

1 H BILL NO. 578
 2 INTRODUCED BY *Country Hamilton E. Early*
 3 *J. Henderson Bengtson* *Menahen Kurler*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 75-6905, R.C.M. 1947, TO INCREASE THE
 6 MAXIMUM-GENERAL-FUND-BUDGET-WITHOUT-A-VOTED-LEVY SCHEDULES
 7 FOR ELEMENTARY AND HIGH SCHOOLS."
 8

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

10 Section 1. Section 75-6905, R.C.M. 1947, is amended to
 11 read as follows:

12 "75-6905. Maximum-general-fund-budget-without-a-voted-
 13 levy schedules for elementary and high schools. The total
 14 amount of the general fund budget of any district shall not
 15 be greater than the general fund budget amount specified in
 16 the following schedules, except when a district has adopted
 17 an emergency general fund budget under the provisions of
 18 section 75-6727 or when a district has voted an additional
 19 levy under the provisions of section 75-6923.

20 Elementary School Schedule for ~~1975-76~~ 1977-78

21 (1) For each elementary school having an ANB of nine
 22 ~~(9)~~ or fewer pupils, the maximum shall be ~~eight-thousand-six~~
 23 ~~hundred-thirteen-dollars-(8613)~~ \$11,066, if said school is
 24 approved as an isolated school.

25 (2) For schools with an ANB of ~~ten-(10)~~ pupils, but

1 less than ~~eighteen-(18)~~ pupils, the maximum shall be ~~eight~~
 2 ~~thousand-six-hundred-thirteen-dollars-(8613)~~ \$11,066 plus
 3 ~~three-hundred-sixty-dollars-(360)~~ \$462.50 per pupil on the
 4 basis of the average number belonging over ~~nine-(9)~~.

5 (3) For schools with an ANB of ~~eighteen-(18)~~ pupils
 6 and employing one ~~(1)~~ teacher, the maximum shall be ~~eleven~~
 7 ~~thousand-eight-hundred-fifty-three-dollars-(11853)~~ \$15,228
 8 plus ~~three-hundred-sixty-dollars-(360)~~ \$462.50 per pupil on
 9 the basis of the average number belonging over ~~eighteen~~
 10 ~~(18)~~, not to exceed an ANB of ~~twenty-five-(25)~~.

11 (4) For schools with an ANB of ~~eighteen-(18)~~ pupils
 12 and employing two ~~(2)~~ full-time teachers, the maximum shall
 13 be ~~eighteen-thousand-nine-hundred-twenty-four-dollars~~
 14 ~~(18924)~~ \$24,312 plus ~~two-hundred-twenty-five-dollars-and~~
 15 ~~forty-cents-(225.40)~~ \$289.60 per pupil on the basis of the
 16 average number belonging over ~~eighteen-(18)~~, not to exceed
 17 an ANB of ~~fifty-(50)~~.

18 (5) For schools having an ANB in excess of ~~forty-(40)~~
 19 the maximum on the basis of the total pupils (ANB) in the
 20 district for elementary pupils will be as follows:

21 For a school having an ANB of more than ~~forty-(40)~~ and
 22 employing a minimum of three ~~(3)~~ teachers, the maximum of
 23 ~~eight-hundred-thirty-six-dollars-and-thirty-cents-(836.30)~~
 24 \$1,074 shall be decreased at the rate of ~~eighty-one-cents~~
 25 ~~(81)~~ \$1.04 for each additional pupil until the total

1 number (ANB) shall have reached a total of ~~one-hundred-(100)~~
 2 pupils. For a school having an ANB of more than ~~one-hundred~~
 3 ~~(100)~~ pupils, the maximum of ~~seven-hundred-eighty-seven~~
 4 ~~dollars-and-sixty-cents-(~~\$787.60~~)~~ \$1,012 shall be decreased
 5 at the rate of ~~seventy-four-cents-(~~\$0.74~~)~~ 95 cents for each
 6 additional pupil until the ANB shall have reached three
 7 hundred-(300) pupils. For a school having an ANB of more
 8 than three-hundred-(300) pupils, the maximum shall not
 9 exceed ~~six-hundred-thirty-nine-dollars-and-ten-cents~~
 10 ~~(~~\$639.18~~)~~ \$821.10 for each pupil.

11 (6) The maximum per pupil, for all pupils (ANB) and
 12 for all elementary schools shall be computed on the basis of
 13 the amount allowed herein on account of the last eligible
 14 pupil, ANB. All elementary schools operated within the
 15 incorporated limits of a city or town shall be treated as
 16 one (1) school for the purpose of this schedule.

17 High School Schedule for ~~1975-76~~ 1977-78

18 (7) For each high school having an ANB of ~~twenty-four~~
 19 ~~(24)~~ or fewer pupils, the maximum shall be ~~forty-nine~~
 20 ~~thousand-fifty-one-dollars-(~~\$49,051~~)~~ \$63,035.

21 (8) For a secondary school having an ANB of more than
 22 ~~twenty-four-(24)~~ pupils, the maximum ~~two-thousand-forty-four~~
 23 ~~dollars-(~~\$2,044~~)~~ \$2,626 shall be decreased at the rate of
 24 ~~eleven-dollars-and-fifteen-cents-(~~\$11.15~~)~~ \$14.32 for each
 25 additional pupil until the ANB shall have reached a total of

1 ~~forty-(40)~~ such pupils. For a school having an ANB of more
 2 than ~~forty-(40)~~ pupils, the maximum of ~~one-thousand-eight~~
 3 ~~hundred--sixty-five--dollars--(~~\$1,865.00~~)~~ \$2,397 shall be
 4 decreased at the rate of ~~eleven-dollars-and-fifteen-cents~~
 5 ~~(~~\$11.15~~)~~ \$14.32 for each additional pupil until the ANB
 6 shall have reached ~~one-hundred-(100)~~ pupils. For a school
 7 having an ANB of more than ~~one-hundred-(100)~~ pupils, a
 8 maximum of ~~one-thousand-one-hundred-ninety-seven-dollars~~
 9 ~~(~~\$1,197~~)~~ \$1,538 shall be decreased at the rate of ~~one-dollar~~
 10 ~~eighty-six-cents-(~~\$1.86~~)~~ \$2.40 for each additional pupil
 11 until the ANB shall have reached ~~two-hundred-(200)~~ pupils.
 12 For a school having an ANB of more than ~~two-hundred-(200)~~
 13 pupils, the maximum of ~~one-thousand-ten-dollars-(~~\$1,010~~)~~
 14 \$1,298 shall be decreased by ~~one-dollar-and-two-cents~~
 15 ~~(~~\$1.02~~)~~ \$1.32 for each additional pupil until the ANB shall
 16 have reached ~~three-hundred-(300)~~ pupils. For a school having
 17 an ANB of more than ~~three-hundred-(300)~~ pupils, the maximum
 18 of ~~nine-hundred--seven--dollars--and-sixty-cents-(~~\$907.60~~)~~
 19 \$1,166 shall be decreased at the rate of ~~nineteen--cents~~
 20 ~~(~~\$0.19~~)~~ 24 cents until the ANB shall have reached ~~six-hundred~~
 21 ~~(600)~~ pupils. For a school having an ANB over ~~six-hundred~~
 22 ~~(600)~~ pupils, the maximum shall not exceed ~~eight-hundred~~
 23 ~~fifty-one--dollars-and-ten-cents-(~~\$851.10~~)~~ \$1,094 per pupil.

24 (9) The maximum per pupil for all pupils (ANB) and for
 25 all high schools shall be computed on the basis of the

1 district general fund budget in the following manner:

2 (a) determine the per-ANB schedule amount for the
3 school, as defined by this section, from the high school
4 schedule;

5 (b) calculate the ANB for the regularly enrolled
6 full-time pupils enrolled in the seventh (7th) and eighth
7 (8th) grades of the junior high school;

8 (c) multiply the per-ANB schedule amount determined in
9 subsection (a) by the ANB calculated in subsection (b) to
10 determine the authorized general fund budget amount which
11 shall be available for the elementary district general fund
12 budget; and

13 (d) subtract the amount determined in subsection (c)
14 from the total authorized general fund budget amount for the
15 school to determine the authorized general fund budget
16 amount which shall be available for the high school district
17 general fund budget.

18 The general fund budget amount determined for
19 each school of a district under the schedules provided
20 in this section shall be totaled to determine the
21 maximum-general-fund-budget-without-a-voted-levy for such
22 district.

23 (20) For the purpose of establishing the
24 maximum-budget-without-a-vote amount for current year special
25 education program for a school district, the superintendent

1 of public instruction will determine the total estimated
2 cost of the special education program for the school
3 district on the basis of a special education program budget
4 submitted by the district. The budget will be prepared on
5 forms provided by the superintendent of public instruction
6 and will set out for each program

7 (a) the estimated allowable costs associated with
8 operating the program where allowable costs are as defined
9 in section 75-7813.1;

10 (b) the number of pupils expected to be enrolled in
11 the program; and

12 (c) any other data required by the superintendent of
13 public instruction for budget justification purposes and to
14 administer the provisions of this act. The total amount of
15 allowable costs approved by the superintendent of public
16 instruction shall be the special education
17 maximum-budget-without-a-vote amount for current year
18 special education program purposes. The total amount of
19 allowable costs that are approved for the special education
20 budget shall not, under any condition, be less than the
21 maximum-budget-without-a-vote amount for one regular ANB for
22 each special full-time pupil in the school district.

23 (21) If a special education program is implemented or
24 expanded during a given school term too late to be included
25 in the determination of the district

1 maximum-budget-without-a-vote for the school year as
2 prescribed in this chapter, then subject to the approval of
3 the program by the superintendent, under the emergency
4 budget provisions of section 75-6723 (5), allowable costs
5 approved under the budgeting provisions of section 75-6905
6 (20) for the operation of the program during the given year
7 may be added to the maximum-budget-without-a-vote amount for
8 special education for the subsequent school year. Such costs
9 must be recorded as "previous year special education
10 expenses" in the school district budget for the subsequent
11 school year.

12 (22) The sum of the previous year special education
13 expenses as defined in subsection (21) above, and the
14 maximum-budget-without-a-vote for current year special
15 education as defined in subsection (20) shall be the special
16 education budget for accounting purposes.

17 The maximum-budget-without-a-vote for special education
18 will be added to the maximum-budget-without-a-vote of the
19 regular program ANB defined in sections 75-6902 and 75-6903
20 to obtain the total maximum-budget-without-a-vote for the
21 district."

-End-

STATE OF MONTANA

REQUEST NO. 300-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 77, there is hereby submitted a Fiscal Note for HB 578 pursuant to Chapter 53, Laws of Montana, 1955 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION: HB 578 provides for changes in the financial schedules for the maximum general fund budget for elementary and high school districts.

ASSUMPTIONS:

1. The total average number belonging (ANB) will decline from 171,940 in FY77 to 169,450 in FY78 and 167,460 in FY79.
2. The state's taxable valuation will increase from \$1.392 billion in FY77 to \$1.477 billion in FY78 and \$1.636 billion in FY79.
3. Total allowable costs for special education will increase from \$20.7 million in FY77 to \$22.0 million in FY78 and \$23.2 million in FY79.
4. It is estimated that 11% of special ed. allowance will revert each year, reducing the following year's state equalization payments.

FISCAL IMPACT:

	Amounts are in Millions					
	FY78			FY79		
	Proposed	Current	Increase	Proposed	Current	Increase
Maximum Budget Without A Vote	\$194.76	\$173.55	\$21.21	\$216.14	\$171.65	\$44.49
I. Foundation Program (80%)	\$155.81	\$138.84	16.97	\$172.91	\$137.32	35.59
Regional Special Ed.	1.54	1.54	0	1.56	1.56	0
Total	157.35	140.38	16.97	174.47	138.83	35.59
Funding:						
County Equalization	60.58	60.58	0	66.94	66.94	0
Basic 40 Mills	59.08	59.08	0	65.44	65.44	0
Other Co. Equalization	1.50	1.50	0	1.50	1.50	0
State Equalization	93.69	76.72	16.97	107.52	71.93	35.59
Income Tax	30.93	30.93	0	35.02	35.02	0
Corp. License Tax	6.63	6.63	0	7.00	7.00	0
Mineral Royalties	4.00	4.00	0	4.10	4.10	0
Coal Severance Tax	3.35	3.35	0	3.84	3.84	0
Interest and Income	14.00	14.00	0	14.00	14.00	0
Reversion from Spec. Ed.	2.28	2.28	0	2.42	2.42	0
General fund appropriation	32.5	15.53	16.97	41.14	5.55	35.59
State Deficiency	3.08	3.08	0	.01	.01	0
Carryover From Prior Year	3.08	3.08	0	.01	.01	0
II. Permissive Levy (20%)	\$ 38.95	\$ 34.71	\$ 4.24	\$ 43.23	\$ 34.33	\$ 8.9
Local Share	19.20	19.20	0	21.27	21.27	0
State Share	19.75	15.51	4.24	21.96	13.06	8.9
Funding: State Share						
Beginning Balance	1.19	1.19	0	.65	.65	0
Surplus Equalization ERA	1.66	1.66	0			
Revenue Sharing	8.10	8.10	0	8.10	8.10	0
State Levy	0	0	0	0	0	0
GF Appropriation	9.45	5.21	4.24	13.86	4.96	8.9
Ending Balance	(.65)	(.65)	0	(.65)	(.65)	0
Taxable Value	1,477			1,636		

Enactment of the proposed legislation will increase the General Fund requirement for the Foundation Program \$52.6 million over the current requirement, and an additional \$13.1 million in General Fund dollars would be needed for the state share of the Permissive Levy. The Executive Budget recommendation provides \$22.0 million for the Foundation Program over the current requirement and an additional \$5.5 million for the state share of the Permissive Levy.

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 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date 2-4-77