

HOUSE BILL 468

Introduced by Peck, et al.

1/27	Introduced
1/28	Referred to Education & Cultural Resources
1/30	Fiscal Note Requested
2/03	Fiscal Note Received
2/04	Fiscal Note Printed
2/17	Hearing
2/17	Tabled in Committee

1 *HOUSE* BILL NO. *468*
 2 INTRODUCED BY *Rep. Schuyler Nelson Harris*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT A SCHOOL
 5 DISTRICT THAT CONDUCTS PUPIL-INSTRUCTION TIME IN EXCESS OF
 6 REQUIRED PUPIL-INSTRUCTION HOURS TO APPLY TO USE THE EXCESS
 7 TIME FOR ADDITIONAL PUPIL-INSTRUCTION-RELATED DAYS DEVOTED
 8 TO STAFF DEVELOPMENT; AND AMENDING SECTION 20-1-304, MCA."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 20-1-304, MCA, is amended to read:

12 "20-1-304. Pupil-instruction-related day. (1) A
 13 pupil-instruction-related day shall be a day of teacher
 14 activities devoted to improving the quality of instruction.
 15 ~~Such--activities~~ Activities may include but are not limited
 16 to in-service training, attending state meetings of teacher
 17 organizations, and conducting parent conferences.

18 (2) A Except as provided in subsection (3), a maximum
 19 of 7 pupil-instruction-related days may be conducted during
 20 a school year, provided that such the days are approved by
 21 the superintendent of public instruction in accordance with
 22 the policy adopted by the board of public education.

23 (3) A school district whose school day exceeds the
 24 requirements in 20-1-302 may accumulate the excess minutes
 25 each day to be used for additional approved

1 pupil-instruction-related days devoted to staff development.
 2 Under the provisions of this subsection, a school district
 3 is allowed to accumulate and apply for a maximum of 3 6-hour
 4 pupil-instruction-related days for the school year,
 5 exclusive of a lunch hour for any of the days. The excess
 6 minutes accumulated for each school facility of the district
 7 may be combined to determine the total hours accumulated for
 8 the district for the purpose of this subsection. A school
 9 district shall apply for approval of additional
 10 pupil-instruction-related days in the manner provided in
 11 subsection (2).

12 (4) Such-days-shall: The pupil-instruction-related days
 13 allowed in subsections (2) and (3) may not be included as a
 14 part of the required minimum of 180 days of pupil
 15 instruction."

16 **NEW SECTION. Section 2.** Extension of authority. Any
 17 existing authority to make rules on the subject of the
 18 provisions of [this act] is extended to the provisions of
 19 [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB468, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an Act entitled: "An Act to permit a school district that conducts pupil-instruction time in excess of required pupil-instruction hours to apply to use the excess time for additional pupil-instruction-related days devoted to staff development; and amending Section 20-1-304, MCA."

ASSUMPTIONS:

1. The school districts will use the additional allowed 3 PIR days in addition to the 7 in current law.
2. The Foundation Program payments will remain at the 1989 scheduled amounts.
3. A per day cost of Foundation expenditures was obtained by dividing the Foundation program total, \$281,885,967, by 187 days.

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY90</u>			<u>FY91</u>		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Foundation Program Expenses	\$278.355m	\$282.877m	\$4.522m	\$276.678m	\$281.2m	\$4.522m
<u>Funding:</u>						
General Fund	\$ 16.710m	\$ 21.232m	\$4.522m	\$ 18.044m	\$ 22.566m	\$4.522m
State Special Revenue	\$261.645m	\$261.645m	-0-	\$258.634m	\$258.634m	-0-

EFFECT ON COUNTY:

Some accounting and reporting costs will be incurred by the local districts to track and monitor the excess minutes.

LONG-RANGE EFFECTS:

Pupil-instruction-related days would probably increase to 10 days in each district.

TECHNICAL DEFECTS:

1. It appears that excess pupil-instruction time (direct time) would be accumulated to count as pupil-instruction-related time (indirect time). This would seem to conflict with the definition of pupil instruction found in 20-1-101(11), MCA.
2. A method of accounting and reporting of excess minutes needs to be determined.
3. One school facility could accumulate all the excess minutes which would be counted as time for the entire district.



2/3/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

DATE



2/4/89

RAY PECK, PRIMARY SPONSOR

DATE

Fiscal Note for HB468, as introduced

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STATE OF MONTANA - FISCAL NOTE
Form BD-15

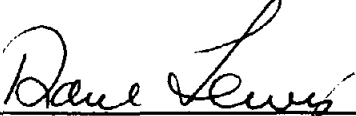
In compliance with a written request, there is hereby submitted a Fiscal Note for SB468, as introduced


DESCRIPTION OF PROPOSED LEGISLATION:

An act revising certain laws relating to taxes, allocations of state revenues, and public school financing; providing additional funding for the school foundation program by continuing the 10 percent surtax on personal income and allocating the incremental revenue derived thereby to state equalization of the foundation program; increasing the total levy for county equalization of the foundation program from 45 mills to 75 mills; eliminating the school district permissive levies; and providing an effective date and applicability dates.

ASSUMPTIONS:

1. The taxable value of all property is estimated to be \$1,903,008,000 in FY90 and \$1,882,194,000 in FY91. Revenue raised through the mandatory 45 mills for state equalization aid is estimated to be \$85,635,000 in FY90 and \$84,699,000 in FY91 (HJR13).
2. Individual income tax collections are estimated to be \$256,617,000 in FY90 and \$274,732,000 in FY91, with 31.8% each year available for state equalization aid (HJR13).
3. Corporation tax receipts are estimated to be \$51,044,000 in FY90 and \$51,474,000 in FY91, with 22.9% each year available for state equalization aid (HJR13).
4. Coal severance tax receipts are estimated to be \$52,902,000 in FY90 and \$46,871,000 in FY91, with 3.8% each year available for state equalization aid (HJR13).
5. Interest earnings from the Education Coal Trust are estimated to be \$2,317,000 in FY90 and \$2,713,000 in FY91, with 67.5% available for state equalization aid (HJR13).
6. Coal tax interest earnings are estimated to be \$42,988,000 in FY90, and \$45,466,000 in FY91, with 85% going to the general fund under current law, and 100% going to the general fund under the proposal (HJR13).
7. Total receipts allocated to the foundation program from interest and income are estimated to be \$33,699,000 in FY90 and \$34,770,000 in FY91 (HJR13).
8. Royalties from the Federal Mineral Leasing Act are estimated to be \$17,119,000 in FY90 and \$17,404,000 in FY91. All receipts are available for state equalization aid (HJR13).
9. Local impact unallocated funds are estimated to be \$571,000 on June 30, 1989.
10. Education Trust Balance is estimated to be \$9,575,000 on June 30, 1989. (Exec. Budget)
11. The balance of Education Trust money appropriated during the current biennium is estimated to be \$14,918,000 and will carry forward for expenditure in the foundation program in the 1990-91 biennium.


DATE 3/2/89
DAVE LEWIS, BUDGET DIRECTOR
Office of Budget and Program Planning


DATE 3/21/89
JOHN G. HARP, PRIMARY SPONSOR
Fiscal Note for SB468, as introduced

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FISCAL IMPACT:

Revenue Impact:	FY90			FY91		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Individual Inc. Tax	\$256,617,000	\$288,379,000	\$31,762,000	\$274,732,000	\$294,352,000	\$19,620,000
Corp. License Tax	51,044,000	51,044,000	0	51,474,000	51,474,000	0
Coal Severance Tax	52,902,000	52,902,000	0	46,871,000	46,871,000	0
Coal Tax Interest	42,988,000	42,988,000	0	45,466,000	45,466,000	0
Total	\$403,551,000	\$435,313,000	\$31,762,000	\$418,543,000	\$438,163,000	\$19,620,000
<u>Fund Information:</u>						
General Fund	\$223,059,994	\$227,378,175	\$ 4,318,181	\$235,117,953	\$232,398,439	\$ (2,719,514)
School Equalization	95,306,276	139,407,605	44,101,329	100,929,098	140,441,753	39,512,655
Sinking Fund	30,807,000	30,498,100	(308,900)	32,657,000	31,075,777	(1,581,223)
Local Governments	4,275,000	4,275,000	0	4,341,000	4,341,000	0
Coal Tax Trust Fund	32,899,000	26,451,000	(6,448,000)	30,255,500	23,435,500	(6,820,000)
Highway Reconstruct.	6,348,240	6,348,240	0	5,624,520	5,624,520	0
Alternative Energy	904,624	0	(904,624)	801,494	0	(801,494)
Local Impact Acct.	3,517,983	0	(3,517,983)	3,116,922	0	(3,116,922)
Education Trust	4,020,552	0	(4,020,552)	3,562,196	0	(3,562,196)
County Land Planning	201,028	0	(201,028)	178,110	0	(178,110)
Renewable Resource	251,285	0	(251,285)	222,637	0	(222,637)
Parks Trust	1,005,138	0	(1,005,138)	890,549	0	(890,549)
State Library Comm.	201,028	201,028	0	178,110	178,110	0
Conservation Distr.	100,514	100,514	0	89,055	89,055	0
Water Development	251,285	251,285	0	222,637	222,637	0
Agriculture Growth	402,055	402,055	0	356,220	356,220	0
Total	\$403,551,000	\$435,313,000	\$31,762,000	\$418,543,000	\$438,163,000	\$19,620,000

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IMPACT ON FOUNDATION PROGRAM:

	FY90			FY91		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Taxable Valuation	\$1,903,008,000	\$1,903,008,000	\$ 0	\$1,882,194,000	\$1,882,194,000	\$ 0
<u>STATE REVENUE</u>						
Income Tax	\$ 81,604,000	\$109,584,000	\$ 27,980,000	\$ 87,365,000	\$111,854,000	\$ 24,489,000
Corporation Tax	11,692,000	17,772,000	6,080,000	11,783,000	17,910,200	6,127,200
Coal Severance Tax	2,010,000	12,051,605	10,041,605	1,781,000	10,677,683	8,896,683
Interest & Income	33,699,000	33,699,000	0	34,770,000	34,770,000	0
US Oil & Gas Royalty	17,119,000	17,119,000	0	17,404,000	17,404,000	0
Ed. Trust Interest	1,564,000	0	(1,564,000)	1,831,000	0	(1,831,000)
Education Trust Principal	0	9,575,000	9,575,000	0	0	0
Local Impact Reversion	0	571,000	571,000	0	0	0
Foundation Program						
Balance	14,918,000	14,918,000	0	0	0	0
TOTAL	\$162,606,000	\$215,289,605	\$52,683,605	\$154,934,000	\$192,615,883	\$37,681,883
<u>COUNTY REVENUE</u>						
Mandatory Levy	\$ 85,635,000	\$ 142,726,000	\$ 57,091,000	\$ 84,699,000	\$141,165,000	\$56,466,000
Elementary Trans.	(3,717,000)	(3,717,000)	0	(3,717,000)	(3,717,000)	0
Cash Reappropriated	2,604,000	2,604,000	0	2,955,000	2,955,000	0
Forest Funds	1,465,000	1,465,000	0	1,465,000	1,465,000	0
Taylor Grazing	102,000	102,000	0	102,000	102,000	0
Misc. Revenue	4,310,000	4,310,000	0	4,310,000	4,310,000	0
High School Tuition	(838,000)	(838,000)	0	(838,000)	(838,000)	0
TOTAL	\$89,561,000	\$146,652,000	\$57,091,000	\$88,976,000	\$145,442,000	\$56,466,000
<u>DISTRICT REVENUE</u>						
Permissive Levy	\$ 17,127,000	\$ 0	\$(17,127,000)	\$ 16,940,000	\$ 0	\$(16,940,000)
Misc. Revenue	1,410,000	0	(1,410,000)	1,454,000	0	(1,454,000)
TOTAL	\$ 18,537,000	\$ 0	\$(18,537,000)	\$ 18,394,000	\$ 0	\$(18,394,000)
TOTAL REVENUE	\$270,704,000	\$361,941,605	\$ 91,237,605	\$262,304,000	\$338,057,883	\$ 75,753,883

TECHNICAL NOTE:

The State has outstanding \$1.1 million of Renewable Resource Development Bonds. These bonds were issued to finance small public water projects. The Renewable Resource Development Bonds are general obligations of the State for which the States' full faith and credit and taxing powers are pledged. In addition, the Renewable Resource Development Bond Act and bond resolution pledge to the Renewable Resources Development Bonds: 1 1/4% of the one-half of the coal tax receipts not pledged to the Trust Fund. The Bond Act permits the State to change the pledge of the specific tax as long as the revenues pledged are sufficient to pay the principal and interest on the Bonds.

The Bond act does not permit the issuance of additional Renewable Resource Development Bonds, unless the annual revenue available is determined to be sufficient to pay the principal and interest on all outstanding Renewable Resource Development Bonds and the Renewable Resource Development bonds to be issued.

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