BAKER ELEM	432	\$1,564,039	\$71,630	\$3,455	(\$621)	(\$268,121)
Lake	E ARLEE ELEM	320	\$1,165,622	\$41,640	\$3,512	(\$678)	(\$217,102)
Rosebud	E COLSTRIP ELEM	1,011	\$3,858,647	\$141,101	\$3,677	(\$843)	(\$852,371)
Glacier	E BROWNING ELEM	1,325	\$5,750,000	\$294,766	\$4,117	(\$1,283)	(\$1,700,184)
Blaine	E HARLEM ELEM	405	\$1,730,156	\$40,059	\$4,173	(\$1,339)	(\$542,327)
Roosevelt	E POPLAR ELEM	653	\$2,870,508	\$137,002	\$4,186	(\$1,352)	(\$882,904)
Big Horn	E LODGE GRASS ELEM	385	\$1,841,422	\$53,163	\$4,645	(\$1,811)	(\$697,169)
Subtotal		81,398					(\$4,171,000)
Stillwater	HS REEDPOINT H S	19	\$157,639		\$8,297	\$966	\$18,358
Fergus	HS ROY H S	24	\$254,058		\$10,586	\$0	\$0
Stillwater	HS RAPELJE H S	21	\$225,584		\$10,742	\$0	\$0



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COUNTY	DISTRICT	ANB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Phillips	HS WHITewater H S	20	\$311,865		\$15,593	(\$3,684)	(\$73,685)
	Subtotal	84					(\$55,327)
Madison	HS HARRISON H S	37	\$173,617		\$4,692	\$2,095	\$77,502
Carbon	HS ROBERTS H S	39	\$219,922		\$5,639	\$1,148	\$44,771
Gallatin	HS WILLOW CREEK HS	30	\$176,635		\$5,888	\$899	\$26,975
Park	HS WILSALL H S	38	\$232,895		\$6,129	\$658	\$25,011
Wheatland	HS JUDITH GAP H S	28	\$184,285		\$6,582	\$205	\$5,751
Golden Valley	HS LAVINA H S	25	\$167,622		\$6,705	\$82	\$2,053
Fergus	HS MOORE H S	38	\$256,276		\$6,744	\$43	\$1,630
Golden Valley	HS RYEGATE H S	37	\$260,601		\$7,043	\$0	\$0
Petroleum	HS WINNETT H S	37	\$265,000		\$7,162	\$0	\$0
Chouteau	HS HIGHWOOD H S	37	\$265,390		\$7,173	\$0	\$0
Fergus	HS GRASS RANGE H S	36	\$266,415		\$7,400	\$0	\$0
Valley	HS HINSDALE H S	34	\$263,056		\$7,737	\$0	\$0
Phillips	HS DODSON H S	39	\$302,487		\$7,756	\$0	\$0
Pondera	HS BRADY H S	29	\$232,100		\$8,003	\$0	\$0
Blaine	HS TURNER H S	33	\$276,807	\$9,060	\$8,114	\$0	\$0
Roosevelt	HS FROID H S	39	\$331,880		\$8,510	\$0	\$0
Daniels	HS FLAXVILLE H S	26	\$233,040		\$8,963	(\$237)	(\$6,164)
Phillips	HS SACO H S	39	\$350,579		\$8,989	(\$263)	(\$10,265)
Fergus	HS MINIFRED H S	32	\$293,898		\$9,184	(\$458)	(\$14,666)
Daniels	HS PEERLESS H S	30	\$302,292		\$10,076	(\$1,350)	(\$40,512)
Sheridan	HS OUTLOOK H S	25	\$259,710		\$10,388	(\$1,662)	(\$41,560)
Liberty	HS J-I HIGH SCHOOL	33	\$353,690		\$10,718	(\$1,992)	(\$65,732)
Hill	HS K-G HIGH SCHOOL	31	\$359,798		\$11,606	(\$2,880)	(\$89,292)
Fallon	HS PLEVNA H S	27	\$322,871		\$11,958	(\$3,232)	(\$87,268)
Richland	HS LAMBERT H S	37	\$479,656		\$12,964	(\$4,238)	(\$156,794)
	Subtotal	836					(\$328,561)
Ravalli	HS VICTOR H S	85	\$326,701	\$17,466	\$3,638	\$1,158	\$98,425
Granite	HS DRUMMOND H S	89	\$343,802	\$6,342	\$3,792	\$1,004	\$89,384
Cascade	HS CENTERVILLE H S	89	\$346,981		\$3,899	\$897	\$79,863
Park	HS CLYDE PARK H S	75	\$298,237		\$3,976	\$820	\$61,463
Sanders	HS HOT SPRINGS H S	76	\$311,712		\$4,101	\$695	\$52,784
Sanders	HS NOXON H S	98	\$425,252		\$4,339	\$457	\$44,756
Lake	HS CHARLO H S	90	\$408,905	\$12,858	\$4,401	\$395	\$35,593
Madison	HS SHERIDAN H S	79	\$355,250		\$4,497	\$299	\$23,634
Carbon	HS JOLIET H S	94	\$429,376		\$4,568	\$228	\$21,448
Lewis and Clark	HS LINCOLN HIGH SCH	57	\$260,683		\$4,573	\$223	\$12,689
Madison	HS TWIN BRIDGES H S	89	\$414,252		\$4,655	\$141	\$12,592
Beaverhead	HS LIMA H S	44	\$204,823		\$4,655	\$141	\$6,201
Carter	HS CARTER CO H S	88	\$415,786		\$4,725	\$71	\$6,262
Garfield	HS GARFIELD CO H S	88	\$444,066	\$23,798	\$4,776	\$20	\$1,780
Carbon	HS BRIDGER H S	99	\$510,821	\$19,024	\$4,968	\$0	\$0
Pondera	HS VALIER H S	86	\$428,000		\$4,977	\$0	\$0
Judith Basin	HS GEYSER H S	51	\$254,941		\$4,999	\$0	\$0
Carbon	HS FROMBERG H S	70	\$351,167		\$5,017	\$0	\$0
Gallatin	HS W YELLOWSTONE H	78	\$421,861		\$5,408	\$0	\$0
Mineral	HS ST REGIS H S	55	\$300,173		\$5,458	\$0	\$0
Valley	HS NASHUA H S	78	\$450,962	\$24,605	\$5,466	\$0	\$0
Mineral	HS ALBERTON H S	63	\$345,333		\$5,481	\$0	\$0
Yellowstone	HS CUSTER ELEM	62	\$352,276	\$10,701	\$5,509	\$0	\$0
Judith Basin	HS HOBSON H S	61	\$346,724		\$5,684	\$0	\$0
Roosevelt	HS CULBERTSON H S	74	\$421,767		\$5,700	\$0	\$0
Treasure	HS HYSHAM H S	63	\$381,575	\$20,691	\$5,728	\$0	\$0
Fergus	HS DENTON H S	46	\$279,817		\$6,083	\$0	\$0
Musselshell	HS MELSTONE H S	51	\$313,502		\$6,147	\$0	\$0
Teton	HS POWER H S	46	\$297,787		\$6,474	(\$308)	(\$14,151)
Lewis and Clark	HS AUGUSTA H S	44	\$286,312		\$6,507	(\$341)	(\$15,008)
Richland	HS SAVAGE H S	68	\$452,725		\$6,658	(\$492)	(\$33,437)
Yellowstone	HS CUSTER H S	45	\$305,300		\$6,784	(\$618)	(\$27,830)
Rosebud	HS ROSEBUD H S	42	\$287,968		\$6,856	(\$690)	(\$28,996)
Chouteau	HS GERALDINE H S	66	\$453,724		\$6,875	(\$709)	(\$46,768)
Dawson	HS RICHEY H S	60	\$412,997		\$6,883	(\$717)	(\$43,037)
Judith Basin	HS STANFORD H S	52	\$362,080		\$6,963	(\$797)	(\$41,448)

Appendix A  
Effect of Limiting District Budgets to a 12.5 Percent Variation Around the 50th Percentile  
Fiscal 1988 General Fund Budget Data

COUNTY	DISTRICT	AMB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Roosevelt	HS BAINVILLE H S	44	\$316,000		\$7,182	(\$1,016)	(\$44,696)
Park	HS GARDINER H S	86	\$625,948		\$7,278	(\$1,112)	(\$95,672)
Yellowstone	HS BROADVIEW H S	42	\$317,662		\$7,563	(\$1,397)	(\$58,690)
Sheridan	HS MEDICINE LK H S	64	\$485,487		\$7,586	(\$1,420)	(\$90,863)
Teton	HS DUTTON H S	44	\$343,770		\$7,813	(\$1,647)	(\$72,466)
Toole	HS SUNBURST H S	81	\$668,212		\$8,250	(\$2,084)	(\$168,766)
Sheridan	HS MESTBY H S	53	\$464,026		\$8,755	(\$2,589)	(\$137,228)
Carbon	HS BELFRY H S	42	\$375,000		\$8,929	(\$2,763)	(\$116,028)
Valley	HS OPHEIM H S	46	\$414,015		\$9,000	(\$2,834)	(\$130,379)
Blaine	HS HAYS-LODGE POLE	76	\$709,800	\$16,519	\$9,122	(\$2,956)	(\$224,665)
Roosevelt	HS BROCKTON H S	43	\$400,000		\$9,302	(\$3,136)	(\$134,862)
Hill	HS BLUE SKY HIGH	45	\$421,346		\$9,363	(\$3,197)	(\$143,876)
Hill	HS BOX ELDER H S	73	\$762,303		\$10,443	(\$4,277)	(\$312,185)
Valley	HS FRAZER H S	55	\$584,210		\$10,622	(\$4,456)	(\$245,080)
Big Horn	HS PLENTY COUPS HS	58	\$805,500		\$13,888	(\$7,722)	(\$447,872)
Subtotal		3,353					(\$2,127,128)
Sanders	HS THOMPSON FALLS H	197	\$622,699		\$3,161	\$426	\$83,940
Sanders	HS PLAINS H S	179	\$572,387		\$3,198	\$389	\$69,686
Stillwater	HS PARK CITY H S	109	\$353,979		\$3,248	\$339	\$37,004
Stillwater	HS COLUMBUS H S	151	\$511,972		\$3,391	\$196	\$29,666
Gallatin	HS MANHATTAN H S	174	\$599,362		\$3,445	\$142	\$24,776
Cascade	HS SIMMS H S	191	\$714,254	\$37,839	\$3,541	\$46	\$8,702
Cascade	HS CASCADE H S	167	\$640,443	\$45,606	\$3,562	\$25	\$4,192
Gallatin	HS THREE FORKS H S	143	\$520,609		\$3,641	\$0	\$0
Teton	HS FAIRFIELD H S	145	\$537,290		\$3,705	\$0	\$0
Mineral	HS SUPERIOR H S	129	\$491,821		\$3,813	\$0	\$0
Stillwater	HS ABSAROOKEE H S	117	\$446,453		\$3,816	\$0	\$0
Teton	HS CHOTEAU H S	181	\$705,661		\$3,899	\$0	\$0
Richland	HS FAIRVIEW H S	187	\$731,366		\$3,911	\$0	\$0
Carbon	HS RED LODGE H S	151	\$616,265	\$24,641	\$3,918	\$0	\$0
Lake	HS ST IGNATIUS H S	168	\$676,200	\$14,617	\$3,938	\$0	\$0
Blaine	HS CHINOOK H S	188	\$792,563	\$21,985	\$4,099	\$0	\$0
Prairie	HS TERRY H S	119	\$493,208		\$4,145	\$0	\$0
McCone	HS CIRCLE H S	161	\$691,791	\$17,033	\$4,191	\$0	\$0
Cascade	HS BELT H S	116	\$510,673	\$21,624	\$4,216	\$0	\$0
Lake	HS ARLEE H S	132	\$559,285		\$4,237	\$0	\$0
Granite	HS GRANITE H S	102	\$457,596	\$22,849	\$4,262	\$0	\$0
Sheridan	HS PLENTYWOOD H S	161	\$708,907		\$4,403	\$0	\$0
Meagher	HS WHT SULPHUR SPGS	118	\$520,870		\$4,414	\$0	\$0
Madison	HS ENNIS H S	120	\$551,676		\$4,597	\$0	\$0
Wheatland	HS HARLOWTON H S	104	\$478,945		\$4,605	\$0	\$0
Powder River	HS POWDER RVR CO DI	165	\$785,877	\$18,067	\$4,653	(\$42)	(\$6,995)
Chouteau	HS BIG SANDY H S	118	\$594,907	\$33,591	\$4,757	(\$146)	(\$17,218)
Mibaux	HS MIBAUX H S	103	\$502,194		\$4,876	(\$265)	(\$27,261)
Toole	HS SHELBY H S	199	\$1,078,191	\$15,002	\$5,343	(\$732)	(\$145,600)
Chouteau	HS FT BENTON H S	157	\$857,678		\$5,463	(\$852)	(\$133,751)
Liberty	HS CHESTER H S	105	\$596,292		\$5,679	(\$1,068)	(\$112,137)
Daniels	HS SCOBAY H S	108	\$658,673	\$29,614	\$5,825	(\$1,214)	(\$131,071)
Blaine	HS HARLEM H S	129	\$858,025	\$16,877	\$6,521	(\$1,910)	(\$246,329)
Big Horn	HS LODGE GRASS H S	150	\$1,393,230	\$23,815	\$9,129	(\$4,518)	(\$677,765)
Subtotal		4,944					(\$1,240,161)
Ravalli	HS CORVALLIS H S	298	\$688,617		\$2,311	\$778	\$231,905
Yellowstone	HS SHEPHERD H S	276	\$760,818	\$37,517	\$2,621	\$468	\$129,263
Ravalli	HS DARBY H S	218	\$650,688	\$17,338	\$2,905	\$184	\$40,052
Jefferson	HS WHITEHALL H S	233	\$709,469	\$19,084	\$2,963	\$126	\$29,352
Broadwater	HS BROADWATER CO HS	236	\$752,342	\$22,771	\$3,091	\$0	\$0
Lincoln	HS LINCOLN CO H S	267	\$917,036	\$83,855	\$3,121	\$0	\$0
Yellowstone	HS HUNTLEY PROJ HS	226	\$711,489		\$3,148	\$0	\$0
Musselshell	HS ROUNDUP H S	246	\$850,018	\$46,562	\$3,266	\$0	\$0
Sweet Grass	HS SHEET GRASS CO H	201	\$737,317	\$27,880	\$3,530	\$0	\$0
Rosebud	HS FORSYTH H S	227	\$850,776	\$22,239	\$3,650	\$0	\$0
Jefferson	HS JEFFERSON H S	208	\$774,426		\$3,723	\$0	\$0
Lincoln	HS TROY H S	209	\$820,995	\$28,928	\$3,790	\$0	\$0
Phillips	HS MALTA H S	234	\$932,877		\$3,987	(\$16)	(\$3,663)

Appendix A  
Effect of Limiting District Budgets to a 12.5 Percent Variation Around the 50th Percentile  
Fiscal 1988 General Fund Budget Data

COUNTY	DISTRICT	ANB	GENERAL FUND BUDGET	SPECIAL EDUCATION	GEN FUND PER ANB (W/O SE)	CHANGE PER ANB	DISTRICT CHANGE
Pondera	HS CONRAD H S	233	\$967,826	\$17,744	\$4,078	(\$107)	(\$24,839)
Glacier	HS CUT BANK H S	300	\$1,340,050	\$18,350	\$4,406	(\$435)	(\$130,400)
Missoula	HS FRENCHTOWN H S	224	\$1,178,513	\$10,605	\$5,214	(\$1,243)	(\$278,404)
Fallon	HS BAKER H S	201	\$1,382,302	\$20,937	\$6,773	(\$2,802)	(\$563,194)
Roosevelt	HS POPLAR H S	213	\$1,891,627		\$8,881	(\$4,910)	(\$1,045,804)
Subtotal		4,250					(\$1,615,732)
Ravalli	HS HAMILTON H S	482	\$1,204,956	\$51,568	\$2,393	\$309	\$148,976
Fergus	HS FERGUS H S	526	\$1,283,182		\$2,440	\$262	\$138,070
Ravalli	HS STEVENSVILLE HS	383	\$1,019,074	\$70,271	\$2,477	\$225	\$86,063
Lake	HS POLSON H S	419	\$1,198,892	\$28,991	\$2,792	\$0	\$0
Yellowstone	HS LAUREL H S	556	\$1,615,961	\$61,233	\$2,796	\$0	\$0
Lake	HS RONAN H S	395	\$1,146,262		\$2,902	\$0	\$0
Flathead	HS BIGFORK H S	308	\$942,245	\$18,950	\$2,998	\$0	\$0
Flathead	HS WHITEFISH H S	569	\$1,784,149	\$73,201	\$3,007	\$0	\$0
Gallatin	HS BELGRADE H S	402	\$1,314,634	\$89,295	\$3,048	\$0	\$0
Park	HS PARK H S	529	\$1,733,531	\$99,791	\$3,088	\$0	\$0
Richland	HS SIDNEY H S	486	\$1,530,522		\$3,149	\$0	\$0
Powell	HS POWELL CO H S	323	\$1,112,305	\$47,757	\$3,296	\$0	\$0
Beaverhead	HS BEAVERHEAD CO HS	413	\$1,452,394	\$29,781	\$3,445	\$0	\$0
Roosevelt	HS WOLF POINT H S	326	\$1,236,262		\$3,792	(\$318)	(\$103,738)
Dawson	HS DAWSON CO H S	592	\$2,435,772	\$113,203	\$3,923	(\$449)	(\$265,961)
Valley	HS GLASGOW H S	346	\$1,561,634	\$26,634	\$4,436	(\$962)	(\$332,996)
Rosebud	HS COLSTRIP H S	466	\$2,243,843	\$75,009	\$4,654	(\$1,180)	(\$549,950)
Big Horn	HS HARDIN H S	417	\$2,263,177	\$67,022	\$5,267	(\$1,793)	(\$747,497)
Glacier	HS BROWNING H S	436	\$2,800,000	\$98,112	\$6,197	(\$2,723)	(\$1,187,224)
Subtotal		8,374					(\$2,814,257)
Yellowstone	HS BILLINGS H S	5,258	\$15,813,901	\$1,146,470	\$2,790	\$0	\$0
Flathead	HS FLATHEAD H S	2,245	\$6,775,000	\$215,178	\$2,922	\$0	\$0
Deer Lodge	HS ANACONDA H S	631	\$2,097,836	\$190,002	\$3,024	\$0	\$0
Custer	HS CUSTER CO H S	743	\$2,368,261	\$102,734	\$3,049	\$0	\$0
Cascade	HS GREAT FALLS H S	3,825	\$12,830,472	\$1,032,030	\$3,085	\$0	\$0
Lincoln	HS LIBBY H S	754	\$2,491,513	\$126,711	\$3,136	\$0	\$0
Flathead	HS COLUMBIA FALLS H	721	\$2,379,461	\$105,190	\$3,154	\$0	\$0
Hill	HS HAVRE H S	732	\$2,555,082	\$166,926	\$3,263	\$0	\$0
Lewis and Clark	HS HELENA H S	2,818	\$9,871,628	\$566,031	\$3,302	\$0	\$0
Gallatin	HS BOZEMAN H S	1,380	\$4,672,279	\$109,369	\$3,306	\$0	\$0
Missoula	HS MISSOULA H S	3,619	\$12,853,778	\$866,060	\$3,312	\$0	\$0
Silver Bow	HS BUTTE H S	1,814	\$6,853,220	\$611,302	\$3,441	\$0	\$0
Subtotal		24,540					\$0
Net Change Statewide							(\$17,106,898)

*Subcommittee*

HB 575,  
KADAS  
SB 203  
NATHE

CURRENT

- |   |   |   |  |
|---|---|---|--|
| 1. <u>17 funds</u> for all school costs; reserves for each                                    | Only 2 budgeted funds: general, bldg./debt. Reserves for each   | Retain current funds except add comprehensive insurance to GF                     | Retain current funds except add retirement and workers' comp. to GF  |
| 2. <u>County retirement</u> levy, using lottery for equalization; (25-mill average)           | Eliminate levy; retirement in GF; lottery \$ to state equalization  | Separate fund but 90% equalized with state levy; lottery \$ to state equalization | Eliminate levy; retirement in GF; lottery \$ to state equalization   |
| 3. <u>District levy</u> for <u>comprehensive insurance</u> ; (5-mill average)                 | Insurance in GF, funded as part of FP   | Included in GF as part of FP  | Retain as separate fund, but workers' comp. in GF  |
| 4. <u>Separate tuition</u> account  | No tuition charges; students counted in school attended. Attendance agreements  | No tuition charges; students counted in school attended. Attendance agreements    | No change  |
| 5. <u>No limit</u> on total <u>expenditures</u> ; FP schedules not based on actual costs      | FP schedules reflect FY 87 ave. expenditures per district size for all budgeted items but bldg./debt; voted cap at 117% of FP payment by 1995 (FP—85%, voted—15%) | FP schedules reflect 100% of FY 88 GF expenditures. Voted cap at 117% of FP       | Study of proposed standards used as cost basis for new FP schedules; cap at 125% of FP (FP 80%, voted 20%) |
| 6. <u>Mandatory 45-mill</u> <u>levy</u> , collected at county (28 mills elem., 17 mills h.s.) | Mandatory 103 mills for elem., 63 mills, h.s. Substitutes for all nonvoted county/district levies except bldg./debt.  | No change   | No change  |
| 7. <u>Permissive levies</u> for elem. and h.s.  | Eliminate permissive levy   | Eliminate permissive levy   | Eliminate permissive levy  |

<u>CURRENT</u>	<u>HB 575, KADAS</u>	<u>SB 203 NATHE</u>	<u>SB 198 REGAN</u>
8. <u>Voted levies</u> unlimited except for I-105	Voted levies limited to 117% of FP plus transp. & spec. ed.; excluded from I-105	Voted levies limited to 117% of FP; excluded from I-105	Retain but cap at 25% above FP by FY 94; phase-in limit until then; 1st 10% of voted equalized by guarantee and recapture
9. <u>State revenue</u> sources earmarked for FP	No change except add lottery	No change except add lottery	No change except add lottery
10. <u>County revenues</u> received from federal forest funds, Taylor Grazing, motor vehicle, misc., used for county equalization	No change	No change	No change
11. <u>PL 874</u> not counted as resource for equalization	PL 874 counted under cap when state meets federal equity test	No change	PL 874 counted under cap when state meets federal equity test
12. <u>General fund</u> <u>reserve limit</u> of 35%; no penalty for exceeding limit	20% limit on GF reserve by FY 95 except districts receiving no state equalization. Excess cash reappropriated or reverted to FP; appeal to OPI in special cases	20% limit on GF reserve except districts receiving no state equalization	No change
13. <u>FP structure &amp;</u> <u>schedules</u> based on school size	No change in categories; adjusted 216% to account for FY 87 average costs	No change in categories, adjust \$ amount by factors to reflect FY 88 GF spending statewide; provide inflation index for automatic adjustment in future years	New schedules w/teacher experience factors and new school size categories

<u>CURRENT</u>	<u>HB 575, KADAS</u>	<u>SB 203 NATHE</u>	<u>SB 198 REGAN</u>
14. Minimum <u>180-day</u> school year with no maximum; no limit on days creates disequity in FP payments	Funding is per student, not per days; see no. 15	No change	No change
15. Payments based on <u>average number belonging</u> (ANB is 150,000, but actual pupils approx. 130,000)	ANB redefined; ANB based on ave. of 6 student counts per year	No change	Retain ANB method for new schedules
16. <u>Building/debt service</u> not equalized	Legislative interim study	No change	No change; study suggested in EJR 16 work
17. <u>Transportation</u> program separate	Transportation in GF. State funding of FY 90 costs-\$30M. OPI & BPE study & distribute for FY 91; subject to expenditure cap	No change	No change; study suggested in EJR 16 work
18. <u>Special education</u> separate appropriation; part of school general fund; separate accounting and OPI oversight	No change but payment subject to expenditure cap	No change	No change
19. Elementary and high school <u>districts</u> may be separate	No change	No change	No change
20. Current <u>payment schedule</u> is 5 times per year	12 monthly payments of at least 8%	Monthly payments with 20% 1st month	No change
21. Additional components or issues	Adult educ. in GF; studies in No. 16 & 17		State guarantee of \$100/ANB for 1st 10% above FP

CURRENT

HB 575,  
KADAS

SB 203  
NATHE

SB 198  
REGAN

22. Phase in

Effective for FY 91  
school year; cap in  
effect for FY 95;  
5-year grace period  
for limits on  
districts

Effective for FY 90  
school year; cap in  
effect for FY 95

4-year phase-in  
of expenditure  
cap, effective  
July 1, 1989

A

SENATE EDUCATION  
EXHIBIT NO. 1  
DATE 2-9-89  
BILL NO. SB304

AMEND S.B. 304 as follows:

Page 1, line 21, strike "at their discretion"

This amendment is made because the words are redundant in that the entire section is permissive because it begins with "may".



AMEND SJR 6 as follows:

Page 2, lines 19 through 21, strike "that the centers be granted the authority to award appropriate associate of applied science degrees"

Page 3, strike lines 1 through 4.

Page 3, strike "Be it further resolved" and capitalize "That"

Page 3, after line 8 add BE IT FURTHER RESOLVED, that the Board of Regents be encouraged to provide through the vocational technical centers and the units of the university system, joint opportunities for students to have access to associate degrees in appropriate curriculum areas.

Amend the title as follows:

Page 1, lines 6 and 7, strike "ALLOW THE VOCATIONAL TECHNICAL CENTERS TO GRANT AN" and insert "PROVIDE ACCESS TO THE"