- HB 105 INTRODUCED BY COBB PROHIBITS USE OF FOUNDATION FUND FOR INTERSCHOLASTIC ATHLETIC COMPETITION
  - 1/08 INTRODUCED
  - 1/08 REFERRED TO EDUCATION & CULTURAL RESOURCES

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- 1/08 FISCAL NOTE REQUESTED
- 1/14 FISCAL NOTE RECEIVED
- 1/19 HEARING
- 1/30 TABLED IN COMMITTEE

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1 <u>*H.B.*</u> BILL NO. <u>105</u> 2 INTRODUCED BY 3 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING THE USE OF 4 SCHOOL FOUNDATION FUNDS TO SUPPORT INTERSCHOLASTIC ATHLETIC 5 COMPETITION; AMENDING SECTION 20-9-303, MCA; AND PROVIDING б AN EFFECTIVE DATE." 7 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 9 10 Section 1. Section 20-9-303, MCA, is amended to read:

"20-9-303. Definition of foundation program and its 11 proportion of the maximum-general-fund-without-a-voted-levy 12 schedule amount -- nonisolated school foundation program 13 14 financing -- special education funds -- athletic competition. (1) As used in this title, the term "foundation 15 program" shall mean the minimum operating expenditures, as 16 established herein, that are sufficient to provide for the 17 educational program of a school. The foundation program 18 relates only to those expenditures authorized by a 19 district's general fund budget and shall not include 20 expenditures from any other fund. It shall be financed by: 21

22 (a) county equalization moneys; and

23 (b) state equalization aid.

24 (2) The dollar amount of the foundation program shall25 be 80% of the maximum-general-fund-budget-without-



1 a-voted-levy limitation as set forth in the schedules in 2 20-9-316 through 20-9-321. The foundation program of an elementary school having an ANB of nine or fewer pupils for 3 4 2 consecutive years which is not approved as an isolated 5 school under the provisions of 20-9-302 shall be 80% of the schedule amount, but the county and state shall participate б 7 in financing one-half of the foundation program, and the district shall finance the remaining one-half by a tax 8 levied on the property of the district. When a school of a nine or fewer pupils is approved as isolated under the 10 provisions of 20-9-302, the county and state shall 11 participate in the financing of the total amount of the L2 13 foundation program.

(3) Funds provided to support the special education 14 accounting budget may be expended only for special education 15 16 purposes as approved by the superintendent of public 17 instruction in accordance with the special education 18 budgeting provisions of this title. Expenditures for special education shall be accounted for separately from the balance 19 of the school district general fund. Transfers between items 20 within the special education budget for accounting purposes 21 may be made at the discretion of the board of trustees in 22 accordance with the financial administration part of this 23 title. The unexpended balance of the special education 24 accounting budget shall carry over to the next year to 25

> -2- INTRODUCED BILL HB /05

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reduce the amount of funding required to finance the
 district's ensuing year's maximum-budget-without-a-vote for
 special education.

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4 (4) Funds from the foundation program may not be used

5 <u>for expenses associated with interscholastic athletic</u> 6 <u>competition.</u>"

7 <u>NEW SECTION.</u> Section 2. Effective date. This act is
8 effective July 1, 1989.

-End-

# STATE OF MONTANA - FISCAL NOTE

#### Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB105, as introduced.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act prohibiting the use of school foundation funds to support interscholastic athletic competition.

### ASSUMPTIONS:

- 1. The total general fund of school districts in FY85 was \$360,972,724. For the purposes of this note, assume this remains constant through FY89.
- 2. Of the total general fund budget, in FY85, \$107,290,765 or 29.7% was raised through a voted levy. Assume this amount stays constant through FY89.
- 3. The amount reported by schools as being spent for "non educational services, athletic" was \$7,529,505 in FY85. Assume this amount stays constant through FY89.

### FISCAL IMPACT:

None. Given that school districts now support 29.7% of their expenditures with a local voted levy, it is reasonable to assume that local funds could be identified as the source of revenue to support interscholastic athletics.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES: N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION: N/A

DAVID L. HUNTER, BUDGET DIRECTOR Office of Budget and Program Planning

JOHN COBE

Fiscal Note for HB105, as introduced.