

HB 9

**INTRODUCED BY DONALDSON, ET AL.
ADJUSTING FOUNDATION PROGRAM SCHEDULE AMOUNTS FOR
FISCAL YEAR 1987**

6/16 INTRODUCED

6/16 REFERRED TO EDUCATION & CULTURAL RESOURCES

6/19 HEARING

6/19 TABLED IN COMMITTEE

1 HOUSE BILL NO. 9
2 INTRODUCED BY Donaldson Thoff
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ADJUSTING THE
5 FOUNDATION PROGRAM AND PERMISSIVE AMOUNTS FOR SCHOOL
6 DISTRICTS AS ESTABLISHED IN THE MAXIMUM BUDGET SCHEDULES FOR
7 SCHOOL FISCAL YEAR 1986-87; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE AND A TERMINATION DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Adjustment of the foundation program and
12 permissive amounts for schools for 1986-87. (1) For school
13 fiscal year 1986-87, the foundation program and permissive
14 amounts for elementary schools and high schools as
15 established in the maximum budget schedules in 20-9-318 and
16 20-9-319 must be adjusted on the basis of the following
17 procedure:
18 (a) Determine the total amount of the foundation
19 program and permissive amounts for all districts based on
20 the maximum budget schedules in 20-9-318 and 20-9-319.
21 (b) Determine the amount that is 4% of the total
22 amount calculated in subsection (1)(a).
23 (c) Determine the total amount of additional levies
24 authorized for all districts under the provisions of
25 20-9-353 and of money available for general fund purposes

1 under the provisions of 20-9-141(1)(b).
2 (d) Determine the percentage that the amount in
3 subsection (1)(b) is of the total amount in subsection
4 (1)(c).
5 (e) Multiply the percentage determined in subsection
6 (1)(d) by each district's additional levy amount and amounts
7 available under the provisions of 20-9-141(1)(b).
8 (f) The amount determined in subsection (1)(e) is the
9 amount by which each district's total foundation program and
10 permissive amounts will be reduced.
11 (2) The superintendent of public instruction shall
12 supply the county superintendent with a report of the
13 calculations required in subsections (1)(a) through (1)(d)
14 for the execution of the county superintendent's duties in
15 Title 20 with regard to regulating school budgeting systems.
16 Section 2. Effective date. This act is effective on
17 passage and approval and applies to the school fiscal year
18 beginning July 1, 1987.
19 Section 3. Termination date. This act terminates June
20 30, 1987.

-End-

HB 9

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB009, as introduced.

Description of Proposed Legislation:

This bill adjusts the Foundation Program and state permissive payments to local school districts for FY87 only.

Assumptions:

1. Average Number Belonging (ANB): High School - 46,717 Elementary - 104,010
2. Calculations do not include special education costs.
3. Assumes foundation schedules increase by 4% in FY87.

Fiscal Impact:

		<u>FY87</u>	
<u>State Level:</u>	<u>Current Law</u>		<u>Proposed Law</u>
Foundation Program	\$233,560,300		
Permissive Levy	58,390,075		
Total State	\$291,950,375		\$291,950,375
			(11,678,015) (4% Reduction)
			\$280,272,360

This proposal would reduce the anticipated FY87 General Fund supplemental for public schools by \$11,678,015.


Affect On County or Other Local Revenue or Expenditures:


The reduction in the State Foundation and permissive payments at the district level will vary between districts based on the current voted levy of each individual district. Those districts with higher percentages of voted budgets would receive larger reductions in state equalization aid.

Explanatory Note:

The projected General Fund savings exceeds the amount in SB9 due to a projected enrollment decrease between FY86 and FY87. Although the maximum budget schedules in current law increase by 4%, total expenditures for public school support will increase by 3.8% because there will be fewer students.

	<u>FY86 ANB</u>	<u>FY87 ANB</u>
Elementary	105,078	104,010
High School	46,479	46,717
Total	151,557	150,727

 6/20/86
 BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 June 21, 1986
 PRIMARY SPONSOR DATE

Fiscal Note for HB9, as introduced.