

House Bill 757

In The House

February 13, 1981	Introduced and referred to Committee on Education.
February 16, 1981	Fiscal note requested.
February 21, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1 *Willis* *Richard* *Blaylock* *Gale*
 2 HOUSE BILL NO. 257 *Conroy* *Azz. NCA*
 3 INTRODUCED BY *Harrington* *Duff* *Messiah* *Kammis*
 4 *Bentley* *Brandon* *Richard* *Manning* *Vince* *Vincent* *Wesman* *Jacobson*
 5 A BILL FOR AN ACT ENTITLED: *an act relating to the school*
 6 *foundation program; providing for increases in financial*
 7 *schedules for the maximum general fund budgets for*
 8 *elementary and high schools; providing a protection to all*
 9 *public schools against a reduction in 1981-82 budgeting*
 10 *authority due to enrollment losses; amending sections*
 11 *20-9-316 through 20-9-319, MCA; providing an immediate*
 12 *effective date.* *Berg* *Shantz* *Jacobson* *Stoddy*
 13 *Norman* *Graham* *Hoffman*

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 15 Section 1. Section 20-9-316, MCA, is amended to read:
 16 "20-9-316. Elementary school maximum budget schedule
 17 for 1979-80 1981-82. (1) For each elementary school having
 18 an ANB of nine or fewer pupils, the maximum shall be \$12,002
 19 \$15,182 if said school is approved as an isolated school.
 20 (2) For schools with an ANB of 10 pupils but less than
 21 13 pupils, the maximum shall be \$12,002 \$15,182 plus \$501.60
 22 \$634.50 per pupil on the basis of the average number
 23 belonging over nine.
 24 (3) For schools with an ANB of 18 pupils and employing
 25 one teacher, the maximum shall be \$16,516 \$20,892.50 plus
 \$501.60 \$634.50 per pupil on the basis of the average number

1 belonging over 18, not to exceed an ANB of 25.
 2 (4) For schools with an ANB of 18 pupils and employing
 3 two full-time teachers, the maximum shall be \$26,665 \$33,350
 4 plus \$314.10 \$400 per pupil on the basis of the average
 5 number belonging over 18, not to exceed an ANB of 50.
 6 (5) For schools having an ANB in excess of 40, the
 7 maximum on the basis of the total pupils (ANB) in the
 8 district for elementary pupils will be as follows:
 9 (a) For a school having an ANB of more than 40 and
 10 employing a minimum of three teachers, the maximum of \$17,165
 11 \$1,475 shall be decreased at the rate of \$1.13 \$1.45 for
 12 each additional pupil until the total number (ANB) shall
 13 have reached a total of 100 pupils.
 14 (b) For a school having an ANB of more than 100
 15 pupils, the maximum of \$17,097 \$1,388 shall be decreased at
 16 the rate of \$1.03 \$1.28 for each additional pupil until the
 17 ANB shall have reached 300 pupils.
 18 (c) For a school having an ANB of more than 300
 19 pupils, the maximum shall not exceed \$990.60 \$1,130 for each
 20 pupil.
 21 (5) The maximum per pupil for all pupils (ANB) and for
 22 all elementary schools shall be computed on the basis of the
 23 amount allowed herein on account of the last eligible pupil
 24 (ANB). All elementary schools operated within the
 25 incorporated limits of a city or town shall be treated as

1 one school for the purpose of this schedule."

2 Section 2. Section 20-9-317, MCA, is amended to read:

3 "20-9-317. High school maximum budget schedule for
4 ~~1979-80 1981-82~~. (1) For each high school having an ANB of
5 24 or fewer pupils, the maximum shall be ~~468,373~~ 126,500.

6 (2) For a secondary school having an ANB of more than
7 24 pupils, the maximum ~~2,849~~ 13,605 shall be decreased at
8 the rate of ~~15.54~~ 19.75 for each additional pupil until
9 the ANB shall have reached a total of 40 such pupils.

10 (3) For a school having an ANB of more than 40 pupils,
11 the maximum of ~~2,600~~ 13,282 shall be decreased at the rate
12 of ~~15.54~~ 19.65 for each additional pupil until the ANB
13 shall have reached 100 pupils.

14 (4) For a school having an ANB of more than 100
15 pupils, a maximum of ~~1,660~~ 12,110 shall be decreased at the
16 rate of ~~2.60~~ 13.28 for each additional pupil until the ANB
17 shall have reached 200 pupils.

18 (5) For a school having an ANB of more than 200
19 pupils, the maximum of ~~1,400~~ 11,702 shall be decreased by
20 ~~1.43~~ 11.80 for each additional pupil until the ANB shall
21 have reached 300 pupils.

22 (6) For a school having an ANB of more than 300
23 pupils, the maximum of ~~1,265~~ 11,602 shall be decreased at
24 the rate of ~~26~~ 32 cents until the ANB shall have reached 600
25 pupils.

1 (7) For a school having an ANB over 600 pupils, the
2 maximum shall not exceed ~~1,106~~ 11,501 per pupil.

3 (8) The maximum per pupil for all pupils (ANB) and for
4 all high schools shall be computed on the basis of the
5 amount allowed herein on account of the last eligible pupil
6 (ANB). All high schools and junior high schools which have
7 been approved and accredited as junior high schools,
8 operated within the incorporated limits of a city or town,
9 shall be treated as one school for the purpose of this
10 schedule."

11 Section 3. Section 20-9-318, MCA, is amended to read:

12 "20-9-318. Elementary school maximum budget schedule
13 for ~~1980-81 1982-83~~ and succeeding years. (1) For each
14 elementary school having an ANB of nine or fewer pupils, the
15 maximum shall be ~~13,202~~ 17,460 if said school is approved
16 as an isolated school.

17 (2) For schools with an ANB of 10 pupils but less than
18 18 pupils, the maximum shall be ~~13,202~~ 17,460 plus ~~551.76~~
19 1730 per pupil on the basis of the average number belonging
20 over nine.

21 (3) For schools with an ANB of 18 pupils and employing
22 one teacher, the maximum shall be ~~10,160~~ 24,030 plus
23 ~~551.76~~ 1730 per pupil on the basis of the average number
24 belonging over 18, not to exceed an ANB of 25.

25 (4) For schools with an ANB of 18 pupils and employing

1 two full-time teachers, the maximum shall be ~~\$29,000~~ \$38,350
 2 plus ~~\$345.50~~ \$460 per pupil on the basis of the average
 3 number belonging over 18, not to exceed an ANB of 50.

4 (5) For schools having an ANB in excess of 40, the
 5 maximum on the basis of the total pupils (ANB) in the
 6 district for elementary pupils will be as follows:

7 (a) For a school having an ANB of more than 40 and
 8 employing a minimum of three teachers, the maximum of ~~\$17,282~~
 9 \$1,722 shall be decreased at the rate of ~~\$1.25~~ \$1.70 for
 10 each additional pupil until the total number (ANB) shall
 11 have reached a total of 100 pupils.

12 (b) For a school having an ANB of more than 100
 13 pupils, the maximum of ~~\$17,297~~ \$1,600 shall be decreased at
 14 the rate of ~~\$1.12~~ \$1.50 for each additional pupil until the
 15 ANB shall have reached 300 pupils.

16 (c) For a school having an ANB of more than 300
 17 pupils, the maximum shall not exceed ~~\$979.69~~ \$1,300 for each
 18 pupil.

19 (6) The maximum per pupil for all pupils (ANB) and for
 20 all elementary schools shall be computed on the basis of the
 21 amount allowed herein on account of the last eligible pupil
 22 (ANB). All elementary schools operated within the
 23 incorporated limits of a city or town shall be treated as
 24 one school for the purpose of this schedule."

25 Section 4. Section 20-9-319, MCA, is amended to read:

1 "20-9-319. High school maximum budget schedule for
 2 ~~1980-81~~ 1982-83 and succeeding years. (1) For each high
 3 school having an ANB of 24 or fewer pupils, the maximum
 4 shall be ~~\$75,210~~ \$99,500.

5 (2) For a secondary school having an ANB of more than
 6 24 pupils, the maximum ~~\$3,134~~ \$4,146 shall be decreased at
 7 the rate of ~~\$17.09~~ \$22.75 for each additional pupil until
 8 the ANB shall have reached a total of 40 such pupils.

9 (3) For a school having an ANB of more than 40 pupils,
 10 the maximum of ~~\$2,860~~ \$3,782 shall be decreased at the rate
 11 of ~~\$17.09~~ \$22.60 for each additional pupil until the ANB
 12 shall have reached 100 pupils.

13 (4) For a school having an ANB of more than 100
 14 pupils, a maximum of ~~\$1,035~~ \$2,426 shall be decreased at the
 15 rate of ~~\$2.86~~ \$3.76 for each additional pupil until the ANB
 16 shall have reached 200 pupils.

17 (5) For a school having an ANB of more than 200
 18 pupils, the maximum of ~~\$1,549~~ \$2,050 shall be decreased by
 19 ~~\$1.57~~ \$2.02 for each additional pupil until the ANB shall
 20 have reached 300 pupils.

21 (6) For a school having an ANB of more than 300
 22 pupils, the maximum of ~~\$1,392~~ \$1,842 shall be decreased at
 23 the rate of ~~20~~ 28 cents until the ANB shall have reached 600
 24 pupils.

25 (7) For a school having an ANB over 600 pupils, the

1 maximum shall not exceed ~~\$1,305~~ \$1,728 per pupil.

2 (8) The maximum per pupil for all pupils (ANB) and for
3 all high schools shall be computed on the basis of the
4 amount allowed herein on account of the last eligible pupil
5 (ANB). All high schools and junior high schools which have
6 been approved and accredited as junior high schools,
7 operated within the incorporated limits of a city or town,
8 shall be treated as one school for the purpose of this
9 schedule."

10 Section 5. Adjustment in ANB for 1981-82 budget
11 purposes. Notwithstanding the provisions of 20-9-311 which
12 set forth the method for calculating the average
13 number belonging (ANB), the average number belonging
14 to be used in determining a district's
15 maximum-general-fund-without-a-voted-levy budget for 1981-82
16 shall be the same ANB that was used for determining the
17 district's 1980-81 maximum budget amount, except in those
18 districts that experienced an enrollment increase during the
19 1980-81 school year, in which case the ANB shall be
20 calculated in accordance with the provisions of 20-9-311.

21 Section 6. Effective date. This act is effective on
22 passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 297-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 16, 19 81, there is hereby submitted a Fiscal Note for House Bill 757 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). 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

An act providing for increases in financial schedules for the Maximum General Fund Budgets for Elementary and High Schools, providing a protection to all public schools against a reduction in 1981-82 budgeting authority due to enrollment losses.

Assumptions

1. 15% and 15% school schedule increases
2. ANB held constant the first year except for increasing districts
3. Allowance for ANB growth of 1500 the first year in 138 districts
4. Actual ANB counts used in the second fiscal year
5. Overall 9% growth for total school budgets each year
6. No caps on the voted portion of school budgets
7. Equalization revenue is forthcoming at estimated level
8. County valuation increases of 10% in FY 1982 and 8% in FY 1983
9. Income tax indexing at the \$800 exemption level
10. Balances in the Equalization and Permissive Accounts will be comingled

Fiscal Impact

	Under Current Law	Under Proposed Law	Increase	Under Current Law	Under Proposed Law	Increase
Revenue:						
County Equal.	\$ 81,680,000	\$ 81,680,000	\$	\$ 88,790,000	\$ 88,790,000	\$
Equal. ERA	100,890,000	100,890,000		108,880,000	108,880,000	
Acct Balance	42,130,000	42,130,000		60,060,000	23,379,261	(36,780,739)
Total	\$224,700,000	\$224,700,000	\$	\$257,730,000	\$220,949,261	\$(36,780,739)
Expenditures:						
Foundation Pro.	\$150,380,000	\$180,360,830	\$ 29,980,830	\$147,310,000	\$195,997,403	\$ 48,687,403
State Permis.	14,260,000	21,059,909	6,799,909	12,020,000	22,766,426	10,746,426
Total	\$164,640,000	\$201,420,739	\$ 36,780,739	\$159,330,000	\$218,763,829	\$ 59,433,829
Net Effect	\$ 60,060,000	\$ 23,279,261	\$(36,780,739)	\$ 98,400,000	\$ 2,185,432	\$(96,214,568)
GF Approp. Required	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Local Impact

Assuming a 9% growth factor in total school budgets, voted amounts should stabilize at about the same percentage level of total budgets as existed prior to the special education expenditure cap initiated in 1980.

David M. Jones

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-20-81

Comment

Special Education is not provided from House Bill 757. In order to calculate total state contributions to the public school system, a total of about \$50 million must be added to the above costs. Under House Bill 757, most of this cost would be state general fund dollars.

If income tax indexing is calculated at the \$1,000 exemption level, revenue to the school equalization account would decrease approximately \$5 million over the next biennium.