

SENATE BILL 428

IN THE SENATE

February 9, 1979	Introduced and referred to Committee on Education.
February 13, 1979	Fiscal note requested.
February 16, 1979	Fiscal note returned.
February 20, 1979	Committee recommend bill, do not pass, as amended.

1 *Sen. Smith* BILL NO. *438*
 2 INTRODUCED BY *Sen. Smith*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PLACE A LIMITATION
 5 ON SPENDING BY PUBLIC SCHOOLS IN MONTANA; AND AMENDING
 6 SECTION 20-9-353, MCA."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 20-9-353, MCA, is amended to read:

10 "20-9-353. Additional levy for general fund -- budget
 11 limitations -- election for authorization to impose. (1) The
 12 trustees of any district may propose to adopt a general fund
 13 budget in excess of the general fund budget amount for such
 14 district as established by the schedules in 20-9-316 through
 15 20-9-321 for any of the following purposes:

16 (a) building, altering, repairing, or enlarging any
 17 schoolhouse of the district;

18 (b) furnishing additional school facilities for the
 19 district;

20 (c) acquisition of land for the district;

21 (d) proper maintenance and operation of the school
 22 programs of the district.

23 (2) However, ~~when the trustees adopt a total general~~
 24 ~~fund budget which exceeds 110% of the general fund budget~~
 25 ~~for the preceding year they shall file a notice of this~~

1 ~~increase with the superintendent of public instruction~~
 2 ~~setting forth the specific reasons for increasing the budget~~
 3 ~~the trustees may not adopt a total general fund budget per~~
 4 ~~ANB that exceeds the previous fiscal year's total general~~
 5 ~~fund budget per ANB by more than the average percentage~~
 6 ~~change in Montana total personal income for the five most~~
 7 ~~recently completed calendar years as estimated by the United~~
 8 ~~States department of commerce or its successor agency.~~

9 (3) When the trustees of any district determine that
 10 an additional amount of financing is required for the
 11 general fund budget that is in excess of the statutory
 12 schedule amount, the trustees shall submit the proposition
 13 of an additional levy to raise such excess amount of general
 14 fund financing to the electors who are qualified under
 15 20-20-301 to vote upon such proposition except that the Twin
 16 Bridges high school district may increase its general fund
 17 budget as established by 20-9-316 through 20-9-321 by the
 18 amount of tuition paid to the district the previous year
 19 under 20-5-315. Such special election shall be called and
 20 conducted in the manner prescribed by this title for school
 21 elections. The ballot for such election shall state the
 22 amount of money to be raised by additional property
 23 taxation, the approximate number of mills required to raise
 24 such money, and the purpose for which such money will be
 25 expended, and it shall be in the following format:

"PROPOSITION

1 Shall a levy be made in addition to the levies
2 authorized by law in such number of mills as may be
3 necessary to raise the sum of (state the amount to be raised
4 by additional tax levy), and being approximately (give
5 number) mills, for the purpose of (insert the purpose for
6 which the additional tax levy is made)?

- 7 FOR the additional levy.
- 8 AGAINST the additional levy."

9 (4) If the election on any additional levy for the
10 general fund is approved by a majority vote of those
11 electors voting at such election, the proposition shall
12 carry and the trustees may use any portion or all of the
13 authorized amount in adopting the preliminary general fund
14 budget. The trustees shall certify the additional levy
15 amount authorized by such a special election on the budget
16 form that is submitted to the county superintendent, and the
17 county commissioners shall levy such number of mills on the
18 taxable value of all taxable property within the district,
19 as prescribed in 20-9-141, as are required to raise the
20 amount of such additional levy.

21 (5) Authorization to levy an additional tax under the
22 provisions of this section shall be effective for only 1
23 school fiscal year and shall be authorized by a special
24 election conducted before August 1 of the school fiscal year
25

1 for which it is effective. Only one such additional levy for
2 the maintenance and operation of the school programs of a
3 high school district may be imposed by a high school
4 district in a given school fiscal year."

5 NEW SECTION. Section 2. Superintendent of public
6 instruction to reduce budgets. The superintendent of public
7 instruction must annually review the budgets of all school
8 districts to determine the extent to which their general
9 fund budgets conform to the budget limits established in
10 20-9-353. If a school district exceeds the general fund
11 budget limits established in 20-9-353, the superintendent of
12 public instruction must reduce the foundation program
13 payment to the district by the amount exceeded.

14 NEW SECTION. Section 3. Emergency situation. The
15 budget limitations established in 20-9-353 do not apply to a
16 school district encountering an emergency situation as
17 defined in 20-9-161.

-End-

STATE OF MONTANA

REQUEST NO. 319-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 428 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:

An act to place a limitation on spending by public schools in Montana.

ASSUMPTIONS:

- Any change in public school general fund budgets as a result of the proposed legislation will not affect the school general fund budget without a vote.
- Montana personal income will be as follows (in millions):

FY73 - 3,466.0	FY75 - 4,019.0	FY77 - 4,661.0	FY79 - 5,421.0	FY81 - 6,323.0	FY83 - 7,376.0
FY74 - 3,666.0	FY76 - 4,282.0	FY78 - 5,019.0	FY80 - 5,855.0	FY82 - 6,829.0	
- ANB totals are as follows:

FY78 - 167,031	FY80 - 163,791	FY82 - 160,371	FY84 - 157,651
FY79 - 166,252	FY81 - 161,990	FY83 - 158,928	FY85 - 156,554
- School general fund budget will increase 9% from FY1978 to FY1979.

OVERALL FISCAL IMPACT:	<u>FY80</u>	<u>FY81</u>
Estimated ANB	163,791	161,990
x Estimated maximum total school general fund budget per ANB	x <u>1760.63</u>	x <u>1903.24</u>
Maximum school general fund budget under proposed legislation	<u>\$288,375,348</u>	<u>\$308,305,848</u>

Enactment of the proposed legislation will limit public school general fund budgets to a 6.1% increase in FY1980 and a 6.9% increase in FY1981 as compared to a 15.8% increase in FY1975, a 16.5% increase in FY1976, an 11.2% increase in FY1977, an estimated 8.7% increase in FY1978, and an estimated 9.0% increase in FY1979. For the biennium, budgets will be limited to a 14.5% increase as compared to a 32.0% increase in the 1977 Biennium and a 19.6% increase in the 1979 Biennium.

OVERALL LONG-TERM IMPACT:

Assuming that the ANB will be as stated above through Fiscal Year 1985 and Montana personal income increases 8% in Calendar Years 79, 80, 81, 82 and 83 enactment of the proposed legislation will limit public school general fund budgets to approximately 7.0% per year through Fiscal Year 1985. For the biennium, budgets would be limited to a 14.2% increase in the 1983 Biennium and a 14.7% increase in the 1985 Biennium.

STATE IMPACT:

None, since it is assumed that any change in public school general fund budgets as a result of the proposed legislation will not affect the public school general fund budget without a vote.

LOCAL IMPACT:

The proposed legislation would limit amounts that school districts could obtain through the voted levy.

Richard L. Franzen
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/16/79