

SB 143 INTRODUCED BY BLAYLOCK
REQUIRE HIGH SCHOOL UNDER 100 AVERAGE NUMBER
BELONGING TO APPLY FOR ISOLATION; FUNDING
PROVISIONS

1/19 INTRODUCED
1/19 REFERRED TO EDUCATION & CULTURAL RESOURCES
1/20 FISCAL NOTE REQUESTED
1/24 FISCAL NOTE RECEIVED
2/02 HEARING
2/16 ADVERSE COMMITTEE REPORT ADOPTED
AS AMENDED

34 15

1 ~~Senate~~ BILL NO. ~~143~~
2 INTRODUCED BY Staylock

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A HIGH
5 SCHOOL WITH 99 OR FEWER ANB FOR 2 CONSECUTIVE YEARS TO APPLY
6 FOR CLASSIFICATION AS AN ISOLATED SCHOOL; TO REQUIRE THAT A
7 NONISOLATED HIGH SCHOOL DISTRICT SHARE WITH THE STATE AND
8 COUNTY THE FINANCING OF THE FOUNDATION PROGRAM AMOUNT
9 GUARANTEED IN THE SCHEDULES; AND AMENDING SECTIONS 20-9-302,
10 20-9-303, 20-9-317, AND 20-9-319, MCA."

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

13 Section 1. Section 20-9-302, MCA, is amended to read:
14 "20-9-302. School isolation. (1) The trustees of any
15 district operating an elementary school of less than 10 ANB
16 or a high school of less than 25 100 ANB for 2 consecutive
17 years shall apply to have the school classified as an
18 isolated school. The application shall be submitted by the
19 trustees to the county superintendent by May 1 of the second
20 consecutive year that enrollment falls below the amount
21 specified in this subsection. Such application shall
22 include:

23 (a) the name of each pupil who will attend the school
24 during the ensuing school fiscal year with the distance the
25 pupil resides from the nearest county road or highway;

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

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

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

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



1 superintendent of public instruction may collect on his own
2 initiative. No elementary or high school shall be considered
3 an isolated school until the approval of the superintendent
4 of public instruction has been received."

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

6 "20-9-303. Definition of foundation program and its
7 proportion of the maximum-general-fund-without-a-voted-levy
8 schedule amount -- nonisolated school foundation program
9 financing -- special education funds. (1) As used in this
10 title, the term "foundation program" shall mean the minimum
11 operating expenditures, as established herein, that are
12 sufficient to provide for the educational program of a
13 school. The foundation program relates only to those
14 expenditures authorized by a district's general fund budget
15 and shall not include expenditures from any other fund. It
16 shall be financed by:

17 (a) county equalization moneys; and

18 (b) state equalization aid.

19 (2) The dollar amount of the foundation program shall
20 be 80% of the maximum-general-fund-budget-without-a-voted-levy
21 limitation as set forth in the schedules in 20-9-316 through 20-9-321.

22 (3) The following provisions apply to a school
23 district that is required to apply for classification as an
24 isolated school under 20-9-302:
25

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

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

23 (3)(4) Funds provided to support the special education
24 accounting budget may be expended only for special education
25 purposes as approved by the superintendent of public

1 instruction in accordance with the special education
 2 budgeting provisions of this title. Expenditures for special
 3 education shall be accounted for separately from the balance
 4 of the school district general fund. Transfers between items
 5 within the special education budget for accounting purposes
 6 may be made at the discretion of the board of trustees in
 7 accordance with the financial administration part of this
 8 title. The unexpended balance of the special education
 9 accounting budget shall carry over to the next year to
 10 reduce the amount of funding required to finance the
 11 district's ensuing year's maximum-budget-without-a-vote for
 12 special education."

13 Section 3. Section 20-9-317, MCA, is amended to read:

14 "20-9-317. High school maximum budget schedule for
 15 1985-86. (1) For each high school having an ANB of 24 or
 16 fewer pupils, the maximum shall be \$113,708, except that a
 17 nonisolated high school is subject to the provisions of
 18 20-9-303.

19 (2) For a secondary school having an ANB of more than
 20 24 pupils, the maximum \$4,738 shall be decreased at the rate
 21 of \$25.84 for each additional pupil until the ANB shall have
 22 reached a total of 40 such pupils, except that a nonisolated
 23 high school is subject to the provisions of 20-9-303.

24 (3) For a school having an ANB of more than 40 pupils,
 25 the maximum of \$4,324 shall be decreased at the rate of

1 \$25.84 for each additional pupil until the ANB shall have
 2 reached 100 pupils, except that a nonisolated high school is
 3 subject to the provisions of 20-9-303.

4 (4) For a school having an ANB of more than 100
 5 pupils, a maximum of \$2,774 shall be decreased at the rate
 6 of \$4.32 for each additional pupil until the ANB shall have
 7 reached 200 pupils.

8 (5) For a school having an ANB of more than 200
 9 pupils, the maximum of \$2,342 shall be decreased by \$2.38
 10 for each additional pupil until the ANB shall have reached
 11 300 pupils.

12 (6) For a school having an ANB of more than 300
 13 pupils, the maximum of \$2,104 shall be decreased at the rate
 14 of 44 cents until the ANB shall have reached 600 pupils.

15 (7) For a school having an ANB over 600 pupils, the
 16 maximum shall not exceed \$1,973 per pupil.

17 (8) The maximum per pupil for all pupils (ANB) and for
 18 all high schools shall be computed on the basis of the
 19 amount allowed herein on account of the last eligible pupil
 20 (ANB). All high schools and junior high schools which have
 21 been approved and accredited as junior high schools,
 22 operated within the incorporated limits of a city or town,
 23 shall be treated as one school for the purpose of this
 24 schedule."

25 Section 4. Section 20-9-319, MCA, is amended to read:

1 "20-9-319. High school maximum budget schedule for
2 1986-87 and succeeding years. For 1986-87 and succeeding
3 school years, the high school maximum budget schedule is as
4 follows:

5 (1) For each high school having an ANB of 24 or fewer
6 pupils, the maximum shall be \$114,845, except that a
7 nonisolated high school is subject to the provisions of
8 20-9-303.

9 (2) For a secondary school having an ANB of more than
10 24 pupils, the maximum \$4,785 shall be decreased at the rate
11 of \$26.10 for each additional pupil until the ANB shall have
12 reached a total of 40 such pupils, except that a nonisolated
13 high school is subject to the provisions of 20-9-303.

14 (3) For a school having an ANB of more than 40 pupils,
15 the maximum of \$4,368 shall be decreased at the rate of
16 \$26.10 for each additional pupil until the ANB shall have
17 reached 100 pupils, except that a nonisolated high school is
18 subject to the provisions of 20-9-303.

19 (4) For a school having an ANB of more than 100
20 pupils, a maximum of \$2,802 shall be decreased at the rate
21 of \$4.37 for each additional pupil until the ANB shall have
22 reached 200 pupils.

23 (5) For a school having an ANB of more than 200
24 pupils, the maximum of \$2,365 shall be decreased by \$2.40
25 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 \$2,125 shall be decreased at the rate
4 of 44 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 \$1,993 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 - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB143, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require a high school with 99 or fewer ANB for consecutive years to apply for classification as an isolated school; to require that a non-isolated high school district share with the state and county the financing of the foundation program amount guaranteed in the schedules.

ASSUMPTIONS:

1. In FY87, 81 high school districts have less than 100 ANB. Assume this number will remain constant through FY89.
2. There is no provision in statute currently that defines an isolated district. The Administrative Rules of Montana (ARM's) include a rule established by OPI that defines any school over 20 miles from the nearest school as being isolated. However, the rules also provide that the Superintendent of Public Instruction may grant a variance to the 20 mile limit. Since 1981, all schools that have applied to the superintendent have been granted isolated status. For the purpose of this note assume schools more than 19 miles from the nearest school are classified as isolated.
3. The maximum fiscal impact will occur when all identified districts do NOT consolidate with other districts. For the purposes of this note, assume that none of the identified districts consolidate with existing districts.
4. Assume that of the 81 high schools with less than 100 ANB, 12 are more than 19 miles from the nearest high school.
5. Assume that the high school ANB and the foundation program schedules remain at the 1987 level.

FISCAL IMPACT:

Expenditures:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
General Fund	\$285,435,000	\$282,649,856	\$ 2,455,799	\$285,435,000	\$282,649,856	\$ 2,455,799
Savings			\$ 2,455,799			\$ 2,455,799

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

High School districts that met the criteria of this proposal that did not consolidate and were classified as non-isolated would require an increase in the local district funding. The amount of increase depends upon the number of ANB that are enrolled in the individual high school.

David L. Hunter DATE 1/23/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

Chet Blaylock DATE Jan 24, 1987
 CHET BLAYLOCK, PRIMARY SPONSOR

Fiscal Note for SB143, as introduced.

SB 143