

SENATE BILL 1

Introduced by Jacobson, et al.

7/06	Fiscal Note Requested
7/07	Introduced
7/07	Referred to Education & Cultural Resources
7/07	First Reading
7/07	Fiscal Note Received
7/07	Fiscal Note Printed
7/08	Hearing
7/08	Committee Report--Bill Passed as Amended
7/08	2nd Reading Passed
7/08	3rd Reading Passed
	Transmitted by Senate
7/09	First Reading
7/09	Referred to Education & Cultural Resources
7/09	Hearing
7/09	Committee Report--Bill Concurred
7/09	2nd Reading Concurred
7/09	3rd Reading Concurred
	Returned to Senate
7/10	Signed by President
7/10	Signed by Speaker
7/10	Transmitted to Governor
7/13	Signed by Governor Chapter Number 1

1 superintendent of schools to withhold county equalization
2 money from a district when the district fails to:

3 (a) submit reports or budgets as required by law or
4 rules adopted by the board of public education; or

5 (b) maintain accredited status.

6 (4) Prior to any proposed order by the board of public
7 education to withhold distribution of state equalization aid
8 or county equalization money, the district is entitled to a
9 contested case hearing before the board of public education,
10 as provided under the Montana Administrative Procedure Act.

11 (5) If a district or county receives more state
12 equalization aid than it is entitled to, the county
13 treasurer shall return the overpayment to the state upon the
14 request of the superintendent of public instruction in the
15 manner prescribed by the superintendent of public
16 instruction.

17 (6) (a) The first foundation program payment and
18 guaranteed tax base aid payment must be based on an estimate
19 of 20% of the entitlement of each district or county and
20 distributed by July 15 31 of the school fiscal year.

21 (b) Each subsequent monthly payment must be at least 7%
22 of the entitlement of each district or county."

23 NEW SECTION. **Section 2.** Effective date. [This act] is
24 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0001, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act changing the first distribution date for state equalization aid payments from July 15 to July 31.

ASSUMPTIONS:

1. Funds are invested at an interest rate of 5%.
2. 35% of any interest loss to school districts is returned to the state as increased GTB costs.
3. All funds are invested. i.e. interest gain to the state = interest loss to the districts.

FISCAL IMPACT:


Delay of \$58.4 million payment for 15 days will increase state interest earnings and reduce district interest earnings by \$122,000. GTB costs will increase \$43,000 as 35% of lost district earnings are returned to the state. Net gain to state is \$79,000 general fund in fiscal year 1993.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:


See above

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A



STEVE YEAKEL, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



JUDY JACOBSON, PRIMARY SPONSOR DATE
Fiscal Note for SB0001, as introduced.

S.B. 1

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

AS AMENDED

SENATE BILL NO. 1

INTRODUCED BY JACOBSON, KADAS

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE FIRST DISTRIBUTION DATE FOR STATE EQUALIZATION AID PAYMENTS TO SCHOOL DISTRICTS FROM JULY 15 TO JULY 31 OF THE SCHOOL FISCAL YEAR; AMENDING SECTION 20-9-344, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

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

Section 1. Section 20-9-344, MCA, is amended to read:

"20-9-344. Purpose of state equalization aid and duties of board of public education for distribution -- conditions of first payment. (1) The money available for state equalization aid must be distributed and apportioned to provide:

(a) an annual minimum operating revenue for the elementary and high schools in each county, exclusive of revenues required for debt service and for the payment of any costs and expense incurred in connection with any adult education program, recreation program, school food services program, new buildings and grounds, and transportation; and

(b) the Montana educational telecommunications network as provided in 20-32-101.

(2) The board of public education shall administer and

distribute the state equalization aid in the manner and with the powers and duties provided by law. To this end, the board of public education shall:

(a) adopt policies for regulating the distribution of state equalization aid in accordance with the provisions of law and in a manner that provides for monthly distribution to each district of its foundation program amount and to each county and district distribution of its guaranteed tax base aid;

(b) have the power to require reports from the county superintendents, budget boards, county treasurers, and trustees as it considers necessary; and

(c) order the superintendent of public instruction to distribute the state equalization aid on the basis of each district's annual entitlement to the aid as established by the superintendent of public instruction. In ordering the distribution of state equalization aid, the board of public education may not increase or decrease the state equalization aid distribution to any district on account of any difference that may occur during the school fiscal year between budgeted and actual receipts from any other source of school revenue.

(3) The board of public education may order the superintendent of public instruction to withhold distribution of state equalization aid or order the county

1 superintendent of schools to withhold county equalization
2 money from a district when the district fails to:

3 (a) submit reports or budgets as required by law or
4 rules adopted by the board of public education; or

5 (b) maintain accredited status.

6 (4) Prior to any proposed order by the board of public
7 education to withhold distribution of state equalization aid
8 or county equalization money, the district is entitled to a
9 contested case hearing before the board of public education,
0 as provided under the Montana Administrative Procedure Act.

1 (5) If a district or county receives more state
2 equalization aid than it is entitled to, the county
3 treasurer shall return the overpayment to the state upon the
4 request of the superintendent of public instruction in the
5 manner prescribed by the superintendent of public
6 instruction.

7 (6) (a) The first foundation program payment and
8 guaranteed tax base aid payment must be based on an estimate
9 of 20% of the entitlement of each district or county and
0 distributed by July 15 31 of the school fiscal year.

1 (b) Each subsequent monthly payment must be at least 7%
2 of the entitlement of each district or county."

3 NEW SECTION. Section 2. Effective date -- TERMINATION.

4 [This act] is effective on passage and approval AND
5 TERMINATES JUNE 30, 1993.

1 SENATE BILL NO. 1
2 INTRODUCED BY JACOBSON, KADAS
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE FIRST
5 DISTRIBUTION DATE FOR STATE EQUALIZATION AID PAYMENTS TO
6 SCHOOL DISTRICTS FROM JULY 15 TO JULY 31 OF THE SCHOOL
7 FISCAL YEAR; AMENDING SECTION 20-9-344, MCA; AND PROVIDING
8 AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."
9

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

11 **Section 1.** Section 20-9-344, MCA, is amended to read:

12 "20-9-344. Purpose of state equalization aid and duties
13 of board of public education for distribution -- conditions
14 of first payment. (1) The money available for state
15 equalization aid must be distributed and apportioned to
16 provide:

17 (a) an annual minimum operating revenue for the
18 elementary and high schools in each county, exclusive of
19 revenues required for debt service and for the payment of
20 any costs and expense incurred in connection with any adult
21 education program, recreation program, school food services
22 program, new buildings and grounds, and transportation; and

23 (b) the Montana educational telecommunications network
24 as provided in 20-32-101.

25 (2) The board of public education shall administer and

1 distribute the state equalization aid in the manner and with
2 the powers and duties provided by law. To this end, the
3 board of public education shall:

4 (a) adopt policies for regulating the distribution of
5 state equalization aid in accordance with the provisions of
6 law and in a manner that provides for monthly distribution
7 to each district of its foundation program amount and to
8 each county and district distribution of its guaranteed tax
9 base aid;

10 (b) have the power to require reports from the county
11 superintendents, budget boards, county treasurers, and
12 trustees as it considers necessary; and

13 (c) order the superintendent of public instruction to
14 distribute the state equalization aid on the basis of each
15 district's annual entitlement to the aid as established by
16 the superintendent of public instruction. In ordering the
17 distribution of state equalization aid, the board of public
18 education may not increase or decrease the state
19 equalization aid distribution to any district on account of
20 any difference that may occur during the school fiscal year
21 between budgeted and actual receipts from any other source
22 of school revenue.

23 (3) The board of public education may order the
24 superintendent of public instruction to withhold
25 distribution of state equalization aid or order the county

1 superintendent of schools to withhold county equalization
2 money from a district when the district fails to:

3 (a) submit reports or budgets as required by law or
4 rules adopted by the board of public education; or

5 (b) maintain accredited status.

6 (4) Prior to any proposed order by the board of public
7 education to withhold distribution of state equalization aid
8 or county equalization money, the district is entitled to a
9 contested case hearing before the board of public education,
10 as provided under the Montana Administrative Procedure Act.

11 (5) If a district or county receives more state
12 equalization aid than it is entitled to, the county
13 treasurer shall return the overpayment to the state upon the
14 request of the superintendent of public instruction in the
15 manner prescribed by the superintendent of public
16 instruction.

17 (6) (a) The first foundation program payment and
18 guaranteed tax base aid payment must be based on an estimate
19 of 20% of the entitlement of each district or county and
20 distributed by July 15 31 of the school fiscal year.

21 (b) Each subsequent monthly payment must be at least 7%
22 of the entitlement of each district or county."

23 NEW SECTION. Section 2. Effective date -- TERMINATION.

24 [This act] is effective on passage and approval AND

25 TERMINATES JUNE 30, 1993.

-End-

-3-

SB 1