

HOUSE BILL NO. 683

Introduced: 02/08/83

Referred to Committee on Education & Cultural Resources:  
02/08/83

Hearing: 2/11/83  
Died in Committee

1 *House* BILL NO. *683*  
 2 INTRODUCED BY *Earl M. Munn* *Jim Lynch*  
 3 *Menahar* *Harmon* *Keenan* *Langrish* *Joe Bryan*  
 4 *McBride* *J. Jakobson* *James* *Haffey*  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO HELP THE SCHOOL

6 DISTRICTS IN BUTTE-SILVER BOW AND DEER LODGE COUNTIES COPE  
 7 WITH DECLINING ENROLLMENT AND LOSS OF TAX REVENUE AS A  
 8 RESULT OF INDUSTRY CLOSURES; TO ALLOW THE DISTRICTS TO USE  
 9 THEIR 1983-1984 AVERAGE NUMBER BELONGING COUNT FOR THE TWO  
 10 SUCCEEDING SCHOOL YEARS; AND PROVIDING A TERMINATION DATE."

11 WHEREAS, the loss of employment as a result of the  
 12 suspension of Anaconda Company mining operations in Butte,  
 13 scheduled for June 1983, will undoubtedly lead to a  
 14 reduction in the number of school-age children in the Butte  
 15 and Anaconda area over the next few years; and

16 WHEREAS, the school districts in those communities will  
 17 lose over \$5 million in taxation revenue over the next 3  
 18 years, making it difficult to support the local school  
 19 systems beyond established state school aid; and

20 WHEREAS, the decline in enrollment that will occur  
 21 gradually over the next 3 or more years is hard to predict,  
 22 making it difficult to match reductions in teaching staff,  
 23 classroom units, and other school services with the  
 24 reductions in enrollment; and

25 WHEREAS, the combination of the loss of foundation

1 program funds due to reduced student counts and a reduction  
 2 in tax revenue to balance the loss, coupled with possible  
 3 layoffs of school personnel and diminished school programs,  
 4 will compound the already discouraging impact of industry  
 5 closures in the Butte and Anaconda area; and

6 WHEREAS, the school districts in Butte-Silver Bow and  
 7 Deer Lodge Counties should be allowed to use their 1983-1984  
 8 average number belonging count for the two succeeding school  
 9 years to calculate their foundation program aid.

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Average number belonging count for school  
 13 districts in certain counties. (1) The school districts in  
 14 the counties of Butte-Silver Bow and Deer Lodge may use as  
 15 the ANB count for the 1984-1985 and 1985-1986 school fiscal  
 16 years the average number belonging (ANB) count calculated  
 17 under 20-9-311 to determine the maximum general fund  
 18 schedule amounts for the 1983-1984 school fiscal year.

19 (2) The school districts named in subsection (1) shall  
 20 use the actual ANB count as calculated under 20-9-311 for  
 21 the 1985-1986 school fiscal year for determining the maximum  
 22 general fund schedule amounts for the 1986-1987 school  
 23 fiscal year.

24 Section 2. Termination date. This act terminates July  
 25 1, 1986.

-End-  
 -2-

INTRODUCED BILL  
*HL 683*

## STATE OF MONTANA

REQUEST NO. 364-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 10, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 683 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:

House Bill 683 is an act to help the school districts in Butte-Silver Bow and Deer Lodge counties to cope with declining enrollments and loss of tax revenue; and allows the school districts to use the 1983-84 ANB for the two succeeding school years.

ASSUMPTIONS:

- 1) The ANB will continue to drop at the present rate.
- 2) The Foundation Program will remain the same.
- 3) County Equalization will remain the same.
- 4) The districts' tax base will remain the same for both years of the biennium.

FISCAL IMPACT:

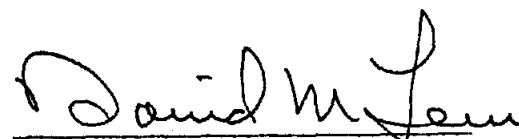
	<u>FY84</u>	<u>FY85</u>	<u>Biennium</u>
Expenditures:			
Operating Expenses:			
Under Current Law	\$13,200,889	\$12,403,951	
Under Proposed Law	<u>13,200,889</u>	<u>13,200,889</u>	
Increased Expenditures	<u>-0-</u>	<u>\$ 796,938</u>	

COMMENT:

The first year of the 86-87 biennium will also be fiscally impacted by this bill. Using the same assumptions, \$1,380,523 in additional funding will be required in FY 1986.

If ANB decreases less than what is projected in this note, the fiscal impact will be smaller. If ANB drops more than projected, the impact will be greater.

FISCAL NOTE 13:D/1/



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-14-83