

HB 893 INTRODUCED BY DONALDSON
APPROPRIATE FROM EDUCATION TRUST FOR VARIOUS
EDUCATION PURPOSES

3/23 INTRODUCED
3/23 REFERRED TO APPROPRIATIONS
3/24 HEARING
3/31 TABLED IN COMMITTEE

1 House BILL NO. 893
2 INTRODUCED BY Donaldson

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING
5 \$43,069,000 FROM THE LOCAL IMPACT AND EDUCATION TRUST FUND
6 ACCOUNT TO FUND PUBLIC SCHOOLS, ADULT BASIC EDUCATION,
7 CERTAIN UNIVERSITY SYSTEM PROGRAMS AND BUILDINGS, AND
8 POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS; MODIFYING THE
9 METHOD OF FUNDING THE PERMISSIVE AMOUNT OF SCHOOL FUNDING
10 AND CAPPING THE GENERAL FUND BUDGETS OF CERTAIN DISTRICTS IN
11 ORDER TO PROVIDE INCREASED EQUALIZATION OF PUBLIC SCHOOL
12 FUNDING; AND AMENDING SECTIONS 20-9-352, 20-9-353, AND
13 90-6-211, MCA."

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 NEW SECTION. Section 1. Appropriation. (1) There is
17 appropriated \$38,369,000 from the local impact and education
18 trust account funded by 15-35-108 (3)(b) to the following
19 agencies and programs for the biennium ending June 30, 1989:

20 <u>Agency and Program</u>	<u>Amount</u>
21 Board of Regents	
22 WICHI-WAMI	\$ 4,500,000
23 Montana State University	
24 Science and Technology Building	12,000,000
25 Superintendent of Public Instruction	

1 Adult Basic Education	869,000
2 School Equalization Aid	21,000,000

3 (2) Contingent upon the passage and approval of House
4 Bill 39, there is appropriated \$4,700,000 from the local
5 impact and education trust account for the biennium ending
6 June 30, 1989, to the board of regents for the following
7 funding of the state vocational-technical centers provided
8 for in House Bill 39:

9 Voted levy replacement	\$3,200,000
10 Facility lease or purchase	1,500,000

11 Section 2. Section 20-9-352, MCA, is amended to read:

12 "20-9-352. Permissive amount and permissive levy. (1)
13 Whenever the trustees of any district shall deem it
14 necessary to adopt a general fund budget in excess of the
15 foundation program amount but not in excess of the maximum
16 general fund budget amount for such district as established
17 by the schedules in 20-9-316 through 20-9-321, the trustees
18 shall adopt a resolution stating the reasons and purposes
19 for exceeding the foundation program amount. Such excess
20 above the foundation program amount shall be known as the
21 "permissive amount", and it shall be financed by a levy on
22 the taxable value of all taxable property within the
23 district as prescribed in 20-9-141, supplemented with any
24 biennial appropriation by the legislature for this purpose.
25 The proceeds of such an appropriation shall be deposited to

1 the state special revenue fund, permissive account.

2 (2) The district levies to be set for the purpose of
3 funding the permissive amount are determined as follows:

4 (a) For each elementary school district, the county
5 commissioners shall annually set a levy not exceeding 6
6 mills on all the taxable property in the district for the
7 purpose of funding the permissive amount of the district.
8 The permissive levy in mills shall be obtained by
9 multiplying the ratio of the permissive amount to the
10 maximum permissive amount by 6 or by using the number of
11 mills which would fund the permissive amount, whichever is
12 less. If the amount of revenue raised by this levy, plus the
13 portion of any anticipated or reappropriated ~~motor-vehicle~~
14 ~~fees-and-reimbursement-under-the-provisions-of-61-3-532--and~~
15 ~~61-3-536~~ money as required by subsection (5), is not
16 sufficient to fund the permissive amount in full, the amount
17 of the deficiency shall be paid to the district from the
18 state special revenue fund according to the provisions of
19 subsections (3) and (4) of this section.

20 (b) For each high school district, the county
21 commissioners shall annually set a levy not exceeding 4
22 mills on all taxable property in the district for the
23 purpose of funding the permissive amount of the district.
24 The permissive levy in mills shall be obtained by
25 multiplying the ratio of the permissive levy to the maximum

1 permissive amount by 4 or by using the number of mills which
2 would fund the permissive amount, whichever is less. If the
3 amount of revenue raised by this levy, plus the portion of
4 any anticipated ~~motor-vehicle-fees-and--reimbursement--under~~
5 ~~the--provisions--of--61-3-532--and--61-3-5367--and--plus-net~~
6 ~~proceeds-taxes-for-new-production7-as-defined--in--15-23-601~~
7 or reappropriated money as required by subsection (5), is
8 not sufficient to fund the permissive amount in full, the
9 amount of the deficiency shall be paid to the district from
10 the state special revenue fund according to the provisions
11 of subsections (3) and (4) of this section.

12 (3) The superintendent of public instruction shall, if
13 the appropriation by the legislature for the permissive
14 account for the biennium is insufficient, request the budget
15 director to submit a request for a supplemental
16 appropriation in the second year of the biennium. The
17 supplemental appropriation shall provide enough revenue to
18 fund the permissive deficiency of the elementary and high
19 school districts of the state. The proceeds of this
20 appropriation shall be deposited to the state special
21 revenue fund, permissive account, and shall be distributed
22 to the elementary and high school districts in accordance
23 with their entitlements as determined by the superintendent
24 of public instruction according to the provisions of
25 subsections (1) and (2) of this section.

1 (4) Distribution under this section from the state
 2 special revenue fund shall be made in two payments. The
 3 first payment shall be made at the same time as the first
 4 distribution of state equalization aid is made after January
 5 1 of the fiscal year. The second payment shall be made at
 6 the same time as the last payment of state equalization aid
 7 is made for the fiscal year. If the appropriation is not
 8 sufficient to finance the deficiencies of the districts as
 9 determined according to subsection (2), each district will
 10 receive the same percentage of its deficiency. Surplus
 11 revenue in the second year of the biennium may be used to
 12 reduce the appropriation required for the next succeeding
 13 biennium or may be transferred to the state equalization aid
 14 state special revenue fund if revenues in that fund are
 15 insufficient to meet foundation program requirements.

16 (5) The trustees of a district shall use any money
 17 available to the district under 20-9-141(1)(b) to fund the
 18 permissive amount in the following manner:

19 (a) 15% for school fiscal year 1988; and

20 (b) 60% for school fiscal year 1989."

21 Section 3. Section 20-9-353, MCA, is amended to read:

22 "20-9-353. Additional levy for general fund --
 23 election for authorization to impose. (1) The Except as
 24 provided in subsection (5), the trustees of any district may
 25 propose to adopt a general fund budget in excess of the

1 general fund budget amount for such district as established
 2 by the schedules in 20-9-316 through 20-9-321 for any of the
 3 following purposes:

4 (a) building, altering, repairing, or enlarging any
 5 schoolhouse of the district;

6 (b) furnishing additional school facilities for the
 7 district;

8 (c) acquisition of land for the district;

9 (d) proper maintenance and operation of the school
 10 programs of the district.

11 (2) When the trustees of any district determine that
 12 an additional amount of financing is required for the
 13 general fund budget that is in excess of the statutory
 14 schedule amount, the trustees shall submit the proposition
 15 of an additional levy to raise such excess amount of general
 16 fund financing to the electors who are qualified under
 17 20-20-301 to vote upon such proposition except that no
 18 election shall be required to permit the school trustees to
 19 use any funds available to finance the additional amount
 20 other than those funds to be raised by the additional levy.
 21 Such special election shall be called and conducted in the
 22 manner prescribed by this title for school elections. The
 23 ballot for such election shall state only the amount of
 24 money to be raised by additional property taxation, the
 25 approximate number of mills required to raise such money,

1 and the purpose for which such money will be expended, and
2 it shall be in the following format:

3 PROPOSITION

4 Shall a levy be made in addition to the levies
5 authorized by law in such number of mills as may be
6 necessary to raise the sum of (state the amount to be raised
7 by additional tax levy), and being approximately (give
8 number) mills, for the purpose of (insert the purpose for
9 which the additional tax levy is made)?

10 FOR the additional levy.

11 AGAINST the additional levy.

12 (3) If the election on any additional levy for the
13 general fund is approved by a majority vote of those
14 electors voting at such election, the proposition shall
15 carry and the trustees may use any portion or all of the
16 authorized amount in adopting the preliminary general fund
17 budget. The trustees shall certify the additional levy
18 amount authorized by such a special election on the budget
19 form that is submitted to the county superintendent, and the
20 county commissioners shall levy such number of mills on the
21 taxable value of all taxable property within the district,
22 as prescribed in 20-9-141, as are required to raise the
23 amount of such additional levy.

24 (4) Authorization to levy an additional tax under the
25 provisions of this section shall be effective for only 1

1 school fiscal year and shall be authorized by a special
2 election conducted before August 1 of the school fiscal year
3 for which it is effective.

4 (5) The trustees of a district with a general fund
5 budget in school fiscal year 1987 that exceeded 55% of its
6 foundation program schedule amount may not increase the
7 general fund budget amount for school fiscal years 1988 and
8 1989 unless the district experiences an emergency for
9 budgeting purposes, as defined in 20-9-161."

10 Section 4. Section 90-6-211, MCA, is amended to read:

11 "90-6-211. Disposition of interest from unexpended
12 balance. The unexpended balance in the local impact and
13 education trust fund account shall be invested as provided
14 by statute by the board of investments. Of the income from
15 such investments each year 10% shall be paid into the state
16 special revenue fund for use by the superintendent of public
17 instruction for purposes of the postsecondary
18 vocational-technical centers and adult basic education
19 programs in the state, subject to the budgeting authority of
20 the legislature. Within the account under 20-9-513, the
21 revenue is shared between the postsecondary
22 vocational-technical centers and the adult basic education
23 programs. Of the remaining 90% of the income from such
24 investments, three-fourths shall be annually paid into the
25 state special revenue fund for state equalization aid to

1 public schools of the state and one-fourth each year shall
2 be paid to the board of regents of higher education for use
3 by the institutions of higher learning in the state, subject
4 to the budgeting authority of the legislature. ~~Except as~~
5 ~~provided in 90-6-205(5), the principal of the local impact~~
6 ~~and education trust fund shall be dedicated to education and~~
7 ~~forever remain inviolate and sacred to this purpose as~~
8 ~~provided in sections 3 and 10 of Article X of the Montana~~
9 ~~constitution."~~

-End-