

SENATE BILL NO. 43

Introduced: 1/3/83

Referred to Committee on Education & Cultural Resources:
1/3/83

Hearing: 1/21/83

Report: 01/27/83, Do Not pass. Report adopted.

Bill Killed.

SENATE BILL NO. 43

INTRODUCED BY BLAYLOCK

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A HIGH SCHOOL WITH 99 OR FEWER ANB FOR 2 CONSECUTIVE YEARS TO APPLY FOR CLASSIFICATION AS AN ISOLATED SCHOOL; TO REQUIRE THAT A NONISOLATED HIGH SCHOOL DISTRICT SHARE WITH THE STATE AND COUNTY THE FINANCING OF THE FOUNDATION PROGRAM AMOUNT GUARANTEED IN THE SCHEDULES TO A HIGH SCHOOL OF THAT SIZE; AMENDING SECTIONS 20-9-302, 20-9-303, AND 20-9-316 THROUGH 20-9-319, MCA."

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

Section 1. Section 20-9-302, MCA, is amended to read:

"20-9-302. School isolation. (1) The trustees of any district operating an elementary school of less than 10 ANB or a high school of less than 25 ~~100~~ ANB for 2 consecutive years shall apply to have the school classified as an isolated school. The application shall be submitted by the trustees to the county superintendent by May 1 of the second consecutive year that enrollment falls below the amount specified in this subsection. Such application shall include:

(a) the name of each pupil who will attend the school during the ensuing school fiscal year with the distance the

pupil resides from the nearest county road or highway;

(b) a description of conditions affecting transportation such as poor roads, mountains, rivers, or other obstacles to travel, the distance the school is from the nearest open school having room and facilities for the pupils of such school, or any other condition that would result in an unusual hardship to the pupils of the school if they were transported to another school; and

(c) any other information prescribed by the superintendent of public instruction.

(2) The county superintendent shall submit the applications to the board of county commissioners (budget board) for their consideration on or before May 15. The budget board shall approve or disapprove the application on the basis of the criteria established by the superintendent of public instruction. The budget board also may approve an application because of the existence of other conditions which would result in an unusual hardship to the pupils of such school if they were transported to another school.

(3) When an application is approved, the county superintendent shall submit such application to the superintendent of public instruction before June 1. The superintendent of public instruction shall approve or disapprove such application for isolated classification by the fourth Monday of June on the basis of the information

INTRODUCED BILL

supplied by the application or objective information the superintendent of public instruction may collect on his own initiative. No elementary or high school shall be considered an isolated school until the approval of the superintendent of public instruction has been received."

Section 2. Section 20-9-303, MCA, is amended to read:

"20-9-303. Definition of foundation program and its proportion of the maximum-general-fund-without-a-voted-levy schedule amount -- nonisolated school foundation program financing -- special education funds. (1) As used in this title, the term "foundation program" shall mean the minimum operating expenditures, as established herein, that are sufficient to provide for the educational program of a school. The foundation program relates only to those expenditures authorized by a district's general fund budget and shall not include expenditures from any other fund. It shall be financed by:

(a) county equalization moneys; and

(b) state equalization aid.

(2) The dollar amount of the foundation program shall be 80% of the maximum-general-fund-budget-without-a-voted-levy limitation as set forth in the schedules in 20-9-316 through 20-9-321. The following provisions apply to a school that is required to apply for classification as an isolated school under

20-9-302:

(a) The foundation program of an elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved as an isolated school ~~under the provisions of 20-9-302~~ shall be 80% of the schedule amount, but the county and state shall participate in financing one-half of the foundation program, and the district shall finance the remaining one-half by a tax levied on the property of the district. When a school of nine or fewer pupils is approved as isolated ~~under the provisions of 20-9-302~~, the county and state shall participate in the financing of the total amount of the foundation program.

~~(b) The foundation program of a high school having an ANB of 99 or fewer pupils for 2 consecutive years that is not approved as an isolated school shall be 80% of the schedule amount for a school of that size, but the county and state share of financing the foundation program must be fixed at the same rate per ANB as for a high school of 100 pupils and the district shall finance the remaining share by a tax levied on the property of the district. When a high school of 99 or fewer pupils is approved as isolated, the county and state shall participate in the financing of the total amount of the foundation program.~~

(3) Funds provided to support the special education accounting budget may be expended only for special education

purposes as approved by the superintendent of public instruction in accordance with the special education budgeting provisions of this title. Expenditures for special education shall be accounted for separately from the balance of the school district general fund. Transfers between items within the special education budget for accounting purposes may be made at the discretion of the board of trustees in accordance with the financial administration part of this title. The unexpended balance of the special education accounting budget shall carry over to the next year to reduce the amount of funding required to finance the district's ensuing year's maximum-budget-without-a-vote for special education."

Section 3. Section 20-9-316, MCA, is amended to read:

"20-9-316. Elementary school maximum budget schedule for 1981-82. (1) For each elementary school having an ANB of nine or fewer pupils, the maximum shall be \$15,578 ~~if said school is approved as an isolated school, except that a nonisolated elementary school is subject to the provisions of 20-9-303(2)(a).~~

(2) For schools with an ANB of 10 pupils but less than 18 pupils, the maximum shall be \$15,578 plus \$651 per pupil on the basis of the average number belonging over nine.

(3) For schools with an ANB of 18 pupils and employing one teacher, the maximum shall be \$21,438 plus \$651 per

pupil on the basis of the average number belonging over 18, not to exceed an ANB of 25.

(4) For schools with an ANB of 18 pupils and employing two full-time teachers, the maximum shall be \$34,227 plus \$407.70 per pupil on the basis of the average number belonging over 18, not to exceed an ANB of 50.

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

(a) For a school having an ANB of more than 40 and employing a minimum of three teachers, the maximum of \$1,513 shall be decreased at the rate of \$1.47 for each additional pupil until the total number (ANB) shall have reached a total of 100 pupils.

(b) For a school having an ANB of more than 100 pupils, the maximum of \$1,424 shall be decreased at the rate of \$1.34 for each additional pupil until the ANB shall have reached 300 pupils.

(c) For a school having an ANB of more than 300 pupils, the maximum shall not exceed \$1,156 for each pupil.

(6) The maximum per pupil for all pupils (ANB) and for all elementary schools shall be computed on the basis of the amount allowed herein on account of the last eligible pupil (ANB). All elementary schools operated within the incorporated limits of a city or town shall be treated as

1 one school for the purpose of this schedule."

2 Section 4. Section 20-9-317, MCA, is amended to read:

3 "20-9-317. High school maximum budget schedule for
4 1981-82. (1) For each high school having an ANB of 24 or
5 fewer pupils, the maximum shall be \$88,753, except that a
6 nonisolated high school is subject to the provisions of
7 20-9-303(2)(b).

8 (2) For a secondary school having an ANB of more than
9 24 pupils, the maximum \$3,698 shall be decreased at the rate
10 of \$20.17 for each additional pupil until the ANB shall have
11 reached a total of 40 such pupils, except that a nonisolated
12 high school is subject to the provisions of 20-9-303(2)(b).

13 (3) For a school having an ANB of more than 40 pupils,
14 the maximum of \$3,375 shall be decreased at the rate of
15 \$20.17 for each additional pupil until the ANB shall have
16 reached 100 pupils, except that a nonisolated high school is
17 subject to the provisions of 20-9-303(2)(b).

18 (4) For a school having an ANB of more than 100
19 pupils, a maximum of \$2,165 shall be decreased at the rate
20 of \$3.37 for each additional pupil until the ANB shall have
21 reached 200 pupils.

22 (5) For a school having an ANB of more than 200
23 pupils, the maximum of \$1,828 shall be decreased by \$1.85
24 for each additional pupil until the ANB shall have reached
25 300 pupils.

1 (6) For a school having an ANB of more than 300
2 pupils, the maximum of \$1,642 shall be decreased at the rate
3 of 34 cents until the ANB shall have reached 600 pupils.

4 (7) For a school having an ANB over 600 pupils, the
5 maximum shall not exceed \$1,540 per pupil.

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

14 Section 5. Section 20-9-318, MCA, is amended to read:

15 "20-9-318. Elementary school maximum budget schedule
16 for 1982-83 and succeeding years. (1) For each elementary
17 school having an ANB of nine or fewer pupils, the maximum
18 shall be \$17,915 ~~if said school is approved as an isolated~~
19 ~~school, except that a nonisolated elementary school is~~
20 subject to the provisions of 20-9-303(2)(a).

21 (2) For schools with an ANB of 10 pupils but less than
22 18 pupils, the maximum shall be \$17,915 plus \$748.70 per
23 pupil on the basis of the average number belonging over
24 nine.

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

one teacher, the maximum shall be \$24,654 plus \$748.70 per pupil on the basis of the average number belonging over 18, not to exceed an ANB of 25.

(4) For schools with an ANB of 18 pupils and employing two full-time teachers, the maximum shall be \$39,361 plus \$468.90 per pupil on the basis of the average number belonging over 18, not to exceed an ANB of 50.

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

(a) For a school having an ANB of more than 40 and employing a minimum of three teachers, the maximum of \$1,740 shall be decreased at the rate of \$1.69 for each additional pupil until the total number (ANB) shall have reached a total of 100 pupils.

(b) For a school having an ANB of more than 100 pupils, the maximum of \$1,638 shall be decreased at the rate of \$1.54 for each additional pupil until the ANB shall have reached 300 pupils.

(c) For a school having an ANB of more than 300 pupils, the maximum shall not exceed \$1,329 for each pupil.

(6) The maximum per pupil for all pupils (ANB) and for all elementary schools shall be computed on the basis of the amount allowed herein on account of the last eligible pupil (ANB). All elementary schools operated within the

incorporated limits of a city or town shall be treated as one school for the purpose of this schedule."

Section 6. Section 20-9-319, MCA, is amended to read:

"20-9-319. High school maximum budget schedule for 1982-83 and succeeding years. (1) For each high school having an ANB of 24 or fewer pupils, the maximum shall be \$102,066, except that a nonisolated high school is subject to the provisions of 20-9-303(2)(b).

(2) For a secondary school having an ANB of more than 24 pupils, the maximum \$4,253 shall be decreased at the rate of \$23.19 for each additional pupil until the ANB shall have reached a total of 40 such pupils, except that a nonisolated high school is subject to the provisions of 20-9-303(2)(b).

(3) For a school having an ANB of more than 40 pupils, the maximum of \$3,882 shall be decreased at the rate of \$23.19 for each additional pupil until the ANB shall have reached 100 pupils, except that a nonisolated high school is subject to the provisions of 20-9-303(2)(b).

(4) For a school having an ANB of more than 100 pupils, a maximum of \$2,490 shall be decreased at the rate of \$3.88 for each additional pupil until the ANB shall have reached 200 pupils.

(5) For a school having an ANB of more than 200 pupils, the maximum of \$2,102 shall be decreased by \$2.13 for each additional pupil until the ANB shall have reached

1 300 pupils.

2 (6) For a school having an ANB of more than 300
3 pupils, the maximum of \$1,889 shall be decreased at the rate
4 of 39 cents until the ANB shall have reached 600 pupils.

5 (7) For a school having an ANB over 600 pupils, the
6 maximum shall not exceed \$1,771 per pupil.

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

-End-

STATE OF MONTANA

REQUEST NO. 014-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 4, , 19 83 , there is hereby submitted a Fiscal Note for Senate Bill 43 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:

Senate Bill 43 requires high schools with 99 or fewer ANB for 2 consecutive years to apply for classification as an isolated school and requires that a nonisolated high school district share with the state and county the financing of the Foundation Program amount guaranteed in the schedules to a high school that size.

ASSUMPTIONS:

- 1) 67 High Schools have ANB under 100.
- 2) 28 would be isolated.
- 3) 39 would not be isolated.
- 4) Foundation Program remains the same as FY 83.
- 5) The ANB of the districts will remain the same.
- 6) All schools remain open.
- 7) Schools over 20 miles from another school would be considered isolated.

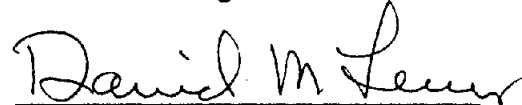
FISCAL IMPACT:

	<u>FY 1984</u>	<u>FY 1985</u>	<u>Total Biennium</u>
Expenditures under proposed law			
Local Assistance	<u>4,500,000</u>	<u>4,500,000</u>	<u>9,000,000</u>
Expenditures under existing law			
Local Assistance	<u>6,050,000</u>	<u>6,050,000</u>	<u>12,100,000</u>
Decreased School Equalization Cost			
Under Proposed Law	<u>1,550,000</u>	<u>1,550,000</u>	<u>3,100,000</u>

COMMENTS:

This bill has the long range potential of reducing small high school districts statewide. This reduction would possibly reduce the local cost of high school education.

FISCAL NOTE1:Y/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-83

STATE OF MONTANA

REQUEST NO. 013-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 5, , 19 83 , there is hereby submitted a Fiscal Note for Senate Bill 42 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:

Senate Bill 42 provides a fee in lieu of property tax on motorboats and provides an immediate effective date and applicability clause.

ASSUMPTIONS:

- 1) Tax year 1982 - 18,768 watercraft assessed for tax purposes - assume all are motorboats.
- 2) Legislation effective January 1, 1983 (some fiscal impact in FY83).
- 3) Number of watercraft - 1983-18,800, 1984-18,800.
- 4) Watercraft are distributed equally in the fee schedule (average length)
1/3 - 13 ft. - \$2/ft.; 1/3 - 17 ft. - \$3/ft.; 1/3 - 21 ft. - \$4/ft.
- 5) Revenues from fee system are distributed in the same relative proportions as other personal property taxes.
- 6) University levy receives 2.5% of fee revenues and school equalization account 17.4%.
- 7) Local governments receive 80.1% of fee revenues.
- 8) Taxable value watercraft - tax year 1982 - \$1,929,538 - tax years 1983-1984 - \$1,930,000.
- 9) University levy - 6 mills, average statewide levy - 230 mills.
- 10) There will be 251 cases involving failure to pay the fee per year.

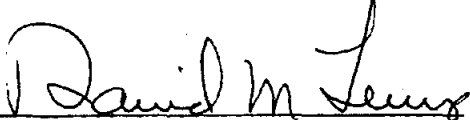
EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposed legislation should increase revenues to local governments by about \$452,949 a year in FY84 and FY85. (Some fiscal impact in FY83). In addition, counties would receive \$596 per year additional revenue from fines for failure to pay the fee.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Approximately the same increases each year.

Continued



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-83

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>
University Levy (6 mills)	\$ 11,580	\$ 11,580
Under Proposed Law	<u>25,221</u>	<u>25,221</u>
Estimated Increase in Revenue	<u>13,641</u>	<u>13,641</u>
 School Equalization Levy (40 mills)	 77,200	 77,200
Under Proposed Law	<u>175,536</u>	<u>175,536</u>
Estimated increase in revenue	<u>98,336</u>	<u>98,336</u>

The Department of Fish, Wildlife, and Parks would receive \$596 per year additional revenue from fines for failure to pay the fee.