

SENATE BILL 208

Introduced by Bianchi, et al.

1/19	Introduced
1/19	Referred to Education & Cultural Resources
1/19	First Reading
1/22	Hearing
1/23	Fiscal Note Requested
1/30	Fiscal Note Received
2/01	Fiscal Note Printed
2/15	Committee Report--Bill Not Passed as Amended
2/15	Adverse Committee Report Adopted

1 *Senate* BILL NO. *208*  
2 INTRODUCED BY *Beauchamp* *Miller*  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SCHOOL  
5 DISTRICT THAT IS APPROVED FOR AN INCREASE IN FOUNDATION  
6 PROGRAM MONEY DUE TO AN UNUSUAL ENROLLMENT INCREASE IN THE  
7 ENSUING SCHOOL FISCAL YEAR TO RECEIVE THE DIFFERENCE BETWEEN  
8 THE ESTIMATED ENROLLMENT FOR THE ENSUING SCHOOL FISCAL YEAR  
9 AND THE CURRENT ENROLLMENT; AMENDING SECTION 20-9-314, MCA;  
10 AND PROVIDING AN EFFECTIVE DATE."  
11

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

13 **Section 1.** Section 20-9-314, MCA, is amended to read:

14 "20-9-314. Procedures for determining eligibility and  
15 amount of increased average number belonging due to unusual  
16 enrollment increase. A district that anticipates an unusual  
17 increase in enrollment in the ensuing school fiscal year, as  
18 provided for in 20-9-313(4), may increase its foundation  
19 program for the ensuing school fiscal year in accordance  
20 with the following provisions:

21 (1) Prior to May 10, the district shall estimate the  
22 elementary or high school enrollment to be realized during  
23 the ensuing school fiscal year, based on as much factual  
24 information as may be available to the district.

25 (2) No later than May 10, the district shall submit its

1 application for an unusual enrollment increase by elementary  
2 or high school level to the superintendent of public  
3 instruction. The application must include:

4 (a) the enrollment for the preceding school fiscal  
5 year;

6 (b) the average number belonging used to calculate the  
7 foundation program schedule amount for the current school  
8 fiscal year;

9 (c) the average number belonging that will be used to  
10 calculate the foundation program schedule amount for the  
11 ensuing school fiscal year;

12 (d) the estimated enrollment, including the factual  
13 information on which the estimate is based, as provided in  
14 subsection (1); and

15 (e) any other information or data that may be requested  
16 by the superintendent of public instruction.

17 (3) The superintendent of public instruction shall  
18 immediately review all the factors of the application and  
19 shall approve or disapprove the application or adjust the  
20 estimated average number belonging for the ensuing ANB  
21 calculation period. After approving an estimate, with or  
22 without adjustment, the superintendent of public instruction  
23 shall:

24 (a) determine the percentage increase that the  
25 estimated enrollment increase is over the current

1 enrollment; and

2 (b) approve an increase of the average number belonging  
3 used to establish the ensuing year's foundation program in  
4 accordance with subsection (5) if the increase in subsection  
5 (3)(a) is at least 6%.

6 (4) The superintendent of public instruction shall  
7 notify the district of the decision by the fourth Monday in  
8 June.

9 (5) Whenever an unusual enrollment increase is approved  
10 by the superintendent of public instruction, the increase of  
11 the average number belonging used to establish the  
12 foundation program for the ensuing ANB calculation period is  
13 the difference between the anticipated enrollment for the  
14 ensuing school fiscal year and ~~106%~~--of the current  
15 enrollment. The amount determined is the maximum allowable  
16 increase added to the average number belonging for the  
17 purpose of establishing the ensuing year's foundation  
18 program.

19 (6) Any equalization or entitlement increases resulting  
20 from provisions of this section must be reviewed at the end  
21 of the ensuing school fiscal year. If the actual enrollment  
22 is less than the average number belonging used for  
23 foundation program and entitlement calculations, the  
24 superintendent of public instruction shall revise the  
25 foundation program and entitlement calculations using the

1 actual average number belonging. All payments received by  
2 the district in excess of the revised entitlements are  
3 overpayments subject to the refund provisions of  
4 20-9-344(3)."

5 NEW SECTION. **Section 2.** Effective date. [This act] is  
6 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 SB0208, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing a school district that is approved for an increase in foundation program money due to an unusual enrollment increase in the ensuing school fiscal year to receive the difference between the estimated enrollment for the ensuing school fiscal year and the current enrollment; amending section 20-9-314, MCA; and providing an effective date.

ASSUMPTIONS:

1. The number of requests for funding of unusual enrollment increases will be the same in FY 94 and FY 95 as in FY 93.
2. The enrollments of school districts will increase by the same amount in FY94 and FY95 as in FY 93.
3. The estimated Foundation Program Schedule cost of funding one additional ANB at the elementary level (K-8) is \$1913, based on the Foundation Program Schedule for schools with 301+ ANB. The estimated cost of funding each additional high school ANB (including those in approved 7-8 grade programs currently funded at the high school rates) is \$4243. That estimate is based on the average enrollment of districts qualifying in FY93.
4. GTB payments will be \$25,746 based on the eligibility of districts anticipating enrollment increases in FY93.
4. Ninety percent (90%) of the additional dollars distributed to schools for a given year to fund unusual enrollment increases are requested during the first five months of the school year.
5. In accordance with 20-9-314(3) (b), a district must experience at least a six percent enrollment increase before it qualifies for additional state equalization aid.

FISCAL IMPACT:

	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>
<u>Expenditures:</u>						
State Equalization Aid	412,316,700	413,354,579	1,037,879	421,257,200	422,295,079	1,037,879
<u>Funding:</u>						
School Equalization Account	412,316,700	413,354,579	1,037,879	421,257,200	422,295,079	1,037,879

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: To the extent that state equalization aid is provided to fully fund the ANB costs associated with difference between the anticipated enrollment and the current enrollment, the district obligation will be less. Under this bill, once a district qualifies for increased state aid under 20-9-314(3), it will no longer have to use district revenues to provide the ANB funding for the first 6% of enrollment growth.

David Lewis 1-29-93  
 DAVID LEWIS, BUDGET DIRECTOR DATE  
 Office of Budget and Program Planning

Don Bianchi 2/1/93  
 DON BIANCHI, PRIMARY SPONSOR DATE  
 Fiscal Note for SB0208, as introduced

**SB208**