

1 *House* BILL NO. *775*
 2 INTRODUCED BY *Mular* *at The Request* *3B9W* *County Supt*
 3 *6* *Schools*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PLACE THE LEVY FOR
 5 ELEMENTARY DISTRICT RETIREMENT FUNDS AGAINST THE SCHOOL
 6 DISTRICT RATHER THAN THE COUNTY; AMENDING SECTION 75-7204,
 7 R.C.M. 1947."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 75-7204, R.C.M. 1947, is amended to
 11 read as follows:

12 "75-7204. Retirement fund. The trustees of any
 13 district employing personnel who are members of the teachers
 14 retirement system or the public employees retirement system,
 15 or who are covered by unemployment compensation, or who are
 16 covered by any federal social security system requiring
 17 employer contributions shall establish a retirement fund for
 18 the purposes of budgeting and paying the employer's
 19 contributions to such systems. The district's contribution
 20 for each employee who is a member of the teachers retirement
 21 system shall be calculated in accordance with section
 22 75-6207. The district's contribution for each employee who
 23 is a member of the public employees retirement system shall
 24 be calculated in accordance with section 68-603, R.C.M.,
 25 1947. The district's contributions for each employee covered

1 by any federal social security system shall be paid in
 2 accordance with federal law and regulation. The district's
 3 contribution for each employee who is covered by
 4 unemployment compensation shall be paid in accordance with
 5 section 87-109.

6 The trustees of any district required to make a
 7 contribution to any such system shall include in the
 8 retirement fund of the preliminary budget the estimated
 9 amount of the employer's contribution and such additional
 10 moneys, within legal limitations, as they may wish to
 11 provide for the retirement fund cash reserve. After the
 12 final retirement fund budget has been adopted, the trustees
 13 shall pay the employer contributions to such systems in
 14 accordance with the financial administration provisions of
 15 this title.

16 When the final retirement fund budget has been adopted,
 17 the county superintendent shall establish the levy
 18 requirement by:

19 (1) determining the sum of the moneys available to
 20 reduce the retirement fund levy requirement by adding:

21 (a) any anticipated moneys that may be realized in the
 22 retirement fund during the ensuing school fiscal year; and

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

1 for the ensuing school fiscal year by the trustees from the
 2 end-of-the-year cash balance in the retirement fund. The
 3 retirement fund cash reserve shall not be more than
 4 thirty-five per cent (35%) of the final retirement fund
 5 budget for the ensuing school fiscal year and shall be used
 6 for the purpose of paying retirement fund warrants issued by
 7 the district under the final retirement fund budget.

8 (2) subtracting the total of the moneys available for
 9 reduction of the levy requirement as determined in
 10 subsection (1) from the budgeted amount for expenditures in
 11 the final retirement fund budget.

12 ~~The net retirement fund levy requirement for each~~
 13 ~~elementary district shall be reported to the county~~
 14 ~~commissioners on the second Monday of August by the county~~
 15 ~~superintendent, and a levy on each elementary district shall~~
 16 ~~be made by the county commissioners in accordance with~~
 17 ~~75-6717.~~

18 The county superintendent shall total the net
 19 retirement fund levy requirements ~~separately for all~~
 20 ~~elementary school districts and of~~ all high school districts
 21 of the county, including any prorated joint high school
 22 district levy requirements, and shall report ~~each~~ such levy
 23 requirement to the county commissioners on the second Monday
 24 of August as the ~~respective~~ county levy requirements for
 25 ~~elementary district and~~ high school district retirement

1 funds. The county commissioners shall fix and set such
 2 county levy in accordance with section 75-6717.

3 The net retirement fund levy requirement for a joint
 4 ~~elementary district or a~~ joint high school district shall be
 5 prorated to each county in which a part of such district is
 6 located in the same proportion as the ~~district~~ high school
 7 ANB of the joint high school district is distributed by
 8 pupil residence in each such county. The county
 9 superintendents of the counties affected shall jointly
 10 determine the net retirement fund levy requirement for each
 11 county as provided in section 75-6721.*

-End-

STATE OF MONTANA

REQUEST NO. 503-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 1977, there is hereby submitted a Fiscal Note or House Bill 775 pursuant to Chapter 53, Laws of Montana, 1965 - 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 OF PROPOSED LEGISLATION:

House Bill 775 places the levy for elementary district retirement funds against the school district rather than the county.

ASSUMPTION:

The total retirement fund budget will continue to increase for elementary school districts at the 8.9% increase experienced between FY 76 and FY 77.

LOCAL FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Decreased county costs	(\$13.67 Mill)	(\$14.87 Mill)
Increased school district cost	<u>13.67 Mill</u>	<u>14.87 Mill</u>
Net impact	<u>\$ 0</u>	<u>\$ 0</u>

Richard L. Zang
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-77