

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON SENATE BILL 667

Call to Order: By Chairman Tom Towe, on April 21, 1993, at 6:10 p.m.

ROLL CALL

Members Present:

Senator Tom Towe, Chairman, Senator Barry "Spook" Stang, Senator Bob Brown, Rep. Bill Boharski, Rep. Ray Peck, Rep. H. S. "Sonny" Hanson.

Members Excused: None.

Members Absent: None.

Staff Present:

Andrea L. Merrill, Legislative Council
Eddy McClure, Legislative Council
Bonnie Stark, Committee Secretary

Discussion:

Chairman Towe opened this meeting by stating he would go directly down the list of items on the staff-prepared Amendments By Senate Select Committee and Senate Floor (Exhibit No. 1 to 4/20/93 meeting; a copy is attached to these minutes).

ITEM #1: Required 3 years (not 5) to reach BASE budget level.

MOTION/VOTE:

Senator Brown moved to go to five years instead of three years and the concept of incremental budget growth to remain the same, with the required growth percentages of 20%, 25%, 33 1/3%, 50%, and the remainder in the last year. The motion CARRIED UNANIMOUSLY on oral vote.

DISCUSSION:

Rep. Hanson asked if the growth percentages were required minimums. Eddy McClure, Legislative Council staff, explained a school district must go at least 20% the first year. Chairman Towe said they may go the 104% if that is higher, but they can't go all the way to 80% without a voted levy. Andrea Merrill, Legislative Council staff said the amendment would read, in part, as follows: "The Trustees (a) may increase the General Fund budget for the district by 4% of the previous year or the

previous year's budget per ANB, or shall increase the budget by at least the following amounts: 20%, 25%, 33 1/3%, 50%, and the remainder". She will work out the exact language to insert into HB 667. Chairman Towe said this amendment is the gist of Senator Brown's amendment.

ITEM #6: Add "weighted" GTB for GF budgets of eligible districts.

MOTION:

Chairman Towe moved that the weighted GTB be eliminated.

DISCUSSION:

Chairman Towe said he thinks the weighted GTB is unfair; he thinks that true equity is an absolute mathematical GTB which is what is there without the weighted GTB. The weighted GTB is based on the regression formula which has arbitrary numbers built into it. He said the net impact benefits small schools, not large schools. He does not see any justification for doing that, and he urges that this Committee not adopt a weighted GTB.

Senator Stang argued that the weighted GTB does equalize, whether it is under the old formula or the new formula. The information he presented in an earlier meeting shows it absolutely equalizes the local mills used between the 40% and 80% base budget levels. If the current formula is used, it would equalize the permissive mills. The fine tuning of this bill is the weighted guaranteed tax base and if that is removed, it will affect the point where the per-pupil amount is no longer reduced (Stop/Loss point), which he has been told is a compromise that was made.

Rep. Peck said he agrees with the motion, but he suspects this is a vain effort at this point in time.

VOTE:

The motion FAILED 4-2 on Roll Call Vote (#1).

ITEM #7: Changed the Stop/Loss level on per-ANB entitlements.

MOTION:

Rep. Boharski moved that the Stop/Loss on elementary districts be moved to 2,000 ANB.

DISCUSSION:

Rep. Boharski said looking at the regression graph, the regression line is centered between the minimum line and the maximum line. If the Committee is trying to reflect that model, 2,000 is where the Stop/Loss number ought to be. That will free

up about \$4.5 million that he would like see go back into the guaranteed tax base portion of the plan. He said he would leave the high school Stop/Loss at 800 ANB for the same reason he is arguing for the 2,000 elementary Stop/Loss.

Chairman Towe opposes this motion and said that if the Committee is not going to eliminate the weighted GTB, he thinks there is a disproportionate figure built into the system with this Stop/Loss in order to make it fair and equitable to the larger schools. He would have been willing to listen to a 1,500 Stop/Loss with elimination of the weighted GTB. He urged the Committee to not adopt this amendment.

Rep. Boharski said it is not a trade between the weighted GTB and the Stop/Loss.

VOTE:

The motion FAILED 5-1 on Roll Call Vote (#2).

MOTION/VOTE:

Rep. Boharski moved the Stop/Loss on elementary districts be moved to 1,500. The motion FAILED on Oral Vote with Representatives Boharski and Hanson voting "AYE".

Chairman Towe asked that the minutes to reflect there is no resolution of this issue, and it will remain open. The Chairman asked if there is any interest in the 1,500 versus the weighted Guaranteed Tax Base as a trade-off. Would the weighted GTB be reconsidered if there were support for the 1,500 Stop/Loss. There were no comments to this offer.

ITEMS #8 AND #21: Senate amendments resulted in state guaranteed tax base level of 191%; the General Fund appropriation.

DISCUSSION:

Chairman Towe suggested considering these two items together during a later meeting.

ITEM #10: Amended in Senate version of SB 32 (GTB aid for debt service fund).

DISCUSSION:

Rep. Hanson presented Exhibit No. 1, proposed amendments that have been worked out. Rep. Hanson suggested that SB 32 not be addressed at this time because his caucus has not had an opportunity to talk about this issue. The previous caucus said they were opposed to offering GTB for debt service mills versus an equalization plan that was not based on actual debt service mills but granted to all low-wealth districts annually. His group feels very strongly about an equalization plan and they do

not want equalization only for those who are fortunate enough to be in a position to build a school. The House and his caucus sent the entitlement plan forward.

Senator Brown asked who the architects of the compromise were. Pat Melby, Underfunded Schools Coalition, said the idea of capping debt service equalization was presented as a compromise. They felt the House had two issues on SB 32: (1) They wanted some way to cap the amount of State obligation, and (2) Rep. Hanson said he and the House members wanted to see a means to provide entitlement to all school districts. Mr. Melby said it was their feeling that the little projects they were talking about could be paid for out of the General Fund that would already be equalized dollars, and from the Plaintiff's perspective (in the lawsuit brought by the Underfunded Schools Coalition) the real problem with equalization is equalizing the debt service mills. They propose this as a compromise to give the House a capping mechanism. They feel that SB 32 came out of the Senate much more for equalization. The entitlement program that was developed by the House Education Committee is a good concept, but like a lot of good concepts, if it is not funded, it doesn't do anything. He doesn't think the House plan does anything for equalization. Unless it is funded at a very healthy level, it wouldn't do anything for equalization, and he can't see any way the Legislature will ever put much money into that. If it was funded at 100%, Helena Elementary School District would get \$600,000 a year, whether they had a bond issue or not. The Underfunded Schools Coalition is very supportive of SB 32 the way it came out of the Senate with the capping mechanism on.

Chairman Towe asked if this would allow the school districts to go ahead and bond. Depending on how much the Legislature actually appropriates for this purpose, they would get a percentage of what their GTB would be. Mr. Melby said whatever the appropriation is, it would be pro-rated amongst all the school districts that had mill levies out there for capital outlay or debt service after the effective date of this Act.

Chairman Towe asked if there is a one-year delay in the funding because GTB would be based on the previous year's mill levy. Mr. Melby said this is correct.

Rep. Boharski asked Mr. Melby if bond counsel has looked at this proposal. Mr. Melby replied that he is not aware that bond counsel has looked at the proposed capping mechanism, but he assumes they are aware of SB 32 the way it came out of the Senate. Rep. Boharski said bond counsel indicated that either the House version or the Senate version of SB 32 would get the State out of the law-suit problems they are in. His concern is that under a proposal like this, the Legislature may come into tight times and fund it zero in one biennium, which would put the State in the same position it is in now. Mr. Melby said he couldn't see that the Legislature would be any worse off under this proposal than with the entitlement program. The entitlement

program, because there is so little money in it, does nothing for equalization. Bond counsel says that if anything at all is done with capital outlay funding, the new law is presumed to be constitutional until it is challenged in Court. Bonds will be able to be sold with unqualified opinions no matter what plan or funding is selected.

Eddy McClure will call Mae Nan Ellingson, bond counsel, specifically about this issue and ask if there is anything negative in this proposal that would cause any problems with bond counsel.

Andrea Merrill said she spoke with Ms. Ellingson and explained the compromise plan to her. Ms. Ellingson said it sounded like there were lots of good choices and she hoped the Legislature would settle on one.

Rep. Hanson said Ms. Ellingson had received the House version of SB 32 and is aware of it.

Chairman Towe said Item #10 will be passed over at this time and discussed at a later meeting.

ITEM #11: Based ANB Count on an average enrollment count.

DISCUSSION:

Chairman Towe hopes that this Committee will agree to use the enrollment for per-pupil funding. It seems to him that using ANB at this point is going backwards, and all computations would have to be based on figures that are a year and one-half old. The numbers would not be as familiar to the local districts, and they know exactly where they are with the October count from last year.

Rep. Hanson said he prefers to stick with the ANB and do some modification in two years.

Rep. Boharski said one of the reasons Senator Brown's motion to move to five years was supported was because it forced school districts up faster and, thereby, forced local tax levies up faster. It will cost an additional \$5.8 million to move to enrollment versus ANB. It pushes the regression graph minimum and maximum lines up. It gives more budget authority to schools and creates more mandatory mills and more non-voted mills.

Chairman Towe asked if Rep. Boharski had looked at the information the Office of Public Instruction (OPI) gave the Committee. It shows FY 92-93 figures of \$2 million predicted for enrollment increases over 6%. He asked if this would be an offset for the \$5.8 million.

Greg Groepper, OPI, distributed Exhibit No. 2 to these minutes, and explained the chart. The chart shows Plenty Coups High School had an enrollment increase of 16 students. OPI had to discount the first three kids because that was within the 6%, and OPI paid on the next 13 kids. The amount paid out of the Foundation Program, based on the current schedules, was \$47,305.96. The total increase in enrollment that OPI has processed so far for budget amendments or anticipated enrollment has been approximately 1,900 students, of which 796 they didn't pay for, and 1,099 they did pay for. Under the Foundation Schedules, this cost OPI \$2,018,925.62 over what they are expected to pay out under the Foundation Schedules this year. Mr. Groepper said they would want to equalize on the most current information, not old information. When guaranteed tax base is being paid at a rate that is driven off an older enrollment figure, that number is a year and one-half out of date, as well.

Rep. Peck asked for clarification of the chart on Exhibit No. 2. Mr. Groepper explained that these are the schools that can anticipate their enrollment in the spring when putting the budget together and can levy the extra 35% that would be part of the budget cap, but OPI still has to discount the 6%. Rep. Peck asked if the first part of the list, starting on page 1, are budget amendments exceeding 6%; the second list are those that are anticipated. Mr. Groepper said OPI checks their October enrollment report on the districts that do the anticipated enrollment when they are doing the budget. On the districts that do the budget amendments, OPI uses the October enrollment report as well. If those students don't show up, then OPI has to recapture the Foundation program money.

Chairman Towe asked if the same 6% that is not paid for is excluded on the anticipated list also. Mr. Groepper said this is correct.

Senator Stang said if the Committee uses enrollment, you take an average of \$3,000 per student, times 796 new students and that is \$2.1 million.

Chairman Towe asked if there is a 6% rule under the new system at all. Senator Stang said there is not, if enrollment is used.

Mr. Groepper said the portion of the law that is being discussed here has not, to his knowledge, been significantly amended by HB 667. School districts could still come in for a budget amendment regardless of whether ANB is used or the enrollment criteria. That is intended for school districts that might have a great increase in students; they need to have some way to accommodate that increase especially if those children show up after the taxes have been levied. This section of law is intended to allow school districts that suffer unusual enrollment increases to at least get the State's share of the money to get them through that school year so they can put those kids in the

tax base the next year. Right now, that statute is not being affected, whether the Committee goes either of these two ways. What he is trying to point out is if the Committee goes with ANB and not enrollment, he anticipates the school districts that have enrollment increases will come in for budget amendments and the State will have an obligation to pay regardless of whether going ANB or enrollment. It seems a lot more convenient to him to get on with enrollment and get this thing current so they can know what it would be doing. The 796-student figure that the State didn't pay for could be either a lot smaller, or a lot larger, depending on where the enrollment increase shows up. OPI's projections now are that the enrollment increases are going to show up in the bigger school districts, which would mean a bigger portion of that which OPI would not pay for. This is a policy question and OPI's original suggestion was to avoid all the paper work of putting school districts through budget amendments to implement this bill because they are going to have a lot of work to get it on the books on July 1st anyway.

Rep. Peck said some of the kids involved in budget amendments established ANB in a district in the State for budget purposes the previous year, and are party to budget amendments because of getting into schools with 6% increases. He asked if OPI has a figure on this. Mr. Groepper said they have the fall 1992 enrollment report information and they have the budget amendments by the school districts. If HB 667 drives off 104% of their budget this year, a lot of the enrollment increases will already be in it. Rep. Peck said because some of those students moved and participated in budget amendments, OPI would be getting a double figure on those students. Mr. Groepper said some of that is true, especially in some districts where there is a large graduation from a middle school, so there was a large enrollment in the high school. Rep. Peck asked if going to an enrollment count would improve this in any way. Mr. Groepper said all the enrollment count will do is get the most current number for schools to do their budgets so they don't have to go through an additional paper work process in implementing this bill.

Rep. Peck said the \$2 million figure (Exhibit No. 2) seems high to him; he would anticipate only half that amount. Because of some of the kids moving within the state, there would, in effect, be a double count in terms of financial budget affairs. Mr. Groepper said the way that could be controlled would be to base budgets on the enrollment count and then recalculate the entitlement based on the October enrollment count. That would put in what the real costs are for that particular school district in that year. The problem comes because school districts have to sign contracts with teachers. Recognizing that once those contracts are signed, if all the kids don't show up, the school district is still bound to honor the teacher's contract.

Rep. Peck said the argument is that the school gets new responsibilities; therefore, the State needs to fund it. But

the counter to that is that some schools lose responsibilities as the kids move out, but the money wasn't taken from that district when they no longer have that obligation.

Senator Stang said this is probably a good reason to use the enrollment count. If students are moving in the state, and the count is taken in October, if one district, for instance, loses 15 students from the February count, and another district gains 15 students in October, it will average out. The first district would get a reduction in enrollment, and the second district would get an increase, so it will balance out.

There were no motions on Item No. 11.

ITEM #12: Allowed districts receiving Public Law 81-874 (PL874) Funds to transfer from the new impact aid fund to the general fund.

MOTION:

Rep. Boharski moved that the districts who receive PL874 revenue base their budgets for 1994 on their 1993 budget without the PL874 Funds (See Exhibit No. 3 to these minutes).

DISCUSSION:

Ms. McClure said there is a question about whether the Governor's office will accept that amendment. Item 12 is a Budget Office amendment.

Curt Nichols, a representative of the Governor's Budget Office, explained that the amendment makes the FY '93 to FY '94 transition comparable to what it will be in the future, so the '93 budget is segregated into the PL874 component and the non-PL874 component. The non-PL874 component is used in determining caps and minimums and maximums in '94. He doesn't believe there is a problem with Federal law, but there is a concern of some of the PL874 districts.

Chairman Towe said there may be a concern with the compliance with the PL874 law. Lynda Brannon, representing Indian Impact Aid Districts Association, said the Federal law states that if a State has taken into consideration payment under this title in a manner that will reduce State aid, then they shut off the whole thing. When Rep. Boharski's HB 62 of the July, 1992, Session came into place it showed on the fiscal note that it did reduce State aid, as this amendment would reduce State aid. Mark Smith, the attorney from the Department of Education, said on its face, because of the fiscal note and the intent, it does reduce State aid. The intent of this amendment is to save State subsidy. This amendment sounds like PL874 Funds are taken into consideration in reducing State aid.

Rep. Boharski said the amendment is not taking into account

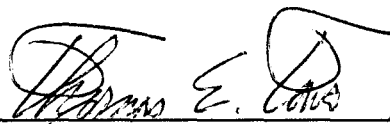
PL874 Funds to reduce State aid. The Committee is simply saying that the budget is the budget; PL874 comes in on top. Two years ago the Legislature was told that it could not identify PL874 money because that violated the test. The PL874 money is now being put into a separate fund and districts are going to be able to put that on top of the budget with the State money, and it is uncapped. What Mr. Nichols is saying is to include the PL874 money and multiply that by 104% for the FY '94 budget. What this Committee is saying under this proposal is if a district wants to bring their PL874 money and put it on top of that, that is fine. In addition, that will be matched with GTB aid, pursuant to what the Senate Subcommittee said is a good idea. He said this doesn't cost the State anything one way or the other.

Senator Stang asked if anyone was present from OPI who might have a different view. Dori Neilsen said she tends to agree with Ms. Brannon that it is a serious legal issue. She questions whether the Legislature is clearly taking into account PL874 funds to accomplish the purpose of reducing State aid. It seems to her that action would reduce the State aid. Those were real expenditures and they were real expenses and the Legislature is taking them out for the future, but to identify them in order to reduce State aid may be jeopardizing all of the funds to the State. Chairman Towe asked if OPI could get a legal opinion on this within the next few hours. She was not sure if she could.

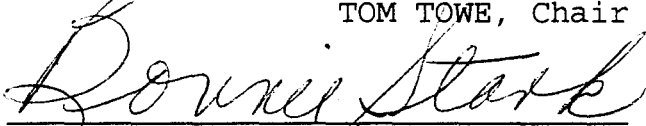
Chairman Towe distributed Exhibit No. 3.

ADJOURNMENT

Adjournment: The meeting adjourned at 7:00 p.m.



TOM TOWE, Chair



BONNIE STARK, Secretary

TT/bjs

ROLL CALL VOTE #1

(FREE) CONFERENCE COMMITTEE > BILL NO. HB 667

DATE 4-21-93 TIME 6:10 A.M. P.M.

NAME	YES	NO
Sen. Towe	✓	
Sen. Stang		✓
Sen. Brown		✓
Rep. Boharski		✓
Rep. Peck	✓	
Rep. S. Hanson		✓

Bernie Stark
SECRETARY

Tom Ives
CHAIR

MOTION: Eliminate Weighted L.H.
Failed 4-2

ROLL CALL VOTE #2

(FREE) CONFERENCE COMMITTEE > BILL NO. HB667

DATE 4-21-93 TIME 6:10 A.M. P.M.

NAME	YES	NO
Sen. Towe		✓
Sen. Stang		✓
Sen. Brown		✓
Rep. Boharski	✓	
Rep. Peck		✓
Rep. S. Hanson		✓

Donnie Stark
SECRETARY

Tom Lane
CHAIR

MOTION: Move to 2,000 Stop/Less
Failed 5-1

Amendments to House Bill No. 667
Reference Reading Copy

For the Conference Committee on HB 667

Prepared by Andrea Merrill
April 21, 1993

1. Title, page 3, line 10.

Following: "ANB;"

Insert: "LIMITING STATE SUPPORT FOR SCHOOL FACILITY EQUALIZATION TO \$2 MILLION FOR THE BIENNIUM ENDING JUNE 30, 1995; ALLOWING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO PRORATE TO ELIGIBLE DISTRICTS THE AVAILABLE APPROPRIATION FOR EQUALIZATION OF DEBT SERVICE FUNDS;"

2. Page 91, line 2.

Following: line 1

Insert: "(2) for the purposes of guaranteed tax base aid for the debt service funds of districts, limiting the distribution of state equalization aid to no more than \$700,000 for the school fiscal year ending June 30, 1994, and \$1.3 million for the school fiscal year ending June 30, 1995, to the districts that are eligible under the provisions of 20-9-366 through 20-9-369 and [section 39] by:

(i) determining by May 1 of each school fiscal year the number of mills levied in each district for debt service on bonds that were issued after [the effective date of this section] and that qualify for guaranteed tax base aid under the provisions of 20-9-366 through 20-9-369 and [section 39];

(ii) based on the limitation of state equalization aid for debt service purposes in this subsection, determining the percentage of guaranteed tax base aid that each eligible district will receive;

(iv) distributing that amount to each eligible district for reducing the property tax for the debt service fund for the ensuing school fiscal year; and

(iii) determining at the end of a school fiscal year or a biennium if there is an unused portion of the amount of state equalization aid appropriated in this subsection to be carried into either the next school fiscal year or the next biennium for the purposes of this subsection."

Renumber: subsequent subsections

3. Page 115, line 12.

Following: "20-9-435;"

Insert: "(iii) guaranteed tax base based on the debt service mills for the prior school fiscal year that qualified for aid under the provisions of 20-9-366 through 20-9-369, [section 30], and 20-9-346;"

Renumber: subsequent subsection

Free Corp. Comm.
~~SENATE TAXATION~~
 EXHIBIT NO. 2
 DATE 4-21-93 #2
 BILL NO. HB 667

04/21/93

ENROLLMENT INCREASES - FUNDING AMOUNTS - FISCAL YEAR 1992-93

	6% ENROLLMENT INCREASES	FUNDED ANB INCREASES	FUNDING AMOUNTS OVER 6%
BIG HORN COUNTY			
1214 Plenty Coups HS	3	13	\$47,305.96
BROADWATER COUNTY			
0055 Broadwater HS	12	7	\$13,451.90
CASCADE COUNTY			
0131 Ulm Elementary	6	18	\$16,013.78
CUSTER COUNTY			
0187 Kinsey Elem	3	2	\$4,382.38
FLATHEAD COUNTY			
0308 Fair-Mont-Egan Elem	9	25	\$37,706.00
0323 Kila Elem	7	17	\$32,152.00
0324 Smith Valley Elem	9	17	\$29,990.00
0327 Somers Elem	22	45	\$76,668.04
0331 Bigfork HS	19	26	\$64,340.90
1184 West Valley Elem	16	19	\$32,252.68
GALLATIN COUNTY			
0360 Three Forks Elem	16	10	\$16,802.72
0364 Gallatin Gateway Elem	9	15	\$31,581.45
0366 Anderson Elem	10	8	\$16,003.30
0374 West Yellowstone K-12 (Elem)	9	8	\$11,183.00
0375 Ophir Elem	4	6	\$12,799.26
0376 Amsterdam Elem	3	14	\$14,932.47
GLACIER COUNTY			
0403 Cut Bank HS	17	8	\$15,600.00
0404 East Glacier Elem	4	8	\$16,922.96
GOLDEN VALLEY COUNTY			
0410 Lavina Elem	3	35	\$71,270.00
HILL COUNTY			
0424 Davey Elem	1	9	\$16,763.00
1207 Rocky Boy Elem	22	11	\$12,140.40
JEFFERSON COUNTY			
0455 Basin Elem	1	6	\$5,928.00
0460 Montana City Elem	14	12	\$22,148.34
LAKE COUNTY			
0481 St Ignatius Elem (EL&HS)	37	13	\$27,000.00
1199 Ronan Elem	66	24	\$46,770.80
1206 Charlo HS	5	17	\$24,083.56
LIBERTY COUNTY			
1224 Liberty Elem	1	45	\$102,228.24
MADISON COUNTY			
0543 Harrison HS	3	3	\$12,874.92
MINERAL COUNTY			
0578 Superior Elem	19	9	\$21,337.65
0582 St Regis HS	4	10	\$28,219.20

04/21/93

ENROLLMENT INCREASES - FUNDING AMOUNTS - FISCAL YEAR 1992-93

	6% ENROLLMENT INCREASES	FUNDED ANB INCREASES	FUNDING AMOUNTS OVER 6%
MISSOULA COUNTY			
0586 Hellgate Elem	59	24	\$47,658.00
0592 DeSmet Elem	7	27	\$56,631.53
0596 Swan Valley Elem	5	5	\$8,980.09
PARK COUNTY			
0613 Livingston HS	29	9	\$20,801.70
POWELL COUNTY			
0719 Elliston Elem	2	9	\$5,571.00
0720 Avon Elem	2	15	\$22,588.00
RAVALLI COUNTY			
0731 Corvallis K-12 (HS)	18	12	\$21,600.00
0735 Hamilton K-12 (EL)	55	45	\$47,182.56
0743 Florence-Carlton K-12 (EL&HS)	41	29	\$54,494.00
ROSEBUD COUNTY			
0792 Lane Deer Elem	19	80	\$50,526.07
0800 Ashland Elem	7	13	\$26,262.71
SANDERS COUNTY			
0803 Plains HS	10	6	\$11,140.10
0805 Thompson Falls HS	11	20	\$43,314.00
0811 Noxon Elem	12	9	\$14,881.95
SILVER BOW COUNTY			
0843 Divide Elem	1	1	\$988.00
TETON COUNTY			
0889 Bynum Elem	3	22	\$57,794.00
0896 Golden Ridge Elem	2	11	\$33,580.44
0898 Pendroy Elem	1	23	\$35,247.00
TOOLE COUNTY			
0902 Sunburst Elem	14	11	\$18,283.48
VALLEY COUNTY			
0940 Fort Peck Elem	1	8	\$14,563.00
YELLOWSTONE COUNTY			
0968 Blue Creek Elem	6	12	\$16,417.00
0981 Elysian Elem	6	38	\$73,712.08
BEAVERHEAD COUNTY			
0006 Beaverhead CO HS	25	32	\$79,840.00
CARBON COUNTY			
0072 Fromberg HS	4	4	\$9,980.00
FLATHEAD COUNTY			
0316 Creston Elem	5	7	\$13,391.00
GALLATIN COUNTY			
0348 Manhattan HS	11	4	\$9,980.00
GARFIELD COUNTY			
0382 Van Norman Elem	1	8	\$15,304.00

The Conference Com
 Exhibit #2
 4-21-93 #2
 HB-667

04/21/93

ENROLLMENT INCREASES - FUNDING AMOUNTS - FISCAL YEAR 1992-93

	6% ENROLLMENT INCREASES	FUNDED ANB INCREASES	FUNDING AMOUNTS OVER 6%
LAKE COUNTY			
0483 Valley View Elem	2	3	\$5,739.00
LEWIS & CLARK COUNTY			
0498 Auchard Creek Elem	2	1	\$1,913.00
LINCOLN COUNTY			
0533 Yaak Elem	1	5	\$9,565.00
MISSOULA COUNTY			
0598 Frenchtown K-6	27	48	\$91,824.00
0598 Frenchtown 7-8	8	12	\$29,940.00
0599 Frenchtown HS	15	16	\$39,920.00
RICHLAND COUNTY			
0747 Savage 7-8	2	8	\$19,960.00
ROOSEVELT COUNTY			
0784 Bainville 7-8	1	6	\$14,970.00
0787 Froid HS	3	2	\$4,990.00
ROSEBUD COUNTY			
0792 Lame Deer K-6	17	39	\$74,607.00
0792 Lame Deer 7-8	3	9	\$22,455.00
TETON COUNTY			
0889 Bynum Elem	3	3	\$5,739.00
TOOLE COUNTY			
0915 Galata Elem	1	3	\$5,739.00
TOTALS	796	1099	\$2,018,925.62

Full Conf Comm.
~~SENATE TAXATION~~
EXHIBIT NO. 3
DATE 4-21-93 #
BILL NO. HB 667

Amendments to House Bill No. 667
Reference Reading Copy

Requested by Conference Committee on House Bill 667
For the Committees of the Whole

Prepared by Eddy McClure
April 20, 1993

1. Page 12, line 17.
Following: "(A)"
Strike: "If"
Insert: "Except as provided in subsection (7), if"

2. Page 12, lines 18 and 19.
Following: "beginning"
Strike: remainder of line 18 through "SECTION"
Insert: "July 1, 1994,"

3. Page 17, line 19.
Following: "(3)"
Strike: "WHENEVER"
Insert: "Except as provided in subsection (7), whenever"

4. Page 18, line 11.
Following: "(A)"
Strike: "IF"
Insert: "Except as provided in subsection (7), if"

5. Page 19, line 24.
Following: line 23
Insert: "(7) When calculating the general fund budget or general fund per-ANB budget for the school fiscal year beginning July 1, 1993, a school district shall subtract any budgeted Public Law 81-874 receipts and reappropriated Public Law 81-874 funds for the school fiscal year ending June 30, 1993."

HOUSE BILL 667 (ORANGE REFERENCE COPY)
AMENDMENTS BY SENATE SELECT COMMITTEE AND
SENATE FLOOR

AMENDMENT
EXHIBIT NO. 1
DATE 4-20-93
BY NO. H 13667
Committee on
H 13667

1. Required 3 years (not 5) to reach BASE budget level (80% level), by the greater of the following limitations:
 - (a) 104% of previous year GF budget;
 - (b) 104% of previous year GF budget per-ANB x current year's ANB; or
 - (c)(i) 33 1/3% of range between GF budget for SFY June 30, 1993 and BASE budget for July 1, 1993;
 - (ii) 50% of range between GF budget for SFY June 30, 1994 and BASE beginning July 1, 1994; or
 - (iii) remainder of range between GF budget for SFY ending June 30, 1995 and BASE beginning July 1, 1995
2. Required voter approval to exceed limitations below 80%
3. Removed "optional" vote between BASE budget level and 90% level but retained voter approval to exceed following limitations in 80% to 100% level:
 - (a) 104% of previous year GF budget; or
 - (b) 104% of previous year GF budget per ANB x current year's ANB
4. Froze district budget growth above maximum level (100%) until the maximum GF budget for the district is reached.
5. Voter approval for districts above maximum not required for first 2 years
6. Added "weighted" GTB for GF budgets of eligible districts. Replaces per mill per ANB method with a ratio that compares the district taxable value to 40% of the district's maximum GF budget.
7. Changed Stop/Loss on per-ANB entitlements:

Lowered High school and junior high stop/loss from 1000 to 800
Lowered Elementary school stop/loss from 2,500 to 1,000
8. Senate amendments resulted in state guaranteed tax base level of 191% (May be 168%-170%, if \$30 million in Senate changes are not funded.)

9. Created parallel system for funding special education with GTB for 25%, 10% local effort, and 65% from allowable cost payments. Coordinates with SB 348 (Halligan)
10. Amended in Senate version of SB 32 (GTB aid for debt service fund). Changed effective date to passage and approval so districts can seek voter and OPI approval in preparation for debt service equalization.
11. Based ANB Count on an average enrollment count for October 1 and February 1 of the previous year
12. Allowed districts receiving 874 funds to transfer from new impact aid fund to general fund to offset portion of district mills for BASE budget levy below 80%, with state paying GTB (complies with federal requirements). Districts using 874 funds for BASE levy support must levy a minimum tax effort based on least prior year statewide average BASE budget levy.
13. Removed House "Wanzenried" amendment limiting districts' administrative expenses to 95% of 2-year average.
14. Replaced monthly 8% SEA payment with a 10% payment to avoid district cashflow problems
15. Allowed a school of district that is more than 20 miles from another school of a district to receive separate basic entitlement
16. Added interim study of nonlevy revenue
17. Appropriated \$400,000 to OPI for implementation
18. Provided moratorium on allow a district to create a new school district out of the territory of an existing district
19. Required any OPI audit to be done by contract rather than Office of the Legislative Auditor
20. Act is void if Senate Bill No. 436 (realty transfer tax) is not passed and approved.