

HOUSE BILL 143

Introduced by Swanson, et al.

1/12	Introduced
1/12	Fiscal Note Requested
1/12	First Reading
1/13	Referred to Education & Cultural Resources
1/16	Fiscal Note Received
1/18	Fiscal Note Printed
1/20	Hearing
1/22	Tabled in Committee

1 House BILL NO. 143
 2 INTRODUCED BY Simmons, Price, Kolas, et al.
 3 Beruhait, et al. Ryan, Wetzel, Kolas
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE SCHOOL
 5 FOUNDATION FUNDING FORMULA TO REQUIRE THAT A COUNTY AND THE
 6 STATE FINANCE ONE-HALF OF THE FOUNDATION PROGRAM FOR A
 7 NONISOLATED HIGH SCHOOL DISTRICT HAVING FEWER THAN 25 ANB
 8 PUPILS; AMENDING SECTION 20-9-303, MCA; AND PROVIDING AN
 9 EFFECTIVE DATE."

10

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

12 **Section 1.** Section 20-9-303, MCA, is amended to read:

13 "20-9-303. Definition of foundation program --
 14 nonisolated school foundation program financing -- special
 15 education funds. (1) As used in this title, the term
 16 "foundation program" means the minimum expenditures that are
 17 sufficient to provide for the educational program of a
 18 school. The foundation program relates only to those
 19 expenditures authorized by a district's general fund budget
 20 and may not include expenditures from any other fund. It is
 21 financed by:

- 22 (a) county equalization money, as provided in 20-9-331
 23 and 20-9-333;
 24 (b) state equalization aid, as provided in 20-9-343;
 25 (c) appropriations for special education; and

1 (d) a district levy as provided in subsection (3) for
 2 support of a school not approved as an isolated school under
 3 the provisions of 20-9-302.

4 (2) The foundation program includes:

5 (a) amounts in support of general education programs as
 6 provided in the schedules in 20-9-316 through 20-9-320; and

7 (b) payments in support of special education programs
 8 under 20-9-321.

9 (3) An elementary school having an ANB of nine 9 or
 10 fewer or a high school having fewer than 25 ANB pupils for 2
 11 consecutive years which is not approved as an isolated
 12 school under the provisions of 20-9-302 may budget and spend
 13 the schedule amount, but the county and state shall
 14 participate in financing one-half of the foundation program,
 15 and the district shall finance the remaining one-half by a
 16 tax levied on the property of the district. When a school of
 17 nine 9 or fewer or a high school having fewer than 25 ANB
 18 pupils is approved as isolated under the provisions of
 19 20-9-302, the county and state shall participate in the
 20 financing of the total amount of the foundation program.

21 (4) Funds provided to support the special education
 22 accounting budget may be expended only for special education
 23 purposes as approved by the superintendent of public
 24 instruction in accordance with the special education
 25 budgeting provisions of this title. Expenditures for special

1 education must be accounted for separately from the balance
2 of the school district general fund. Transfers between items
3 within the special education budget for accounting purposes
4 may be made at the discretion of the board of trustees in
5 accordance with the financial administration part of this
6 title. The unexpended balance of the special education
7 accounting budget carries over to the next year to reduce
8 the amount of funding required to finance the district's
9 ensuing year's foundation program amount for special
10 education."

11 NEW SECTION. **Section 2.** Effective date. [This act] is
12 effective July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0143, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The bill requires a high school district with fewer than 25 ANB that has not been approved for isolated status to pay one-half of its foundation schedule amount with a tax levied on the district.

ASSUMPTIONS:

1. In fiscal 1993, two high school districts with fewer than 25 ANB have been approved for isolated status under the provisions of 20-9-302, MCA and three high school schools with fewer than 25 ANB (Reed Point, Outlook and Willow Creek High Schools) have not been approved for isolated status. Two of these non-isolated school districts (Reed Point and Willow Creek) have had fewer than 25 ANB for two consecutive years.
2. In fiscal 1994, two high schools would be not be approved for isolated status under the provisions of 20-9-302. These two districts would be required to levy for one-half of their foundation schedule amount.
3. In fiscal 1995, three high schools would not be approved for isolated status under the provisions of 20-9-302, MCA and would have to levy for one-half of their foundation schedule amount.
4. In fiscal 1993, four non-isolated elementary districts levied \$47,292 as their share of foundation program costs. These four districts will continue to be non-isolated in fiscal years 1994 and 1995 and will continue to levy \$47,292 in each of these years.

FISCAL IMPACT:Expenditures:

	FY '94			FY '95		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Foundation Schedules	362,375,180	362,231,387	(143,793)	369,994,809	369,779,139	(215,670)

Net Impact: The state share of foundation program costs will decline by \$143,793 in fiscal 1994 and by \$215,670 in fiscal 1995. The district share of the foundation program would increase by the same amount.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

District property tax levies in support of the foundation program would increase in the affected high school districts by \$143,793 in fiscal 1994 and by \$215,670 in fiscal 1995.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: The affected high school districts may choose to consolidate with an adjacent high school district rather than levy for the one-half share of the foundation program.

Dave Lewis 1-16-93
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Emily Swanson 1/18/93
EMILY SWANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0143, introduced version

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