

**MINUTES**

**MONTANA SENATE  
53rd LEGISLATURE - REGULAR SESSION  
SELECT COMMITTEE ON SCHOOL FINANCE**

**Call to Order:** By Chairman Mike Halligan, on April 12, 1993, at 3:30 p.m.

**ROLL CALL**

**Members Present:**

Sen. Mike Halligan, Chair (D)  
Sen. Chet Blaylock, Vice Chair (D)  
Sen. John Brenden (R)  
Sen. Bob Brown (R)  
Sen. Steve Doherty (D)  
Sen. Dorothy Eck (D)  
Sen. Harry Fritz (D)  
Sen. Delwyn Gage (R)  
Sen. Lorents Grosfield (R)  
Sen. John Harp (R)  
Sen. Spook Stang (D)  
Sen. Daryl Toews (R)  
Sen. Tom Towe (D)  
Sen. Fred Van Valkenburg (D)  
Sen. Mignon Waterman (D)  
Sen. Bill Wilson (D)  
Sen. Bill Yellowtail (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Jeff Martin, Legislative Council  
Eddy McClure, Legislative Council  
Bonnie Stark, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: None.  
Executive Action: HB 667

**EXECUTIVE ACTION ON HB 667**

**DISCUSSION:**

Jan Thompson, Office of Public Instruction (OPI), explained the spread sheet, which is Exhibit No. 1 to these minutes. This

spread sheet was prepared by OPI and the Office of the Legislative Auditor (OLA) at the request of the Select Committee, and shows comparisons of HB 667, as it is now with the regression model, to what HB 667 would look like using the current schedules in law. Jim Gillett, OLA, as well as Doug Kosty, OPI, have agreed on the numbers that have gone into both formulas as far as non-levy revenues used. The only fundamental difference between the information on this spread sheet is under the schedules; OPI looked at the current schedules in law and established an 80% and 100%, and the established the 80% and 100% under the regression model.

Ms. Thompson said the columns in the spread sheet are as follows:

- 1st: The actual 93 Budget per school district, based on the current school year.
- 2nd: The anticipated Fiscal Year 94 Average Number Belonging (ANB), adjusted to allow for the amendment from the Committee that ANB would be based on the prior year's enrollment rather than the current formula that OPI is using. It is based on the October, 1992, enrollment. If that amendment stays in the bill, OPI will take an enrollment twice a year, average that number, and use that number as the ensuing year's ANB.
- 3rd: The Restated 94 Budget. This is under the regression model that is in HB 667 now. The assumptions that were made is that school districts currently under the 80% in HB 667 would grow 20%. OPI realizes there is a 30% growth requirement in HB 667 now, but the decision was to use 20%.
- 4th: The Restated 94 Budget if OPI used foundation program schedules currently in law. OPI determined the 80% and 100% as 100% equates to 185% of the current foundation program; 80% of that equates to 148% of the foundation program. All other assumptions are the same and they grow 20% a year over a 5-year period. If a district is between 80% and 100%, it will grow 4% a year; if over the 100% level, funds are frozen. The starting point is the FY 93 Budget.
- 5th: The Actual 1993 Mills levied this year for General Fund, which includes voted and permissive levies.
- 6th: The Mills that would be levied in 1994 if HB 667 were to be implemented as it is now.
- 7th: The Mills that would be levied in 1994 by taking some of the components of HB 667 and only use the schedules as a starting point for funding rather than the regression model.
- 8th: Three columns under HB 667-FY 94: The first column is the budget change between FY 93 and FY 94 using the regression

model. The second column is where the district is in 1994 in relation to their maximum budget (the maximum being 100% of the base entitlement). The third column is the mill change the district would see between FY 93 and FY 94 as a result of HB 667.

9th: The last three columns are similar to the past three, only with the current schedules. The first column is the budget change between FY 93 and FY 94. The second column is where the district is in relation to its maximum in 1994. The third column is the mill levy change between 1993 and 1994.

Ms. Thompson presented Exhibit No. 2 to these minutes, which are assumptions used by OPI to determine the impact of HB 667 using existing schedules.

Jim Gillett, presented Exhibit No. 3, which is a supplement to Exhibit No. 2. Mr. Gillett said the decision faced by this Committee is a fundamental one; to use the model as it exists in HB 667 now, or change to the schedules. Mr. Gillett presented Exhibit No. 4, which was prepared for the House Select Committee and was influential in that Committee's decision not to go with current schedules. The current foundation schedules are weighted to school size; the State gives more funds to a small school per ANB than it gives to a large school. Exhibit No. 4 shows an analysis by current school size category; category 1 of Elementary being the smallest, category 8 being the largest. Elementary Category 1 spends 1.48% times their foundation schedules to operate on an average, and Elementary Category 8 spends 1.36%. However, Category 2 Elementary Schools spend 2.11 times their foundation program amount to fund their operation on an average. Mr. Gillett said this fact caused the House Select Committee to arrive at the conclusion that there are equalization problems in the schedules as they exist and that is why they chose to start with current spending, not with schedules.

Chairman Halligan said this Committee needs to decide whether to stay with the foundation schedules or go with HB 667.

Senator Blaylock said the Subcommittee's recommendation to this Committee was to go with the HB 667 model.

Senator Brown said the education community has said they prefer HB 667 to the existing system.

In response to questions by Senator Blaylock, Ms. Thompson said the only difference between the current schedules and the way HB 667 is right now is that OPI is using the current foundation schedules to determine the 80% and 100% rather than the regression model; the budgets are built the same way under both systems. The only fundamental difference is whether to determine the 80% and 100% using the current schedules or to determine the 80% and 100% using the base entitlement in HB 667. Everything else is the same.

Senator Waterman said she thinks there are serious questions about whether or not the current schedules are valid, and they have generated three different lawsuits against the state; she would feel more comfortable working off the HB 667 proposal.

Ms. Thompson said that the current schedules have never been declared unconstitutional in court.

Senator Towe asked when the current schedules were set up. Andrea Merrill, Legislative Council, said the schedules were done on an analysis of the average of the general fund budgets of school districts in FY 46. The percentage increases were made based on various studies, with the last study done in 1974. Since that time straight percentage increases across all categories have been the mode of increasing school funding, until 1989, when some special increases were made in elementary categories.

Senator Grosfield said in comparing some rural counties with the urban counties, it looks like some rural counties would be hurt more by going with the current schedule, rather than going with HB 667.

Ms. Thompson said going to the model in HB 667 has a tendency in general to move money from the larger school districts to the smaller school districts.

Ms. Thompson said in order to come up with the \$40 million that is the Committee's target, 75% of the foundation schedules are paid by the state, the other 25% are getting rolled into the GTB subsidized portion.

Senator Gage asked if non-mill revenue has been considered in relation to higher millages in school districts that reflect higher millages. Ms. Thompson said no, that under both scenarios non-levy revenue was treated as it always has been treated, so the only differences between the mills under either proposal would be the level of direct state funding.

Senator Gage asked if the level of base entitlement, student allocation, and reduction factors were geared to current schedules. Mr. Gillett said they were not based on the schedules; they were based on the current spending patterns in schools.

Senator Gage asked if the 874 money was pulled out. Mr. Gillett said the 874 money was not pulled out; it was used to reduce the number of unsubsidized mills.

Senator Blaylock asked Rep. Kadas if he would comment on the spread sheet and how he sees it, using current schedules visavis the HB 667 model. Rep. Kadas said it is an honest comparison; the main functional difference is whether one uses the regression analysis to drive the base, or uses the old schedules to drive

the base. He said there is a problem with the schedules in Categories 1 through 4 that needs to be dealt with. As far as the over-all change, he thinks there is a clear shifting between urban and rural between the two options. The MREA lawsuit is based on whether the schedules are accurate, or whether they fairly reflect what should be the cost of the system. Those plaintiffs argued that they didn't agree with using the regression line in HB 667, because it was driven by total expenditures, and total expenditures were driven by existing schedules. Rep. Kadas understands the MREA has softened their position because the GTB is weighted.

Senator Toews said school districts are looking for a budget that makes sense year after year, so they will know where they are going to be adjusted. He believes HB 667 will give the districts a direction.

**MOTION:**

Senator Brown moved that the Select Committee approve the Subcommittee recommendations on HB 667.

**SUBSTITUTE MOTION/VOTE:**

Senator Towe moved that the Select Committee use the current schedules. Motion FAILED 11-6 on Roll Call Vote (#1).

**MOTION/VOTE:**

Senator Stang moved to accept the Select Subcommittee Recommendations en masse, including the weighted GTB with #4. Motion CARRIED on oral vote with Senators Gage and Harp voting "NO".

**DISCUSSION:**

Senator Brown presented Exhibit No. 5 to these minutes and explained each of the amendments he is proposing. He said if the first two amendments are adopted, approximately \$5 million would be saved. If the third amendment is adopted, approximately \$2 million would be saved.

**MOTION:**

Senator Brown moved to adopt the amendments on Exhibit No. 5 to these minutes.

**DISCUSSION:**

Senator Stang said the philosophies of the committee members may differ on these amendments. The Subcommittee discussed the No Voted below the mandatory increase and felt if they didn't vote above that, what they allowed the districts above 80% to vote would be creating some inequities. His philosophy for

districts below the 80% level was that if they are given the ability to increase 20% per year permissively, and it is a big increase in taxes for most of those taxpayers, they are not going to vote anything above the 20% anyway to bring them up to the 80% level. Senator Stang asked that the amendments be divided and voted on separately.

Senator Van Valkenburg said he thinks the one issue that will cause additional problems in court is having schools that are way below the 80% level, and the Subcommittee was trying to come up with a mechanism to move those schools up to the 80% level as quickly as possible within reasonable bounds. For a cost of \$2.2 million, we are solving the most serious problem we face with respect to litigation. If we wait for five years to do this, we are waiting for two more legislative sessions to pass. It would be 1998 before schools would be brought up to the 80% level. Senator Van Valkenburg does not think it should be done that way for the sake of \$2 million.

Senator Brown expressed concern that if the GTB percentage is reduced further than his proposal of 172% of state-wide average, there could be additional problems.

**VOTE ON AMENDMENT NO. 1:**

The motion to adopt the amendment to return the minimum growth to 20% in the House version FAILED 9-6 on Roll Call Vote (#2).

**DISCUSSION:**

Senator Brown explained his second amendment. The Subcommittee recommendation would allow the Districts below the 80% level to raise at 33 1/3 per year for a three year phase-in, but districts can vote to do it faster. Senator Brown said if they are not allowed to vote the raise faster, they can't obligate the GTB money as fast. When HB 667 passed out of the House, it was set to raise in five years, 20% vote each year. That is what he tried to restore with his first amendment.

Senator Stang said there are some districts who are just below the 80% level, and they would be forced to raise to 80% over a three-year period, instead of being allowed to raise in one year, if this amendment passes.

Jan Thompson clarified the fact that HB 667, as it is written now, allows districts to go the 20%, or 104% of last year's budget, whichever is greater. In the case of a district that might be at 77%, they could go to 80% in one year using 104% of their previous year's budget.

**VOTE ON AMENDMENT NO. 2:**

The motion that no voted levy increase above mandatory growth below 80% FAILED 13-4 on Roll Call Vote (#3).

**DISCUSSION:**

Senator Stang said all of the amendments proposed by the Subcommittee added approximately \$15 million to the annual cost of HB 667. His instructions were to adjust the percentage to meet that additional expense. Amendment No. 3 would take the \$15 million out of the cost of the bill, however, the percentage would need to be changed accordingly. The 172% would take \$10 million out of the bill. (The estimate is approximately 166%.)

**VOTE ON AMENDMENT NO. 3:**

The motion to change the GBT percentage to 166% of state-wide average FAILED 10-7 on Roll Call Vote (#4).

**DISCUSSION:**

Senator Stang suggested a need for re-definition of state equalization aid. He said there were some discussions as to whether that is included in HB 667. Andrea Merrill said that is considered a technical amendment, the language has been worked out with OPI, and amendments will be made to those sections in the bill.

Sen. Waterman said this amendment would basically clarify language that may prevent possible confusion in using State Equalization Aid.

**MOTION/VOTE:**

Senator Stang moved to AMEND HB 667 in defining the term, "State Equalization Aid", and that the Committee approve the concept agreed upon by OPI and Legislative Council staff. The motion CARRIED unanimously on oral vote.

**DISCUSSION:**

Senator Van Valkenburg brought up some issues for discussion. One is utilization of the weighted GTB. There is an understanding that if the weighted GTB is used, the 1,000 student Stop Loss would be changed to an 800 Stop Loss. This Stop Loss drop would give larger school districts a benefit, while the weighted GTB largely benefits smaller school districts. It may not have the effect of discouraging any unification of districts; this may act as an incentive for some districts to become smaller when put together with the regression formula to set a base entitlement and have a reduction factor. He said the weighted GTB benefits to the smaller schools are at the expense of the larger schools, which may hurt taxpayers in those larger

districts by them having to pick up a greater share. Senator Van Valkenburg asked Representative Kadas if he has any additional comments about this issue. Rep. Kadas said he asked for an analysis of the impacts, using the weighted GTB. A comparison was made of all the districts with the weighted GTB and without. Then a sort was made, based on those districts most heavily impacted down to those who gained the greatest benefit. The ten districts who are impacted the most are currently levying 51.7 mills on the average. The ten districts who will receive the most benefit are currently levying 28.5 mills. What this will do is tell the districts who are already making the most effort, that they will have to increase their millage, and the districts that are making the least effort that they will be rewarded. High school districts are not as affected as the elementary districts, but Rep. Kadas questions whether this is a good policy decision, to penalize the districts who are making the most effort, which would be the effect of what is being done here.

Sen. Stang asked if non-mill levy was used in the analysis of the ten districts that have the burden effect. Rep. Kadas said non-levy revenue is treated the same way it is treated in the bill.

Sen. Stang said HB 667 is not being done as a consolidation bill, or an anti-consolidation bill; consolidation should be done as a separate issue so the general public can have input. HB 667 is being presented as a school funding bill to address equity issues. He said what the weighted guaranteed tax base does is equalizes to the dollar and the mill the amounts between the 40% and 80%, and that is the part we are saying is equal. If the GTB is applied to the permissive mills between the 40% and 80% level, it takes the same number of mills to come to the 80%. The weighted GTB truly equalizes between 40% and 80%. The 20% over and above that is not going to be equalized. Unless the committee wants to give GTB to the 100% and fund 100% on the schools throughout the state, the 20% will always be unequal. That is where the big difference will be in the mills. To the point of 80%, the guaranteed tax base is equalized.

Senator Blaylock said the fact that the schools making the greater effort now will be hurt, and those making the lesser effort will be helped, is persuasive to him. Through the years there have been a number of schools who have kept their millages low and now, through the guaranteed tax base, they are being helped considerably because they have a long ways to come up to the 80% level.

Senator Towe asked if the 1,000 Stop Loss versus the 800 Stop Loss would come close to making up the difference in the guaranteed tax base in the districts discussed. Senator Stang said the weighted guaranteed tax base saves \$1.2 million over the biennium; the 800 Stop Loss costs \$2.2 million over the biennium. Putting the two of them together, will give the larger

schools approximately a \$1 million advantage. He said there is some merit for moving the Stop Loss from 1,000 to 800.

**MOTION/VOTE:**

Senator Van Valkenburg moved to eliminate the weighted GTB, and go back to a 1,000 student stop/loss, as included in HB 667 when it passed out of the House. The motion FAILED 9-8 on Roll Call Vote (#5).

**DISCUSSION:**

Senator Van Valkenburg asked what would happen if the non-levied revenue is brought in to the school equalization account and used to equalize some of the school funding. This will cut down on the amount of additional money necessary to fund the formula being used. Approximately \$15 million per biennium is presently being brought in from two principle sources: the local government severance tax, and motor vehicle fees. He asked Rep. Kadas to comment on this.

Rep. Kadas said there are about 10 different sources of non-levy revenue; he targeted five of them. He tried to pick ones which the school districts would have no incentive to maintain. Interest income, cash reappropriated, and tuition are all non-levy revenue sources which he did not use. The ones he suggested taking are: (1) Local government severance tax; (2) Motor vehicle fees; (3) Corporate license tax; (4) Net proceeds tax; and, (5) Coal gross proceeds tax. Under the Boharski amendment, using actual 1992 non-levy revenues instead of budgeted numbers, the total amount from those five sources would be \$19 million a year. That money is currently being used before permissive mills and guaranteed tax base, at a cost of \$8 million; there is a net swing of \$11 million. A district gets their scheduled amount and special education share from the state; the next 35% is permissive, but before a district can levy any permissive mills, they have to use their non-levy revenue. If a portion of the non-levy revenue is taken out, that gap has to be filled with general fund (school equalization) money. This is the \$8 million cost. Rep. Kadas said the \$15 million is the budgeted amount; \$19 million is the actual non-levy revenue expenditures in FY 92. That mechanism is adopted in HB 667 via Rep. Boharski's amendment on the House floor.

**MOTION:**

Senator Van Valkenburg moved to recapture the non-levy revenue, and bring it into the school equalization account, limiting it to the five sources that Rep. Kadas identified.

**DISCUSSION:**

Senator Towe asked why motor vehicle revenues and corporate license taxes would be used, instead of just using local

government severance tax and net and gross proceeds taxes. Rep. Kadas said the local government severance tax, and the net and gross proceeds taxes, are the most unequalized revenue sources. The reason motor vehicle and corporate license taxes are included is because he wanted to show some good faith that urban areas ought to be contributing to this.

Senator Toews said SB 28 already took 45% of the full revenue from many districts; now some districts are facing a 40% to 60% increase in mills if this amendment passes. This is a major impact on some schools.

Senator Hertel said if the local government severance tax is included, it would impose a much larger tax, and some businesses will be shut down, especially those who are on the verge anyway.

Senator Stang said it was discussed in the Subcommittee that a letter could be written to the OPI requesting them to show the Legislature exactly how this would affect the impacted districts in the course of OPI's continuing study reported every two years. The Subcommittee did not feel comfortable putting this in now without knowing more of the impact information. If HB 667 should pass and become law, and in order to further equalize, a look will need to be taken at the non-levy revenues in the next two years. By then the Legislature will have a better idea of what it does to the districts and maybe decide to phase it in at that time.

Senator Towe asked Rep. Kadas what the impact will be to the taxpayer. Rep. Kadas said it has no affect on the local government severance tax, which is a flat-rate tax. It will change the distribution. Because some counties will be affected and will not receive that money, which will be going to the state, those counties will have to increase their mills. Because there is generally so little equipment in the oil fields, he doesn't think that will have a significant impact on the oil industry. Some districts will have an increase in millage, which will make them comparable to what everyone else is paying now.

Senator Towe suggested that the only thing affected is that the mills levied generally would have to be increased in those districts. At the present time, because of the net and gross proceeds and the local government severance taxes, plus, in some instances, because of a very high revenue from the property tax on the equipment (coal mines, for example), those counties presently levy very low mills and it would push them up closer to average. He said they will pay higher taxes, but their taxes are very low now, and it is justified. He called attention to the fact that SB 432, which he introduced, was power equalized, and those low-taxing counties would pay a much higher tax; they need to be equalized. He thinks if we want to even suggest that we are equalizing, we need to adopt this amendment.

Senator Eck said when the local government severance tax was put on, it was done to protect the industries, and most of the taxpayers in those counties supported the bill. What has happened is everyone else's taxes have gone up and those extractive industries have protection so their taxes don't raise. She thinks it is important that this be done; however, she would be in favor of a phase-in. She said the Legislature definitely needs to look at the whole picture of equity over the next two years.

Senator Yellowtail said districts like his will take an enormous hit, and asks that this amendment not pass. At some future time, on a phase-in basis, he might consider its merits.

Senator Gage said that two sessions ago he started looking at what would happen if the flat-tax on coal, local government severance tax, net proceeds tax, and oil tax, that all essentially affect property, were taken to the state level for funding of the Foundation program. He thinks if the Legislature is serious about looking at equalization, these all need to be included in this whole formula. He doesn't think anybody knows the full impact this would have on the individual school districts. An amendment was drafted that would call for a study of those issues during the next interim.

Senator Van Valkenburg said the taxpayers in his district are now paying over 500 mills, most of which is for support of schools. There are plenty of districts in the State where people are paying less than one-half of those mills. In 1989, the Legislature was forced to adopt the local government severance tax in order to make sure the oil companies and the coal companies didn't have to pay their share. When HB 28 was adopted, the funds should have been equalized. He said this motion will use the motor vehicle fees, fees which largely come from the large cities in the state. This is a way to pay for some of the changes made in HB 667, without having to go to the general fund, the income taxes, or a realty transfer tax.

**VOTE:**

The motion FAILED on tie vote of 9-9, on Roll Call Vote (#6).

**MOTION:**

Senator Brown moved for adoption of the amendments on Exhibit No. 6.

**DISCUSSION:**

Exhibit No. 6 to these minutes was distributed. Senator Brown said these amendments were prepared by Andrea Merrill at the request of the MEA. The MEA came before the Select Committee, prior to the Subcommittee being formed, asking that

something be done to guarantee that state level support for school funding be maintained. These amendments would tie HB 667 to the Sales Tax Referendum, which will presumably be on the June ballot. The 4% figure is the amount determined to be the cost-of-living factor. The idea is, if it can be done, and maintained over a period of time, it might keep us out of court in the long-term. This would be a new source of revenue that would make possible the concept being used.

Senator Stang said the Subcommittee discussed whether to have a Cost of Living Allowance (COLA) in HB 667, and it was determined not to include it. He doesn't think the approval, or non-approval, of the sales tax should have an affect on the COLA. The discussion of COLA centered around the fact that if it is included, the districts are going to be expecting a percentage increase. However, there is no guarantee a percentage of the sales tax will be available for school financing every two years if future Legislatures decide to eliminate it.

Senator Van Valkenburg said when the sales tax bill was discussed by the Taxation Committee, that Committee rejected earmarking funds for the university system; he speaks against Senator Brown's motion.

Senator Eck spoke in favor of this motion. She said a proposed sales tax has traditionally been a tax to support government, and especially education. One of the primary objections to the sales tax presented in SB 235 is that there is no commitment in it for an investment in education. Senator Eck said having a commitment to education ought to be a strong part of a sales tax bill.

Rep. Boharski said this 4% COLA would affect only the second year of this biennium with \$15 million; the year after that it becomes \$30 million, and on and on.

Senator Doherty said this will only take affect if the sales tax passes, and he sees it as a gimmick to get people to buy into the sales tax.

Senator Blaylock commented that, assuming the sales tax leaves the Legislature and goes to the general public for a vote, there needs to be an argument in support of the sales tax for education. However, other states have forgotten about education after their sales tax has come into existence. Senator Blaylock thinks that as long as education is being used as a selling point, it is not too much to ask that a certain amount would be permanently tied into education.

Senator Towe asked Senator Brown if it is good for a general concept of having some of the sales tax go into the education funding to provide for future inflation, why wouldn't the same thing be done for income tax or other alternative revenue sources. Senator Brown replied that the sales tax issue will

presumably go on the June ballot and would generate some new revenue. The foundation program that exists now has run into constitutional problems because it is underfunded. If the state is going to try to stay out of court in the future, it needs to adopt a concept to cover inflation, and he would like to see the sales tax revenue dedicated for this purpose. There presently are radically different amounts generated per mill from one school district to another around the state; however, 4% is the same in any district. If education is to be put on a better long-term stable source of equalized funding, this amendment makes sense, according to Senator Brown, and he urges support.

Senator Van Valkenburg said Senator Brown may have a case for using sales tax revenues to equalize school funding, but to decide now to provide for a 4% increase in the basic entitlement is premature; this would be making an appropriation decision to spend 1997 biennium money now, to the exclusion of anything else that may come up for funding at that time.

Senator Gage read Subsection (3), Page 2, of the amendments, which says "Allocations may not be made from the sales tax and use tax account until appropriated." He said he assumes that means the 1995 Legislature would have to make the appropriations to be effective for the full year after July 1, 1994, for the 94-95 school year. This would use funds before the 1997 biennium, and he asked what impact this would have on OPI's cash flow. Senator Van Valkenburg replied that if this money is being spend in the 1994 biennium, the base is being built, therefor increasing the amount of money to be spent in the 1997 biennium.

Senator Towe said he has problems with the concept of funding with the sales tax, because there will be no more money in the sales tax revenues than there is in the other revenues. He doesn't think we should pre-destine the source of the revenues.

Senator Yellowtail said we are proposing to short-change our options for the next legislative session, supposing there is any revenue that would be generated and left over from a sales tax, which would be available for use of the 1995 session. He said there will be many competing interests that will need to be apportionately prioritized. He thinks this amendment will head off alternatives in the 1995 session, and he cannot support it.

Senator Eck said the areas where the major cuts have been made in this legislative session, \$40 million in public education plus the amounts in higher education, are just two. She understands there will be between \$60 million and \$90 million each year and she thinks spending from \$15 million to \$30 million on public education is a very good use of the money. An equal amount could be spent for higher education and still be able to address a lot of the other issues the legislature has to address.

Senator Brown said that when the foundation program was created, a certain amount of the income tax revenue was automatically dedicated to the public schools. Before the state indexed income tax by initiative, it was elastic, so the elasticity of the income tax meant it had some natural growth in each biennium. Now we are facing a sales tax that is not indexed to the extent that there will be inflation increases. He reminded the Committee that there is not a set amount of money. He said this 4% figure is a ball-park figure of what the cost of living increase usually amounts to, so with natural growth, the legislature would be making sure that the funding of public schools isn't left out of the natural growth, and the state would not find itself back in court again.

**VOTE:**

The motion FAILED 11-7 on Roll Call Vote (#7).

**MOTION:**

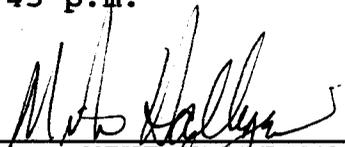
Senator Brown moved changing the 4% figure to 2%. Chairman Halligan asked if anyone would change their vote if the figure is 2%. No committee member responded affirmatively. Senator Brown withdrew his motion.

**MOTION/VOTE:**

Senator Stang moved HB 667 BE CONCURRED IN AS AMENDED (HB066737.aam). The motion CARRIED 11-7 on Roll Call Vote (#8). Senator Stang will carry the bill on the Senate floor. (811558SC.Sma)

**ADJOURNMENT**

**Adjournment:** The meeting adjourned at 5:45 p.m.

  
MIKE HALLIGAN, Chair

  
BONNIE STARK, Secretary

MH/bjs

# ROLL CALL VOTE #1

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE

BILL NO. HB 667

DATE 4-12-93 TIME 3:30 A.M. P.M.

NAME	YES	NO
Sen. Brown		✓
Sen. Doherty		✓
Sen. Eck	✓	
Sen. Gage		✓
Sen. Grosfield		✓
Sen. Halligan	✓	
Sen. Harp		✓
Sen. Stanc		✓
Sen. Towe	✓	
Sen. Van Valkenburg	✓	
Sen. Yellowtail		✓
Sen. Blaylock		✓
Sen. Fritz		
Sen. Hertel		✓
Sen. Brenden		✓
Sen. Toews		✓
Sen. Waterman		
Sen. Wilson	✓	

Bonnie Stark

Mike Halligan

SECRETARY

CHAIR

MOTION: Substitute Motion to use the current schedule  
Motion failed 11-6

# ROLL CALL VOTE #2

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE

BILL NO. HB 667

DATE 4-12-93

TIME 3:30

A.M. P.M.

NAME	YES	NO
Sen. Brown	✓	
Sen. Doherty		✓
Sen. Eck		✓
Sen. Gage	✓	
Sen. Grosfield	✓	
Sen. Hallican		✓
Sen. Harp	✓	
Sen. Stang	✓	
Sen. Towe		✓
Sen. Van Valkenburg		✓
Sen. Yellowtail		✓
Sen. Blaylock		✓
Sen. Fritz		
Sen. Hertel	✓	
Sen. Brenden		✓
Sen. Toews		
Sen. Waterman		
Sen. Wilson		✓

Bonnie Stark

Mike Halligan

SECRETARY

CHAIR

MOTION: Amendment H from Sen Brown - Return minimum growth to 20% in House version  
Roll 9-6



# ROLL CALL VOTE #4

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE

BILL NO. HB 667

DATE 4-12-93 TIME 3:30 A.M. P.M.

NAME	YES	NO
Sen. Brown	✓	
Sen. Doherty		✓
Sen. Eck		✓
Sen. Gage	✓	
Sen. Grosfield	✓	
Sen. Halligan		✓
Sen. Harp	✓	
Sen. Stang		✓
Sen. Towe		✓
Sen. Van Valkenburg		✓
Sen. Yellowtail		✓
Sen. Blaylock		✓
Sen. Fritz		
Sen. Hertel	✓	
Sen. Brenden	✓	
Sen. Toews	✓	
Sen. Waterman		✓
Sen. Wilson		✓

Bonnie Stark

Mike Halligan

SECRETARY

CHAIR

MOTION: Amendment #3, Sen. Brown - Change 5th  
part to No. of District's average.

# ROLL CALL VOTE #5

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE BILL NO. HB 667

DATE 4-12-93 TIME 3:30 A.M.  P.M.

NAME	YES	NO
Sen. Brown		✓
Sen. Doherty	✓	
Sen. Eck	✓	
Sen. Gage		✓
Sen. Grosfield		✓
Sen. Halligan	✓	
Sen. Harp		✓
Sen. Stang		✓
Sen. Towe	✓	
Sen. Van Valkenburg	✓	
Sen. Yellowtail		✓
Sen. Blaylock	✓	
Sen. Fritz		
Sen. Hertel		✓
Sen. Brenden		✓
Sen. Toews		✓
Sen. Waterman	✓	
Sen. Wilson	✓	

Bonnie Stark  
SECRETARY

Mike Halligan  
CHAIR

MOTION: To eliminate the weighted STB and go back to 1,000 HS/Step/Level

April 9-8

# ROLL CALL VOTE #6

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE

BILL NO. HB-667

DATE 4-12-93 TIME 3:30 A.M. P.M.

NAME	YES	NO
Sen. Brown		✓
Sen. Doherty	✓	
Sen. Eck	✓	
Sen. Gage		✓
Sen. Grosfield		✓
Sen. Halligan	✓	
Sen. Harp		✓
Sen. Stang		✓
Sen. Towe	✓	
Sen. Van Valkenburg	✓	
Sen. Yellowtail		✓
Sen. Blaylock	✓	
Sen. Fritz	✓	
Sen. Hertel		✓
Sen. Brenden		✓
Sen. Toews		✓
Sen. Waterman	✓	
Sen. Wilson	✓	

Bonnie Stark

Mike Halligan

**SECRETARY**

**CHAIR**

MOTION: Bring in non-levy revenue; limit to the  
5 sources identified by Rep. Kidas.  
Motion failed on 9-9 tie vote.

# ROLL CALL VOTE #17

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE

BILL NO. HB 667

DATE 4-12-93 TIME 3:30 A.M. P.M.

NAME	YES	NO
Sen. Brown	✓	
Sen. Doherty		✓
Sen. Eck	✓	
Sen. Gage		✓
Sen. Grosfield		✓
Sen. Halligan		✓
Sen. Harp	✓	
Sen. Stang		✓
Sen. Towe		✓
Sen. Van Valkenburg		✓
Sen. Yellowtail		✓
Sen. Blaylock	✓	
Sen. Fritz		✓
Sen. Hertel		✓
Sen. Brenden		✓
Sen. Toews	✓	
Sen. Waterman	✓	
Sen. Wilson	✓	

Bonnie Stark  
SECRETARY

Mike Halligan  
CHAIR

MOTION: Adopt amendment by Andrea Merrill.  
Failed 11-7.

# ROLL CALL VOTE #8

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE

BILL NO. HB667

DATE 4-12-93 TIME 7:30 A.M. P.M.

NAME	YES	NO
Sen. Brown		✓
Sen. Doherty		✓
Sen. Eck		✓
Sen. Gage	✓	
Sen. Grosfield	✓	
Sen. Halligan		✓
Sen. Harp		✓
Sen. Stang	✓	
Sen. Towe	✓	
Sen. Van Valkenburg		✓
Sen. Yellowtail	✓	
Sen. Blaylock	✓	
Sen. Fritz	✓	
Sen. Hertel	✓	
Sen. Brenden	✓	
Sen. Toews	✓	
Sen. Waterman	✓	
Sen. Wilson		✓

Bonnie Stark

Mike Halligan

SECRETARY

CHAIR

MOTION: HB667 be concurred in as amended.  
Carried 11-7.

# ROLL CALL

SENATE COMMITTEE SELECT COMMITTEE ON SCHOOL FINANCE

DATE 4-12-93

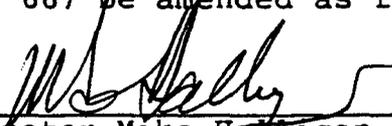
NAME	PRESENT	ABSENT	EXCUSED
Sen. Halligan, Chair	✓		
Sen. Eck	✓		
Sen. Brown	✓		
Sen. Doherty	✓		
Sen. Gage	✓		
Sen. Grosfield	✓		
Sen. Harp	✓		
Sen. Stang	✓		
Sen. Towe	✓		
Sen. Van Valkenburg	✓		
Sen. Yellowtail	✓		
Sen. Blaylock, Vice Chair	✓		
Sen. Fritz	✓		
Sen. Hertel	✓		
Sen. Brenden	✓		
Sen. Toews	✓		
Sen. Waterman	✓		
Sen. Wilson	✓		

SENATE STANDING COMMITTEE REPORT

Page 1 of 33  
April 13, 1993

MR. PRESIDENT:

We, your select committee on School Finance having had under consideration House Bill No. 667 (third reading copy -- blue), respectfully report that House Bill No. 667 be amended as follows and as so amended be concurred in.

Signed:   
Senator Mike Halligan, Chair

That such amendments read:

1. Title, page 1, line 10.

Strike: "5"

Insert: "3"

2. Title, page 1, line 20.

Following: "ELIGIBLE;"

Insert: "REQUIRING VOTER APPROVAL TO EXCEED CERTAIN GENERAL FUND BUDGET GROWTH INCREMENTS UP TO THE BASE BUDGET AMOUNT FOR A DISTRICT IN THE 3 SCHOOL FISCAL YEARS FOLLOWING IMPLEMENTATION;"

3. Title, page 1, line 22 through page 2, line 3.

Following: "REVENUE" on line 22

Strike: remainder of line 22 through "TO" on page 2, line 3

Insert: "; REQUIRING VOTER APPROVAL FOR DISTRICT GENERAL FUND BUDGET GROWTH THAT EXCEEDS"

4. Title, page 2, line 6.

Following: "YEAR'S ANB;"

Insert: "REVISING THE METHOD OF CALCULATING GUARANTEED TAX BASE AID TO ELIGIBLE DISTRICTS BY COMPARING A DISTRICT'S TAXABLE VALUATION DIVIDED BY 40 PERCENT OF THE MAXIMUM GENERAL FUND BUDGET AMOUNT TO THE STATEWIDE TAXABLE VALUATION DIVIDED BY 40 PERCENT OF THE STATEWIDE MAXIMUM GENERAL FUND BUDGET AMOUNT;"

5. Title, page 2, line 8.

Strike: "195"

Insert: "196"

6. Title, page 2, lines 11 through 13.

Following: "YEAR" on line 11

Strike: remainder of line 11 through "IMPLEMENTATION," on line 13

Insert: "FREEZE GENERAL FUND BUDGET GROWTH"

7. Title, page 2, line 18.

Following: "FUND;"

Insert: "EQUALIZING FUNDING FOR SCHOOL DISTRICT FACILITY NEEDS BY PROVIDING GUARANTEED TAX BASE AID FOR THE DEBT SERVICE FUND"

M Amd. Coord.  
M Sec. of Senate

Stanc  
Senator Carrying Bill

811558SC.Sma

OF A SCHOOL DISTRICT IF THE DISTRICT MILL VALUE PER ANB IS LESS THAN THE CORRESPONDING STATEWIDE MILL VALUE PER ANB; ALLOWING A DISTRICT THAT QUALIFIES FOR GUARANTEED TAX BASE AID TO INCUR INDEBTEDNESS UP TO 45 PERCENT OF THE STATEWIDE TAXABLE VALUE PER PUPIL MULTIPLIED BY THE DISTRICT'S ANB;"

8. Title, page 2, lines 24 and 25.

Strike: "STATE EQUALIZATION"

Insert: "BASE"

9. Title, page 2, line 25 through page 3, line 6.

Following: "AID;" on page 2, line 25

Strike: remainder of line 25 through "YEARS;" on page 3, line 6

Insert: "BASING THE DISTRICT ANB COUNT ON THE ENROLLMENT COUNT FROM OCTOBER OF THE PREVIOUS YEAR;"

10. Title, page 3, line 8.

Following: "GRANT;"

Insert: "REMOVING CERTAIN CAPITAL OUTLAY COSTS FROM THE GENERAL FUND BUDGET;"

Following: "SECTIONS"

Insert: "20-2-121,"

11. Title, page 3, line 9.

Following: "20-5-312,"

Insert: "20-6-401, 20-6-406,"

12. Title, page 3, line 10.

Following: "20-6-702,"

Insert: "20-7-117,"

Following: "20-9-143,"

Strike: "20-9-147,"

13. Title, page 3, line 11.

Following: "20-9-303,"

Insert: "20-9-304,"

14. Title, page 3, line 12.

Following: "20-9-344,"

Insert: "20-9-346,"

15. Title, page 3, line 13.

Strike: "AND"

Following: "20-9-368,"

Insert: "20-9-369, 20-9-406, 20-9-439, AND 20-9-507,"

16. Title, page 3, line 14.  
Following: "20-9-145,"  
Insert: "20-9-147,"

17. Page 5.  
Following: line 21  
Insert: "(2) "BASE aid" means:

(a) direct state aid for any amount up to 40% of the basic entitlement and up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district; and

(b) guaranteed tax base aid for an eligible district for any amount up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district, and up to 40% of the special education allowable cost payment."

Renumber: subsequent subsections

18. Page 6, line 8.  
Following: "districts"  
Insert: "and special education allowable cost payments as provided in 20-9-321"

19. Page 6, line 11.  
Following: "district"  
Insert: "or K-12 district elementary program"

20. Page 6, line 15.  
Following: "district"  
Insert: "or K-12 district elementary program"

21. Page 6, lines 24 and 25.  
Following: "district" on line 24  
Strike: "and"  
Insert: ", "  
Following: "district" on line 25  
Insert: ", and special education allowable cost payments plus up to 53% of special education allowable cost payments"

22. Page 7, lines 5 through 13.  
Strike: subsection (8) in its entirety  
Renumber: subsequent subsections

23. Page 7, line 16.  
Following: "district,"  
Insert: "a maximum rate of"

24. Page 7, line 17.  
Following: "ANB"

Insert: "is"  
Following: "decreased"  
Strike: "by"  
Insert: "at the rate of"  
Following: "cents"  
Insert: "per ANB"

25. Page 7, line 18.  
Strike: "to"  
Insert: "through"

26. Page 7, lines 18 and 19.  
Page 8, lines 12 and 13.  
Strike: "1,000"  
Insert: "800"

27. Page 7, line 20.  
Page 8, line 14.  
Strike: "1,000TH"  
Insert: "800th"

28. Page 7, line 21.  
Following: "district"  
Insert: "or a K-12 district elementary program"

29. Page 7, line 23.  
Following: line 22  
Insert: "a maximum rate"  
Following: "ANB"  
Insert: "is"  
Following: "decreased"  
Strike: "by"  
Insert: "at the rate of"  
Following: "cents"  
Insert: "per ANB"

30. Page 7, line 24.  
Strike: "to"  
Insert: "through"

31. Page 8, line 2.  
Following: "district"  
Insert: "or a K-12 district elementary program"

32. Page 8, line 5  
Following: "(i)"  
Insert: "a maximum rate of"

33. Page 8, line 6.

Following: "6"

Insert: "is"

Following: "decreased"

Strike: "by"

Insert: "at the rate of"

Following: "cents"

Insert: "per ANB"

Strike: "to"

Insert: "through"

34. Page 8, line 10.

Following: "(ii)"

Insert: "a maximum rate of"

35. Page 8, line 11.

Following: line 10

Insert: "is"

Following: "decreased"

Strike: "by"

Insert: "at the rate of"

Following: "cents"

Insert: "per ANB"

36. Page 8, line 12.

Following: "up"

Strike: "to"

Insert: "through"

37. Page 8, line 23.

Following: "through"

Strike: "state equalization"

Insert: "BASE"

38. Page 9, line 7.

Following: "title."

Insert: "Costs that may not be budgeted or paid from the general fund include but are not limited to bond principal and interest payments, the purchase of new and replacement buses, new construction, building addition expenses, land acquisitions, infrastructure expenses, and major building renovations.

(4) The provisions of subsection (3) do not prohibit a district from paying for the costs of routine or emergency repairs out of the general fund."

Renumber: subsequent subsection

39. Page 9, line 15.

Following: line 14

Insert: "(c) appropriations for special education;"

Renumber: subsequent subsections

40. Page 10, line 5.

Following: "(2)"

Insert: "(a)"

41. Page 10, line 9 through page 14, line 5.

Following: "district" on line 9

Strike: remainder of line 9 through page 14, line 5

Insert: "shall increase within 3 school fiscal years the general fund budget for the district by the greatest of:

(i) 104% of the previous year's general fund budget;

(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes; or

(iii) for the appropriate school fiscal year:

(A) 33.3% of the range between the district general fund budget for the school fiscal year ending June 30, 1993, and the BASE budget for the district for the school fiscal year beginning July 1, 1993;

(B) 50% of the range between the district general fund budget for the school fiscal year ending June 30, 1994, and the BASE budget for the district for the school fiscal year beginning July 1, 1994; or

(C) the remainder of the range between the district general fund budget for the school fiscal year ending June 30, 1995, and the BASE budget for the district for the school fiscal year beginning July 1, 1995.

(b) Except for the school fiscal year beginning July 1, 1993, whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) but does not exceed the BASE budget for the district, the trustees shall submit a proposition on the amount that exceeds the limitation to the electors of the district, as provided in 20-9-353.

(3) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but does not exceed the maximum general fund budget for the district, the trustees shall:

(a) adopt a resolution stating the reasons and purposes for exceeding the BASE budget amount if the general fund budget adopted under this subsection (3) does not exceed the greater of:

(i) 104% of the previous year's general fund budget; or

(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes; or

(b) except for the school fiscal year beginning July 1, 1993, submit a proposition on any amount of the over-BASE budget levy that exceeds one of the limitations in subsection (3)(a) to the electors of the district, as provided in 20-9-353.

(4)(a) If the maximum general fund budget for a district for an ensuing school fiscal year is less than the general fund budget for the district for the current school fiscal year, the trustees of the district may not adopt a general fund budget for the ensuing school fiscal year that is greater than:

(i) the district's general fund budget for the current school fiscal year; or

(ii) the maximum general fund budget for the district for the ensuing school fiscal year.

(b) Except for the school fiscal year beginning July 1, 1993, the trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

(5) Whenever the trustees of a district adopt a general fund budget that does not exceed the BASE budget for the district, the trustees shall finance this amount with the following sources of revenue:

(a) state equalization aid as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

(6) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district as provided in 20-9-141."

42. Page 16, line 2.  
Following: "distribute"  
Strike: "state equalization"  
Insert: "BASE"

43. Page 29, line 18.  
Following: "of"  
Strike: "20-9-353"  
Insert: "20-9-502"

44. Page 29, line 20.  
Following: "building;"  
Insert: "or"

45. Page 29, line 21 through page 30, line 2.  
Strike: subsection (c) in its entirety  
Re-number: subsequent subsection

46. Page 31, lines 16 through 18.  
Following: "using" on line 16  
Strike: remainder of line 16 through "ANB" on line 18  
Insert: "each district's guaranteed tax base ratio, as defined in  
20-9-366"

47. Page 31, lines 19 and 20.  
Following: "levy" on line 19  
Strike: remainder of line 19 through the second "levy" on line 20

48. Page 33, line 9.  
Following: "be"  
Insert: ": (a)"

49. Page 33, line 12.  
Following: "ON"  
Strike: "JULY 1"  
Insert: "June 30"

50. Page 33, line 14.  
Following: the first "THE"  
Strike: "JULY 1, 1994"  
Insert: "June 30, 1993"

51. Page 33, line 15.  
Strike: "35"  
Insert: "46"  
Following: "1"  
Insert: "; or"

(b) transferred at the end of the school fiscal year ending June 30, 1993, to the building reserve, transportation, or bus depreciation funds"

52. Page 33, line 25.

Strike: subsection (a) in its entirety

Renumber: subsequent subsections

53. Page 37, line 7 through page 41, line 15.

Strike: section 12 in its entirety

Renumber: subsequent sections

54. Page 44, line 4.

Strike: "SUBSECTION (1)(B)(II)"

Insert: "subsections (1)(b)(i) and (1)(b)(iii)"

55. Page 44, line 8.

Following: "act,"

Insert: "Public Law 81-874 funds transferred to the general fund  
from the impact aid fund as provided in [section 46];  
(ii)"

Renumber: subsequent subsections

56. Page 45, line 20.

Following: "budget"

Strike: "levy"

Insert: "amount"

57. Page 45, line 21.

Following: "and"

Strike: "an"

Insert: "any"

58. Page 45, line 22.

Following: "levy"

Insert: "financing"

59. Page 46, line 6.

Following: "levied"

Insert: "and for Public Law 81-874 funds transferred to the  
general fund in lieu of levying mills"

60. Page 46, line 24.

Strike: "35"

Insert: "46"

61. Page 46, line 25 through page 48, line 8.

Strike: section 16 in its entirety

Renumber: subsequent sections

62. Page 50, lines 10 and 11.

Following: the first "expenditures" on line 10

Strike: remainder of line 10 through "year" on line 11

63. Page 50, line 17.

Following: "amendment."

Insert: "If the petition is for a budget amendment for an enrollment increase as provided in 20-9-161(1), the superintendent of public instruction shall adjust the district's maximum general fund budget based on the approved enrollment increase."

64. Page 50, lines 19 through 21.

Following: "petition" on line 19

Strike: remainder of line 19 through "year" on line 21

Insert: "for the reason provided in 20-9-161(1) if the amount will cause the district to exceed the district's adjusted maximum general fund budget"

65. Page 53, line 25 through page 54, line 1.

Following: "program" on line 25

Strike: remainder of line 25 through "20-9-347" on page 54, line 1

Insert: "basic entitlement and total per-ANB entitlement, as defined in [section 1]"

66. Page 54, line 2.

Following: "~~one-half~~"

Strike: "BASE budget amount"

Insert: "one-half"

67. Page 54, line 9.

Strike: "accounting budget"

Insert: "program"

68. Page 54, lines 16 through 20.

Following: "3]." on line 16

Strike: remainder of line 16 through "title." on line 20

Following: "The"

Strike: "unexpended balance"

Insert: "amount"

69. Page 54, lines 21 and 22.

Following: line 20

Strike: line 21 through the second "to"

Insert: "allowable cost payments that is not matched with district funds, as required in 20-9-321, will"

Strike: the first "the" on line 22 through "finance"

Insert: "by a like amount"

70. Page 56, lines 12 through 19.

Strike: lines 12 through 19

Insert: "as follows:

(a) count the regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year; and

(b) multiply the enrollment calculated in subsection (1)(a) by the sum of the pupil-instruction and the approved pupil-instruction-related days for the current school year and divide by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) When"

71. Page 56, line 21.

Following: "total"

Insert: "ANB"

72. Page 56, lines 22 through 25.

Following: "20-9-805." on line 22

Strike: remainder of lines 22 through 25

Insert: "(4)"

73. Page 57, line 3.

Following: "."

Insert: "(5)"

74. Page 57, lines 4 and 5

Following: "at" on line 4

Strike: remainder of line 4 through "from" on line 5

75. Page 57, lines 7 and 8.

Following: "one-half" on line 7

Strike: remainder of line 7 through "be" on line 8

Insert: "a pupil for ANB purposes"

76. Page 57, line 11.

Following: "ANB"

Insert: "for a kindergarten student"

77. Page 57, line 12.

Following: "pupil."

Insert: "(6)"

78. Page 57, lines 14 and 15.

Following: "the" on line 14

Strike: remainder of line 14 through "absence" on line 15

Insert: "pupil"

79. Page 57, lines 15 through 17.

Following: "in the" on line 15

Strike: remainder of line 15 through the first "the" on line 17

Insert: "count"

80. Page 57, lines 18 and 19.

Following: "ANB" on line 18

Strike: remainder of line 18 through "school" on line 19

Insert: "unless the pupil resumes attendance prior to the day of the enrollment count.

(7) The enrollment of prekindergarten pupils, as provided for in 20-7-117, may not be included in the ANB calculations

81. Page 58, line 3.

Following: line 2

Insert: "(8) If a student spends less than half the time in the regular program and the balance of the time in school in the special education program, the student is considered a full-time special pupil but is not considered regularly enrolled for ANB purposes. If a student spends half or more of the time in school in the regular program and the balance of the time in the special education program, the student is considered regularly enrolled for ANB purposes."

Renumber: subsequent subsections

82. Page 59, line 16.

Following: line 15

Insert: "(11) For average daily attendance reporting purposes, districts shall provide the superintendent of public instruction with annual reports of school attendance for regularly enrolled students and special education students, using a format determined by the superintendent of public instruction."

83. Page 62, line 8.

Following: line 7

Insert: "(7)(a) Immediately upon completion of the October enrollment count provided for in 20-9-311, the district clerk of a school district that anticipated an enrollment increase and, accordingly, increased the district ANB under the provisions of this section shall recalculate the district BASE budget and the maximum general fund budget in accordance with [section 3], using the October enrollment

count. If the actual enrollment is less than the anticipated enrollment, the district clerk shall recalculate the district levy requirement and notify the county superintendent, county assessor, and county treasurer of the reduced levy requirement.

(b) At the next regularly scheduled meeting of the board of trustees of the district, the trustees shall adopt a revised budget and notify the superintendent of public instruction and the county superintendent of schools of the revised budget and levy requirements."

84. Page 63, lines 12 through 19.  
Strike: subsection (3) in its entirety  
Renumber: subsequent subsections

85. Page 64, line 18.  
Strike: "(4)"  
Insert: "(3)"

86. Page 65, line 19.  
Strike: "(4)"  
Insert: "(3)"

87. Page 65.

Following: line 24

Insert: "Section 23. Section 20-9-321, MCA, is amend to read:

"20-9-321. Foundation program and contingency funds  
Allowable cost payment for special education. (1) For the purpose  
of establishing the foundation program amount allowable cost  
payment for a current year special education program for a school  
district, the superintendent of public instruction shall  
determine the total estimated cost of the special education  
program for the school district on the basis of a special  
education program budget submitted by the district. The budget  
must be prepared on forms provided by the superintendent of  
public instruction and must set out for each program special  
education payment for special education services to a school  
district, cooperative, or joint board formed under 20-3-361 prior  
to July 1, 1992, using the following factors:

(a) the estimated allowable costs associated with operating  
the program where allowable costs are as defined in 20-7-431  
district ANB student count as established pursuant to 20-9-311  
and 20-9-313; and

(b) the number of pupils expected to be enrolled in the  
program a per-ANB amount for the special education instructional  
block grant;

(c) a per-ANB amount for the special education related  
services block grant;

(d) weighted cost factors for cooperatives or joint boards meeting the requirements of 20-7-457, to compensate for the additional costs of operations and maintenance, travel, supportive services, recruitment, and administration;

(e) district and cooperative expenditure reports; and  
(f) any other data required by the superintendent of public instruction for budget justification purposes and to administer the provisions of 20-9-315 through 20-9-321 this section.

(2) The total amount of allowable costs approved by the superintendent of public instruction is the special education foundation program amount allowable cost payment for current year special education program purposes. The total amount of allowable costs that are approved for the special education budget may not, under any condition, be less than the foundation program amount for one regular ANB for each full-time special pupil in the school district. Special education allowable cost payments must be granted to each school district and cooperative with a special education program as follows:

(a) An instructional block grant must be awarded to each school district, based on the district ANB and the per-ANB special education instructional amount.

(b) A special education related services block grant must be awarded to each school district that is not a cooperative member, based on the district ANB and the per-ANB special education related services amount. The special education related services block grant amount for districts that are members of approved cooperatives or a joint board must be awarded to the cooperatives or joint board. If a cooperative or joint board meets the requirements of 20-7-457, the special education related services block grant must be weighted for the factors in subsection (1)(d).

(3) The superintendent of public instruction shall annually determine the per-ANB special education instructional and special education related services block grant amounts based on the prior years' trustees' expenditure data for special education instruction and related services.

(4) The superintendent of public instruction shall adopt rules necessary to implement this section.

(5) A district shall provide a 25% local contribution for special education, matching every \$3 of state special education instructional and special education related services block grants with at least one local dollar. A district that is a cooperative member is required to provide the 25% match of the special education related services grant amount to the special education cooperative, but the district is not required to match the weighted funding factors.

(6) The superintendent of public instruction shall

determine the actual district match based on the trustees' reports. Any unmatched portion reverts to the state and must be subtracted from the district's ensuing year's foundation program payment.

(7) If a district's allowable costs of special education, as verified by the trustees' reports, exceed by at least 10% the total of the special education instructional and special education related services block grant plus the required district match, the district is eligible for a 65% reimbursement of the costs that exceed the additional 10%. A district that demonstrates severe economic hardship because of exceptional special education costs may apply to the superintendent of public instruction for an advance on the reimbursement for the year in which the actual costs will be incurred.

~~(3)~~ (8) Any amount of the special education allowable costs for a district approved under the provisions of subsection (2) that is an increase in the approved allowable costs from the previous school fiscal year and is a result of expanded programs or recalculations of the special education allowable costs base may be deposited and managed in the separate account of the miscellaneous programs fund of the district that is prescribed in subsection ~~(4)~~ 20-9-507.

~~(4) If a special education program is implemented or expanded during a given school term too late to be included in the determination of the district foundation program budget for the school year as prescribed in this part, allowable costs approved under the budgeting provisions of subsections (1) and (2) for the operation of the program during the given year must be funded from any legislative appropriation for contingency financing for special education. Contingency funds granted under this subsection must be deposited in a separate account of the miscellaneous programs fund of the district as provided in 20-9-507. However, if contingency funds are not available, then subject to the approval of the program by the superintendent under the budget amendment provisions of 20-9-161(6), allowable costs for the given year may be funded in the miscellaneous programs fund by other revenue sources and added to the foundation program amount allowable cost payment for special education for the subsequent school year under the provisions of 20-9-147. The allowable costs must be recorded as previous year special education expenses in the school district budget for the subsequent school year.~~

~~(5) (a) The special education contingency funds in subsection (4).~~

~~(i) are biennially appropriated;~~

~~(ii) are for emergencies that may arise in the special education programs of school districts or special education cooperatives; and~~

~~(iii) may be used to fund positions that have gone unfilled for a full school fiscal year and for which state special education funds were not awarded.~~

~~(b) The board of trustees of a district or the management board of a special education cooperative may apply for contingency funding by submitting to the superintendent of public instruction, in the form prescribed by the superintendent of public instruction, written documentation that describes the need for the funds.~~

~~(6) The sum of the previous year special education expenses as defined in subsections (3) and (4) and the foundation program amount for current year special education as defined in subsections (1) and (2) is the special education budget for accounting purposes.~~

~~(7) The foundation program amount for special education must be added to the foundation program amount of the regular program ANS defined in 20-9-311 and 20-9-313 to obtain the total foundation program amount for the district."~~

Renumber: subsequent sections

88. Page 68, lines 11 and 19.

Page 70, line 14.

Page 71, lines 1, 6, 12, 15, 16 and 17, and 23.

Page 72, lines 5 and 6, 10 and 11, 17 and 18, and 21.

Page 73, lines 13 and 14 and 16.

Page 75, lines 12, 15, and 23.

Page 76, lines 4, 11, 17, and 22.

Page 77, lines 5 and 6, 7 and 8, and 21.

Page 78, lines 10, 24, and 25.

Page 79, lines 4 and 5 and 11.

Strike: "state equalization" or "state equalization" or "STATE EQUALIZATION"

Insert: "BASE"

89. Page 68, lines 4 and 5.

Strike: "account" or "account"

90. Page 68, line 11.

Following: "program"

Insert: "guaranteed tax base aid,"

Following: "aid"

Insert: "and"

91. Page 68, line 13.

Following: "GRANT"

Strike: ", "

92. Page 68, line 19.

Following: "foundation"

Insert: "guaranteed tax base aid,"

93. Page 68, line 20.

Following: "7"

Insert: ", "

94. Page 78, line 8.

Following: "for"

Strike: "state"

Insert: "BASE aid"

95. Page 78, lines 19 and 20.

Following: "the" on line 19

Strike: "state" through "equalization" on line 20

Insert: "BASE"

Following: "money" on line 20

Insert: ", state special education appropriation,"

96. Page 79, line 4.

Following: "~~20-9-369~~"

Insert: "guaranteed tax base aid required under 20-9-366 through  
20-9-369 and"

97. Page 79, line 15.

Following: "Additional"

Strike: "levy"

Insert: "financing"

98. Page 80, line 5.

Following: "SECTION 3"

Strike: "(3)(B)"

Insert: "(4)(b)"

99. Page 80, line 10.

Following: "proposition"

Strike: remainder of line 10

Insert: "to finance"

100. Page 80, lines 19 and 20.

Following: "be" on line 19

Strike: remainder of line 19 through "taxation" on line 20

Insert: "financed"

Following: "raise" on line 20

Insert: "all or a portion of"

101. Page 80, lines 24 and 25.

Following: "Shall" on line 24

Strike: remainder of line 24 through "necessary" on line 25

Insert: "the district be authorized"

102. Page 81, lines 1 and 2.

Following: "raised" on line 1

Strike: remainder of line 1 through "levy" on line 2

103. Page 81, line 4.

Strike: "tax levy"

Insert: "financing"

104. Page 81, lines 5 and 6.

Strike: "the"

Insert: "budget authority and any "

105. Page 81, line 7.

Following: "additional"

Strike: "levy"

Insert: "financing"

106. Page 81, line 12.

Following: "certify"

Strike: "the"

Insert: "any"

107. Page 81, line 24.

Strike: "CHOOSE TO OR"

108. Page 81, line 25.

Strike: "FOR"

Insert: "to finance a base budget amount, as provided in [section 3(2)(b)], or"

109. Page 82, line 1.

Strike: "LEVY"

Insert: "amount, as provided in [section 3(3)(b)],"

110. Page 82, lines 1 and 2.

Strike: "AS" on line 1 through "3]" on line 2

111. Page 82, line 16.

Following: "(2)"

Insert: "(a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an eligible district means the taxable valuation in the previous year of all

property in the district divided by 40% of the district's current year maximum general fund budget.

(b)

Following: "ANB""

Insert: ", for debt service and retirement purposes,"

112. Page 83, line 5.

Following: "and"

Insert: "debt service and"

113. Page 83, lines 13 and 14.

Following: "Statewide" on line 13

Strike: remainder of line 13 through "ANB" on line 14

Insert: "guaranteed tax base ratio for elementary districts or statewide guaranteed tax base ratio for high school districts"

114. Page 83, line 18.

Strike: "195%"

Insert: "196%"

Following: "and"

Strike: remainder of line 18

115. Page 83, lines 19 and 20.

Following: "by" on line 19

Insert: "40% of"

Following: "state" on line 19

Strike: remainder of line 19 through line 20

116. Page 83, line 22.

Strike: "per-ANB entitlement"

Insert: "maximum general fund budget"

117. Page 83, line 25.

Strike: "taxable value per ANB"

Insert: "guaranteed tax base ratio"

118. Page 84, lines 2 and 3.

Following: "~~mill~~" on line 2

Strike: remainder of line 2 through the second "ANB" on line 3

Insert: "guaranteed tax base ratio for elementary districts or statewide guaranteed tax base ratio for high school districts"

119. Page 84, line 4.

Following: "levied"

Insert: ", including mills that would have been levied had the district not elected to transfer Public Law 81-874 funds to the general fund in lieu of levying the mills,"

120. Page 84, line 10.

Strike: "or"

Insert: ", the"

121. Page 84, line 11.

Following: "ANB"

Insert: ", or the district taxable value per ANB"

122. Page 85, line 10.

Strike: "per ANB"

123. Page 85, lines 12 and 14.

Following: "entitlement" on line 12

Strike: "and"

Insert: ", "

Following: "budget" on line 14

Insert: ", and up to 40% of the special education payment"

124. Page 85, lines 14 through 18.

Following: "is" on line 14

Strike: remainder of line 14 through "budget" on line 18

Insert: "calculated in the following manner:

(a) multiply 40% of the district's current year maximum general fund budget amount by the corresponding statewide guaranteed tax base ratio;

(b) subtract the taxable valuation of the district from the product obtained in subsection (3)(a); and

(c) divide the remainder by 1,000 to determine the equivalent to the dollar amount of guaranteed tax base aid for each mill levied"

125. Page 85, line 19.

Following: line 18

Insert: "(4) The amount of guaranteed tax base aid per ANB that a district may receive in support of its debt service fund budget is subject to the provisions of [section 41] and is the difference between the district mill value per ANB and the corresponding statewide mill value per ANB, multiplied by the number of mills levied in support of the district's debt service fund budget and multiplied by the percentage of the total principal amount of its proposed bond amount that meets the requirements of [section 41(1)(b)]."

Renumber: subsequent subsection

126. Page 86, line 4.

Following: line 3

Insert: "Section 34. Section 20-6-401, MCA, is amended to read:  
"20-6-401. Definitions. As used in this part, unless the

context clearly indicates otherwise, the following definitions apply:

(1) "Component districts" means the elementary or high school districts incorporated into the enlarged district.

(2) "Eligible pupils" means the average number belonging (ANB) in the operating schools of the component districts and the tuition pupils residing in the component districts and attending another district's school under the tuition provisions of the school laws, except that the pupils residing in the component district having the largest total number of pupils are ineligible for bonus payment consideration.

(3) "Enlarged district" means the elementary or high school district resulting from the consolidation or annexation of two or more component districts.

(4) "General bonus payment" for first- and second-class school districts must be \$450 per eligible pupil per year for a period of 3 years and ~~must be deposited in the enlarged district's general fund.~~ General bonus payment for third-class school districts must be \$750 per eligible pupil per year for a period of 3 years and ~~must be deposited in the enlarged district's general fund.~~ The general bonus payment must be made from the state school equalization aid account.

(5) "Transportation bonus payment" is the provision of 66 2/3% state financing of the on-schedule transportation amount as provided by the transportation provisions of the school laws. When an eligible pupil is entitled to transportation, the enlarged district is entitled to the transportation bonus payment for the eligible pupil for a period of 3 years. The payment must be made from the state transportation aid account. When the eligible pupil rides a bus providing transportation for ineligible pupils, the 66 2/3% state financing of the on-schedule amount for this payment must be prorated to provide financing for the eligible pupil."

Section 35. Section 20-6-406, MCA, is amended to read:

"20-6-406. Disbursal and deposit of bonus payments. On or before June 30 of the next 3 consecutive years following the year of application, the superintendent of public instruction shall disburse the bonus payments for approved applications to the enlarged school district, and such disbursement is statutorily appropriated as provided in 17-7-502. The general bonus payment shall be deposited by the county treasurer in the enlarged district's general fund or building reserve fund, and the transportation bonus payment shall be deposited by the county treasurer in the transportation fund. These bonus payments shall not be considered as a part of the regular ~~state equalization~~ BASE aid or state transportation aid received by the enlarged district."

Section 36. Section 20-9-311, MCA, is amended to read:

"20-9-311. Calculation of average number belonging (ANB).

(1) Average number belonging (ANB) must be computed by ~~determining the total of the aggregate days of attendance by regularly enrolled, full-time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year plus the aggregate days of absence by regularly enrolled, full-time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year and by dividing the total by 180 as follows:~~

(a) compute an average enrollment by adding a count of regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on February 1 of the prior school fiscal year, or the nearest school day if those dates do not fall on a school day, and divide the sum by two; and

(b) multiply the average enrollment calculated in subsection (1)(a) by the sum of the pupil-instruction and the approved pupil-instruction-related days for the current school fiscal year and divided by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) However, when a school district has approval to operate less than 180 school days under 20-9-804, the total ANB must be calculated in accordance with the provisions of 20-9-805. For the purpose of calculating ANB under this section, the days of attendance for a regularly enrolled pupil may not exceed 180 pupil-instruction days and 7 pupil-instruction-related days.

(4) Attendance for a part of a morning session or a part of an afternoon session by a pupil must be counted as attendance for one-half day.

(5) In calculating the ANB for pupils enrolled in a program established under 20-7-117(1), attendance at or absence from a regular session of the program for at least 2 hours of either a morning or an afternoon session will must be counted as one-half day attended or absent as the case may be pupil for ANB purposes. If a variance has been granted as provided in 20-1-302, ANB will must be computed in a manner prescribed by the superintendent of public instruction, but in no case may the ANB for a kindergarten student may not exceed one-half for each kindergarten pupil.

(6) When any pupil has been absent, with or without excuse, for more than 10 consecutive school days, including pupil-instruction-related days, his absence after the 10th day of absence the pupil may not be included in the aggregate days of absence and his enrollment in the school may not be considered count used in the calculation of the average number belonging

~~until he resumes attendance at school ANB unless the pupil resumes attendance prior to the day of the enrollment count.~~

~~(7) The enrollment of prekindergarten pupils, as provided in 20-7-117, may not be included in the ANB calculations.~~

~~(2) If a student spends less than half his time in the regular program and the balance of his time in school in the special education program, he is considered a full-time special pupil but is not considered regularly enrolled for ANB purposes. If a student spends half or more of his time in school in the regular program and the balance of his time in the special education program, he is considered regularly enrolled for ANB purposes.~~

~~(3) (8) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that when:~~

~~(a) (i) a school of the district is located more than 3 miles beyond the incorporated limits of a city or town located in the district and 3 miles from any other school of the district, all of the regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes; or~~

~~(ii) a school of the district is located more than 3 miles from any other school of the district and no incorporated territory is involved in the district, all of the regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes;~~

~~(b) (a) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;~~

~~(c) (b) a middle school has been approved and accredited, all pupils below the 7th grade must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered high school pupils for ANB purposes; or~~

~~(d) (c) a school has not been accredited by the board of public education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the foundation program for the district.~~

~~(4) (9) When 11th or 12th grade students are regularly enrolled on a part-time basis, high schools may calculate the ANB to include an "equivalent ANB" for those students. The method for calculating an equivalent ANB must be determined in a manner prescribed by the superintendent of public instruction.~~

~~(10) For average daily attendance reporting purposes, districts shall provide the superintendent of public instruction~~

with annual reports of school attendance for regularly enrolled students and special education students, using a format determined by the superintendent."

Section 37. Section 20-9-369, "MCA, is amended to read:

"20-9-369. Duties of superintendent of public instruction and department of revenue. (1) The superintendent of public instruction shall administer the distribution of guaranteed tax base aid by:

(a) providing each school district and county superintendent, by March 1 of each year, with the preliminary statewide ~~and county mill values per ANB~~ guaranteed tax base ratios and, by May 1 of each year, with the final statewide and district, and county mill values per ANB guaranteed tax base ratios, for use in calculating the guaranteed tax base aid available for the ensuing school fiscal year;

(b) providing each county superintendent, by March 1 of each year, with the preliminary statewide and county mill values per ANB and, by May 1 of each year, with the final statewide and county mill values per ANB, for use in calculating the guaranteed tax base aid available to counties for the ensuing school fiscal year;

~~(b)~~(c) requiring each county and district that qualifies and applies for guaranteed tax base aid to report to the county superintendent all budget and accounting information required to administer the guaranteed tax base aid;

~~(c)~~(d) keeping a record of the complete data concerning appropriations available for guaranteed tax base aid and the entitlements for such the aid of the counties and districts that qualify;

~~(d)~~(e) distributing the guaranteed tax base aid entitlement to each qualified county or district from the appropriations for that purpose.

(2) The superintendent shall adopt rules necessary to implement 20-9-366 through 20-9-369.

(3) The department of revenue shall provide the superintendent of public instruction by December 1 of each year a final determination of the taxable value of property within each school district and county of the state reported to the department of revenue based on information delivered to the county clerk and recorder as required in 15-10-305."

Section 38. Section 20-9-406, MCA, is amended to read:

"20-9-406. Limitations on amount of bond issue. (1) (a) The Except as provided in subsection (1)(c), the maximum amount for which an elementary district or a high school district may become indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered warrants, is 45% of the taxable value of the property subject to taxation as ascertained by the last completed

assessment for state, county, and school taxes previous to the incurring of the indebtedness, including:

~~(i) the taxable value of coal gross proceeds as determined for county bonding purposes in 15-23-703(2),~~

~~(ii) the taxable value of oil and gas net proceeds as determined for county bonding purposes in 15-23-607(3), and~~

~~(iii) the amount of the value of any other oil and gas production occurring after December 31, 1988, multiplied by 60%.~~

(b) The Except as provided in subsection (1)(c), the maximum amount for which a K-12 school district, as formed pursuant to 20-6-701, may become indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered warrants, is up to 90% of the taxable value of the property subject to taxation as ascertained by the last-completed assessment for state, county, and school taxes previous to the incurring of the indebtedness. The total indebtedness of the high school district with an attached elementary district as represented by the issuance of bonds must be limited to the sum of 45% of the taxable value of the property for elementary school program purposes and 45% of the taxable value of the property for high school program purposes.

(c) The maximum amount for which an elementary district or a high school district that qualifies for guaranteed tax base aid under the provisions of 20-9-367 may become indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered warrants, is 45% of the corresponding statewide mill value per ANB times 1,000 times the ANB of the district. For a K-12 district, the maximum amount for which the district may become indebted is 45% of the sum of the statewide mill value per elementary ANB times 1,000 times the elementary ANB of the district and the statewide mill value per high school ANB times 1,000 times the high school ANB of the district.

(2) The maximum amounts determined in subsection (1), however, may not pertain to indebtedness imposed by special improvement district obligations or assessments against the school district or to bonds issued for the repayment of tax protests lost by the district. All bonds issued in excess of the amount are void, except as provided in this section.

(3) When the total indebtedness of a school district has reached the limitations prescribed in this section, the school district may pay all reasonable and necessary expenses of the school district on a cash basis in accordance with the financial administration provisions of this chapter.

(4) Whenever bonds are issued for the purpose of refunding bonds, any money to the credit of the debt service fund for the payment of the bonds to be refunded is applied toward the payment

of the bonds and the refunding bond issue is decreased accordingly."

Section 39. Section 20-9-439, MCA, is amended to read:

"20-9-439. Computation of net levy requirement -- procedure when levy inadequate. (1) The county superintendent shall compute the levy requirement for each school district's debt service fund on the basis of the following procedure:

(a) ~~determine~~ Determine the total money available in the debt service fund for the reduction of the property tax on the district by totaling:

(i) the end-of-the-year fund balance in the debt service fund, less any limited operating reserve as provided in 20-9-438;

(ii) anticipated interest to be earned by the investment of debt service cash in accordance with the provisions of 20-9-213(4) or by the investment of bond proceeds under the provisions of 20-9-435; and

(iii) any other money, including money from federal sources, anticipated by the trustees to be available in the debt service fund during the ensuing school fiscal year from such sources as legally authorized money transfers into the debt service fund or from rental income, excluding any guaranteed tax base aid.

(b) ~~the Subtract the total amount available to reduce the property tax, determined in subsection (1)(a), must be subtracted from the final budget expenditure amount for the debt service fund as established in 20-9-438.~~

(c) Determine the number of mills to be levied on the taxable property in the district to finance the net debt service fund levy requirement by dividing the remainder determined in subsection (1)(b) by the sum of:

(i) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(ii) the taxable valuation of the district divided by 1,000.

(2) the The net debt service fund levy requirement determined in subsection ~~(1)(b)~~ (1)(c) must be reported to the county commissioners on the second Monday of August by the county superintendent as the net debt service fund levy requirement for the district, and a levy must be made by the county commissioners in accordance with 20-9-142.

~~(2)~~(3) If the board of county commissioners fails in any school fiscal year to make a levy for any issue or series of bonds of a school district sufficient to raise the money necessary for payment of interest and principal becoming due during the next ensuing school fiscal year, in any amounts established under the provisions of this section, the holder of any bond of the issue or series or any taxpayer of the district may apply to the district court of the county in which the school

district is located for a writ of mandate to compel the board of county commissioners of the county to make a sufficient levy for such purposes. If, upon the hearing of the application, it appears to the satisfaction of the court that the board of county commissioners of the county has failed to make a levy or has made a levy that is insufficient to raise the amount required to be raised as established in the manner provided in this section, the court shall determine the amount of the deficiency and shall issue a writ of mandate directed to and requiring the board of county commissioners, at the next meeting for the purpose of fixing tax levies for county purposes, to fix and make a levy against all taxable property in the school district that is sufficient to raise the amount of the deficiency. The levy is in addition to any levy required to be made at that time for the ensuing school fiscal year. Any costs that may be allowed or awarded the petitioner in the proceeding must be paid by the members of the board of county commissioners and may not be a charge against the school district or the county."

Section 40. Section 20-9-507, "MCA, is amended to read:

"20-9-507. Miscellaneous programs fund. (1) The trustees of a district receiving money from local, state, federal, or other sources provided in 20-5-307(4), 20-5-312(8), and 20-9-321(~~3~~) other than money under the provisions of Title I of Public Law 81-874 or federal money designated for deposit in a specific fund of the district shall establish a miscellaneous programs fund for the deposit of the money. The money may be a reimbursement of miscellaneous program fund expenditures already realized by the district or may be a grant of money for the financing of expenditures to be realized by the district for a special, approved program to be operated by the district. When the money is a reimbursement, the money may be expended at the discretion of the trustees for school purposes. When the money is a grant, the money must be expended according to the conditions of the program approval by the superintendent of public instruction or any other approval agent. Within the miscellaneous programs fund, the trustees shall cause a separate accounting to be maintained for each federal grant program and for the aggregate of all reimbursement money.

(2) The financial administration of the miscellaneous programs fund must be in accordance with the financial administration provisions of this title for a nonbudgeted fund."

NEW SECTION. Section 41. Qualifications for state guaranteed tax base aid to support debt service. (1) To qualify for the guaranteed tax base aid per ANB for debt service described in 20-9-368, a school district, before issuing its bonds, must have:

- (a) received voter approval for bonds pursuant to 20-9-421;
- (b) following voter approval, received a certificate of

eligibility from the board of public education, on or after [the effective date of this act], stating that after consultation with the superintendent of public instruction, the board has determined what percentage of the total principal amount of the proposed amount of the proposed bonds will be used to:

- (i) restore, rebuild, or replace a destroyed or severely damaged school building;
- (ii) correct one or more building deficiencies that affect the health and safety of school children;
- (iii) correct one or more deficiencies that prevent the school district from meeting current accreditation standards; or
- (iv) address any combination of circumstances described in subsections (1)(b)(i) through (1)(b)(iii).

(2) The superintendent of public instruction shall certify and notify the district of the amount, if any, of guaranteed tax base aid for which the district qualifies.

Section 42. Section 20-2-121, MCA, is amended to read:

"20-2-121. Board of public education -- powers and duties. The board of public education shall:

(1) effect an orderly and uniform system for teacher certification and specialist certification and for the issuance of an emergency authorization of employment by adopting the policies prescribed by 20-4-102 and 20-4-111;

(2) consider the suspension or revocation of teacher or specialist certificates and appeals from the denial of teacher or specialist certification in accordance with the provisions of 20-4-110;

(3) administer and order the distribution of ~~state~~ equalization BASE aid in accordance with the provisions of 20-9-344;

(4) adopt and enforce policies to provide uniform standards and regulations for the design, construction, and operation of school buses in accordance with the provisions of 20-10-111;

(5) approve or disapprove a reduction of the number of hours in a district's school day in accordance with the provisions of 20-1-302;

(6) adopt policies prescribing the conditions when school may be conducted on Saturday and the types of pupil-instruction-related days and approval procedure for such days in accordance with the provisions of 20-1-303 and 20-1-304;

(7) adopt standards of accreditation and establish the accreditation status of every school in accordance with the provisions of 20-7-101 and 20-7-102;

(8) approve or disapprove educational media selected by the superintendent of public instruction for the educational media library in accordance with the provisions of 20-7-201;

(9) adopt policies for the conduct of special education in accordance with the provisions of 20-7-402;

(10) adopt rules for issuance of documents certifying equivalency of completion of secondary education in accordance with 20-7-131;

(11) adopt policies for the conduct of programs for gifted and talented children in accordance with the provisions of 20-7-903 and 20-7-904;

(12) adopt rules for student assessment in the public schools; and

(13) perform any other duty prescribed from time to time by this title or any other act of the legislature."

**Section 43.** Section 20-7-117, MCA, is amended to read:

**"20-7-117. Five-year-old schooling and preschool programs.**

(1) The trustees of an elementary district shall establish or make available a program capable of accommodating, at a minimum, all the children in the district who will be 5 years old on or before September 10 of the school year for which the program is to be conducted or who have been enrolled by special permission of the board of trustees. The program must be an integral part of the elementary school and must be financed and governed accordingly, provided that to be eligible for inclusion in the calculation of ANB pursuant to 20-9-311, a child must have reached the age of 5 on or before September 10 of the school year covered by the calculation or have been enrolled by special permission of the board of trustees.

(2) The trustees of an elementary school district may establish and operate a free preschool program for children between the ages of 3 and 5 years. When preschool programs are established, they must be an integral part of the elementary school and must be governed accordingly. Financing of preschool programs may not be supported by money available from state equalization BASE aid."

**Section 44.** Section 20-9-304, MCA, is amended to read:

**"20-9-304. Eligibility for and payment of state impact aid.**

Any district which shall have children of employees of a public institution may be eligible for state impact aid under the following provisions:

(1) An "employee" means an employee of a public institution under the administration of the department of corrections and human services, as defined in 53-1-202, or the department of family services, as defined in 2-15-2401, who resides on the property of such a public institution.

(2) A school district shall receive annually from moneys available for ~~state equalization~~ BASE aid \$150 for each elementary pupil and \$250 for each high school pupil whose parents are employees of an institution located in the school district where the pupil attends school or in a school district

which has a tuition agreement with the district where the pupil attends school.

(3) A district which is eligible for state impact aid shall apply for such aid to the superintendent of public instruction in the manner prescribed by the rules prescribed by the superintendent of public instruction.

(4) The distribution of state impact aid shall be deposited in the general fund of the district and shall not be considered as a part of the ~~state equalization~~ BASE aid but shall be used to reduce the property tax in support of the general fund of the district."

Section 45. Section 20-9-346, MCA, is amended to read:

"20-9-346. Duties of the superintendent of public instruction for ~~state equalization~~ BASE aid distribution. The superintendent of public instruction shall administer the distribution of the ~~state equalization~~ BASE aid by:

(1) establishing the annual entitlement of each district and county to ~~state equalization~~ BASE aid, based on the data reported in the retirement and general fund budgets for each district that have been duly adopted for the current school fiscal year and verified by the superintendent of public instruction and by applying the verified data under the provisions of the ~~state equalization~~ BASE aid allocation procedure prescribed in 20-9-347;

(2) distributing by state warrant or electronic transfer the ~~state equalization~~ BASE aid and state advances for county equalization, for each district or county entitled to the aid, to the county treasurer of the respective county or county where the district is located, in accordance with the distribution ordered by the board of public education;

(3) keeping a record of the full and complete data concerning money available for ~~state equalization~~ BASE aid, state advances for county equalization, and the entitlements for ~~state equalization~~ BASE aid of the districts of the state;

(4) reporting to the board of public education the estimated amount that will be available for ~~state equalization~~ BASE aid; and

(5) reporting to the legislature as provided in 5-11-210:

(a) the figures and data available concerning distributions of ~~state equalization~~ BASE aid during the preceding 2 school fiscal years;

(b) the amount of ~~state equalization~~ BASE aid then available;

(c) the apportionment made of the available money but not yet distributed;

(d) the latest estimate of accruals of money available for ~~state equalization~~ BASE aid; and

(e) the amount of state advances and repayment for county equalization.""

Renumber: subsequent sections

127. Page 86, line 15.

Following: line 14

Insert: "(3)(a) Money in the impact aid fund may be transferred into the general fund to offset any levy amount in support of the BASE budget that exceeds:

(i) for the school fiscal year beginning July 1, 1993, the prior school fiscal year's statewide average permissive levy for all elementary school districts or all high school districts; or

(ii) for succeeding school fiscal years, the prior year's statewide average BASE budget levy for all elementary school districts or all high school districts.

(b) A district using Public Law 81-874 funds to support the local levy in the BASE budget shall levy the prior year's statewide average permissive levy as provided in subsection (3)(a) unless the net BASE is less than the income from the average mills in that district.

(c) By March 1 of each school fiscal year, the superintendent of public instruction shall calculate the prior year's statewide average permissive levy as provided in subsection (3)(a)."

128. Page 86, line 15 through page 89, line 13.

Strike: section 36 in its entirety

Renumber: subsequent sections

129. Page 89, line 15.

Following: line 14

Insert: "20-9-147,"

130. Page 89, line 25.

Strike: "school funding"

Insert: "equalization aid for schools"

131. Page 90, line 4.

Following: "refers"

Strike: "to"

Insert: "specifically to state"

132. Page 90, line 6.

Following: "instruction."

Insert: "(1)"

133. Page 90, lines 7 and 10.

Following: "AND"

Strike: ", 35, AND 36"  
Insert: "and 46"

134. Page 90.

Following: line 10

Insert: "[Section 41] is intended to be codified as an integral part of Title 20, chapter 9, and the provisions of Title 20, chapter 9, apply to [section 41]."

135. Page 90, line 18.

Strike: "THROUGH (4)"

Insert: "and (3)"

136. Page 90, line 25 through page 91, line 3.

Strike: subsection (3) in its entirety

Renumber: subsequent subsection

137. Page 91, lines 4 and 5.

Following: "(4)" on line 4

Strike: remainder of line 4 through "," on line 5

Insert: "[Section 23]"

138. Page 91, line 6.

Following: "1994"

Insert: ", and applies retroactively, within the meaning of 1-2-109, to the school fiscal year beginning July 1, 1993"

139. Page 91.

Following: line 6

Insert: "(4) Sections relating to guaranteed tax base aid for the debt service of a district apply to bonds issued after July 1, 1993.

NEW SECTION. Section 52. Coordination instruction. (1) If House Bill No. 667 and Senate Bill No. 348 are passed and approved and if they include a section that amends 20-9-303, then [section 4 of Senate Bill No. 348] is void.

(2) If House Bill No. 667 and Senate Bill No. 348 are passed and approved and if they include a section that amends 20-9-311, then [section 5 of Senate Bill No. 348] is void.

(3) If House Bill No. 667 and Senate Bill No. 348 are passed and approved and if they include a section that amends 20-9-321, then [section 7 of Senate Bill No. 348] is void.

(4) If House Bill No. 667 and House Bill No. 469 are passed and approved, then [sections 6 and 7 of this act] are void."

Renumber: subsequent section

140. Page 91, line 7.

Strike: "36"  
Insert: "22"

141. Page 91, line 8.  
Strike: "1995"  
Insert: "1993"

-END-



IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(940 MILLION REDUCTION)

DATE: 04/12/93  
TIME: 07:52:17

	ACTUAL 93 BUDGET	FY 94 ANB	CURRENT SCHEDULES			REGRESSION MODEL			CURRENT SCHEDULES RESTATED 94 MILLS	NB 667-FY94		CURRENT SCHEDULES-FY94	
			RESTATED 94 GF BUDGET	RESTATED 94 V/874, SPED	94 ACTUAL RESTATED 94 MILLS	94 RESTATED 94 MILLS	94 RESTATED 94 MILLS	CHANGE OF MAX		MILL	CHANGE OF MAX	MILL	
Belfry Elem	650,000	85	650,000	650,000	1.81	109.82	100.08	0	1.56	108.01	0	1.42	98.27
Belfry H S	655,200	42	655,200	655,200	0.00	120.58	113.95	0	1.62	120.58	0	1.54	113.95
Boyd Elem	36,732	10	38,202	38,201	8.60	28.12	32.35	1,470	0.72	19.52	1,469	0.82	23.75
Bridger Elem	620,131	155	644,936	644,936	18.57	56.66	52.53	24,805	0.93	38.09	24,805	0.87	33.96
Bridger H S	564,067	80	586,630	586,630	27.51	43.32	35.87	22,563	0.97	15.81	22,563	0.89	8.36
Edger Elem	107,640	17	107,640	107,640	20.30	62.03	71.32	0	1.39	41.73	0	1.04	51.02
Fronberg Elem	425,422	115	442,439	442,439	49.59	71.65	65.97	17,017	0.86	22.06	17,017	0.82	16.38
Fronberg H S	419,491	63	436,271	436,271	31.14	45.00	26.66	16,780	0.85	13.86	16,780	0.77	-4.48
Jackson Elem	56,966	12	59,245	56,966	45.11	111.52	117.79	2,279	0.99	66.41	0	1.14	72.68
Joliet Elem	684,765	221	712,156	712,156	24.03	43.28	45.91	27,391	0.75	19.25	27,391	0.74	21.88
Joliet H S	607,994	133	632,314	632,314	19.97	25.06	25.89	24,320	0.74	5.09	24,320	0.75	5.92
Luther Elem	75,062	23	78,065	78,064	8.79	44.54	41.46	3,003	0.79	35.75	3,002	0.77	32.67
Red Lodge Elem	1,157,662	414	1,203,969	1,203,968	32.33	42.98	50.59	46,307	0.71	10.65	46,306	0.71	18.26
Red Lodge H S	775,046	180	806,048	806,048	21.28	27.06	28.36	31,002	0.73	5.78	31,002	0.75	7.08
Roberts Elem	322,562	84	335,465	335,464	38.20	56.44	50.42	12,903	0.81	18.24	12,902	0.74	12.22
Roberts H S	316,347	48	329,001	329,001	19.90	25.70	21.78	12,654	0.75	5.80	12,654	0.70	1.88
Carter													
Albion Elem	33,448	7	34,786	34,786	0.00	22.06	20.72	1,338	0.82	22.06	1,338	0.78	20.72
Alzada Elem	57,676	15	59,983	57,676	0.00	6.66	7.90	2,307	0.85	6.66	0	1.03	7.90
Carter County H S	498,500	49	498,500	498,500	18.15	11.40	9.24	0	1.12	-6.75	0	1.03	-8.91
Coal Creek-Plainview Elem	44,000	11	45,760	45,760	0.00	27.06	34.72	1,760	0.81	27.06	1,760	0.96	34.72
Ekalaka Elem	454,272	100	454,272	458,102	69.91	91.45	91.25	0	1.04	21.54	3,830	1.00	21.34
Hammond-Hawks Home Elem	75,200	21	78,208	78,208	0.00	38.69	34.40	3,008	0.86	38.69	3,008	0.77	34.40
Johnston Elem	23,646	4	24,592	25,936	0.00	27.62	18.98	946	0.77	27.62	2,290	0.59	18.98
Ridge Elem	27,192	3	28,281	28,861	0.00	65.07	33.15	1,089	0.99	65.07	1,669	0.65	33.15
Cascade													
Belt Elem	811,470	236	843,929	843,929	27.40	55.35	56.06	32,459	0.84	27.95	32,459	0.81	28.66
Belt H S	640,956	102	666,595	666,594	42.31	46.20	50.80	25,639	0.92	3.89	25,638	0.93	8.49
Cascade Elem	700,875	245	728,911	728,910	34.67	35.39	39.95	28,036	0.71	0.72	28,035	0.69	5.28
Cascade H S	668,173	138	694,900	694,900	21.26	24.40	26.15	26,727	0.78	3.14	26,727	0.78	4.89
Centerville Elem	832,346	244	865,640	865,640	52.08	65.77	60.67	33,294	0.84	13.69	33,294	0.80	8.59
Centerville H S	517,676	115	539,215	538,383	27.93	19.75	22.66	21,539	0.70	-8.18	20,707	0.71	-5.27
Deep Creek Elem	41,310	2	41,310	42,962	5.60	40.33	29.19	0	1.65	34.73	1,652	0.98	23.59
Great Falls Elem	29,651,889	8,888	30,837,965	30,837,965	60.66	94.69	72.17	1,186,076	0.95	34.03	1,186,076	0.86	11.51
Great Falls H S	15,756,700	3,582	16,386,968	16,386,968	52.57	51.42	49.18	630,268	0.95	-1.15	630,268	0.91	-3.39
Simms H S	809,194	167	841,563	841,562	59.26	35.26	42.59	32,369	0.81	-24.00	32,368	0.82	-16.67
Sun River Valley Elem	1,010,993	263	1,051,433	1,051,433	62.93	120.64	113.23	40,440	0.95	57.71	40,440	0.91	50.30
Ulm Elem	382,387	128	397,683	398,527	51.24	38.58	43.48	15,296	0.73	-12.66	16,140	0.68	-7.76
Vaughn Elem	613,972	175	638,531	638,531	61.74	67.36	63.04	24,559	0.83	5.62	24,559	0.78	1.30

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IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(\$40 MILLION REDUCTION)

	CURRENT SCHEDULES				REGRESSION MODEL				CURRENT SCHEDULES		NB 667-FY94		CURRENT SCHEDULES-FY94			
	ACTUAL 93 BUDGET	FY 94 ANB	RESTATED 94 SCHEDULES		ACTUAL 93 BUDGET	94 RESTATED 94 SCHEDULES	94 RESTATED 94 SCHEDULES	94 RESTATED 94 SCHEDULES	MILLS	MILLS	BUDGET CHANGE	PERCENT OF MAX	MILLS CHANGE	BUDGET CHANGE	PERCENT OF MAX	MILLS CHANGE
			GF BUDGET	W/874, SPED												
<b>Chouteau</b>																
Big Sandy Elem	792,742	179	792,742	810,330	33.66	56.98	57.77			17,588	1.00	23.32	17,588	1.00	24.11	
Big Sandy H S	713,979	101	714,511	713,979	25.92	40.56	41.81			532	1.00	14.64	0	1.01	15.89	
Carter Elem	55,435	3	55,435	55,435	17.26	18.52	14.46			0	1.95	1.26	0	1.23	2.80	
Fort Benton Elem	1,275,450	352	1,326,468	1,326,468	61.02	79.59	82.59			51,018	0.93	18.57	51,018	0.93	21.57	
Fort Benton H S	948,825	185	986,778	986,778	29.55	38.34	40.88			37,953	0.88	8.79	37,953	0.91	11.33	
Geraldine Elem	588,483	112	588,483	588,483	13.60	52.48	49.43			0	1.20	38.88	0	1.12	35.83	
Geraldine H S	502,850	47	502,850	502,850	18.88	43.25	39.76			0	1.17	24.37	0	1.09	20.88	
Highwood Elem	580,309	88	580,309	580,309	75.57	126.53	98.73			0	1.34	50.96	0	1.21	23.16	
Highwood H S	410,130	52	426,535	426,535	21.80	31.56	32.17			16,405	0.93	9.76	16,405	0.85	10.37	
Knees Elem	54,080	3	54,080	54,080	10.43	18.54	17.03			0	1.68	8.11	0	1.22	6.60	
Loma Elem	51,886	6	51,886	51,886	10.60	13.85	12.42			0	1.33	3.25	0	1.17	1.82	
Warrick Elem	39,335	6	39,335	40,908	1.66	21.99	21.10			0	1.01	20.33	1,573	0.93	19.44	
<b>Custer</b>																
Cottonwood Elem	88,420	14	88,420	88,420	30.09	152.05	151.34			0	1.32	121.96	0	1.67	121.25	
Custer County H S	2,778,753	684	2,889,903	2,889,903	41.58	27.52	38.78			111,150	0.81	-14.06	111,150	0.85	-2.80	
Hockett-Basin Spr Crk El	32,188	4	32,189	33,476	7.46	31.00	23.35			1	1.01	23.54	1,288	0.77	15.89	
Kinsey Elem	140,637	46	146,263	146,262	20.92	49.68	44.08			5,626	0.80	28.76	5,625	0.73	23.16	
Kircher Elem	153,921	50	160,079	160,078	0.00	26.87	22.21			6,158	0.81	26.87	6,157	0.73	22.21	
Miles City Elem	4,297,114	1,333	4,468,999	4,468,999	56.59	52.58	52.71			171,885	0.83	-4.01	171,885	0.79	-3.88	
Moon Creek Elem	32,000	6	33,280	33,280	0.00	20.24	17.29			1,280	0.85	20.24	1,280	0.76	17.29	
S H-Foster Creek Elem	32,846	11	35,316	34,160	0.00	17.78	25.43			2,470	0.63	17.78	1,314	0.72	25.43	
S Y Elem	26,500	9	29,119	28,199	0.00	21.09	24.11			2,619	0.59	21.09	1,699	0.64	24.11	
Trafl Creek Elem	32,144	9	33,634	33,430	16.61	34.72	39.77			1,490	0.68	18.11	1,286	0.76	23.16	
Twin Buttes Elem	32,021	4	32,022	33,302	0.00	42.71	30.86			1	1.00	42.71	1,281	0.76	30.86	
Whitney Creek Elem	30,000	4	31,200	31,200	0.00	66.62	37.25			1,200	0.98	66.62	1,200	0.71	37.25	
<b>Danfels</b>																
Flaxville Elem	282,836	29	282,836	282,836	45.22	85.96	88.76			0	1.40	40.74	0	1.47	43.54	
Flaxville Schools	294,925	27	306,722	299,049	6.92	38.17	46.81			11,797	0.92	31.25	6,124	1.00	39.89	
Peerless Elem	367,887	42	367,887	367,887	40.66	127.64	121.77			0	1.58	86.98	0	1.42	81.11	
Peerless Schools	364,495	31	364,495	364,495	36.13	73.69	83.71			0	1.02	37.56	0	1.07	47.58	
Scobey Elem	978,316	234	990,971	1,017,449	61.44	81.05	88.42			12,655	1.00	19.61	39,133	0.99	26.98	
Scobey Schools	787,365	108	787,365	787,365	60.00	69.27	74.73			0	1.06	9.27	0	1.09	14.73	
<b>Dawson</b>																
Bloomfield Elem	81,120	28	84,365	84,365	1.22	18.70	21.40			3,245	0.73	17.48	3,245	0.74	20.18	
Dawson County H S	2,619,850	542	2,724,644	2,687,164	35.65	32.46	39.66			104,794	0.95	-3.19	67,314	1.00	4.01	
Deer Creek Elem	88,868	26	92,423	92,423	1.67	10.53	10.82			3,555	0.85	8.86	3,555	0.85	9.15	
Glendive Elem	3,838,614	1,134	3,992,159	3,992,159	37.22	54.71	51.95			153,545	0.87	17.49	153,545	0.84	14.73	
Lindsay Elem	75,712	8	75,712	75,712	0.00	25.04	25.53			0	1.65	25.04	0	1.73	25.53	

IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(\$40 MILLION REDUCTION)

DATE: 04/12/93  
TIME: 07:52:40

	CURRENT SCHEDULES				REGRESSION MODEL				CURRENT SCHEDULES				CURRENT SCHEDULES-FY94			
	ACTUAL 93 BUDGET	FY 94 AMB W/874, SPED	HB 667 RESTATED 94 GF BUDGET	RESTATED 94 GF BUDGET W/874, SPED	ACTUAL 93 MILLS	93 RESTATED 94 MILLS	94 RESTATED 94 MILLS	94 RESTATED 94 MILLS	BUDGET PERCENT CHANGE OF MAX	MILL CHANGE	BUDGET PERCENT CHANGE OF MAX	MILL CHANGE	BUDGET PERCENT CHANGE OF MAX	MILL CHANGE	BUDGET PERCENT CHANGE OF MAX	MILL CHANGE
Richey Elem	444,454	54	444,454	444,454	63.47	118.65	109.85	109.85	0	1.51	55.18	0	1.34	46.38	0	1.34
Richey H S	410,155	53	426,561	426,561	24.90	42.93	32.94	32.94	16,406	0.93	18.03	16,406	0.85	8.04	16,406	0.85
Deer Lodge																
Anaconda Elem	3,910,175	1,110	4,066,582	4,066,582	34.68	61.59	58.04	58.04	156,407	0.89	26.91	156,407	0.84	23.36	156,407	0.84
Anaconda H S	2,618,508	540	2,723,248	2,723,248	25.46	42.63	59.74	59.74	104,740	0.91	17.17	104,740	0.93	34.28	104,740	0.93
Fallon																
Baker Elem	1,815,030	411	1,815,031	1,815,030	36.05	65.15	66.78	66.78	1	1.08	29.10	0	1.08	30.73	0	1.08
Baker H S	1,492,473	169	1,492,474	1,492,473	10.63	19.89	21.29	21.29	1	1.43	9.26	0	1.46	10.66	0	1.46
Fertile Prairie Elem	40,926	6	40,926	42,563	0.00	0.00	0.00	0.00	0	1.05	0.00	1,637	0.97	0.00	1,637	0.97
Plevna Elem	649,911	92	649,911	649,911	0.00	26.84	23.27	23.27	0	1.54	26.84	0	1.39	23.27	0	1.39
Plevna H S	512,415	39	512,415	512,415	0.00	24.66	22.77	22.77	0	1.31	24.66	0	1.28	22.77	0	1.28
Fergus																
Ayers Elem	33,280	8	34,611	34,611	7.59	32.20	28.61	28.61	1,331	0.75	24.61	1,331	0.72	21.02	1,331	0.72
Cottonwood Elem	28,745	5	29,895	29,895	0.00	58.21	31.45	31.45	1,150	0.84	58.21	1,250	0.69	31.45	1,250	0.69
Deerfield Elem	54,992	16	57,192	56,540	5.38	37.24	88.55	88.55	2,200	0.77	31.86	1,548	1.00	83.17	1,548	1.00
Denton Elem	480,063	146	499,266	499,266	33.60	50.24	51.19	51.19	19,203	0.81	16.64	19,203	0.77	17.59	19,203	0.77
Denton H S	373,182	65	388,109	391,033	12.54	21.87	18.29	18.29	14,927	0.74	9.33	17,851	0.68	5.75	17,851	0.68
Fergus H S	1,855,056	473	1,929,259	1,929,258	38.74	29.59	37.09	37.09	74,203	0.77	-9.15	74,202	0.82	-1.63	74,202	0.82
Grass Range Elem	358,525	92	372,866	372,866	9.04	65.19	56.25	56.25	14,341	0.91	56.15	14,341	0.86	47.21	14,341	0.86
Grass Range H S	369,795	41	384,587	384,587	57.16	61.00	57.87	57.87	14,792	0.95	3.84	14,792	0.92	0.71	14,792	0.92
King Colony Elem	31,986	5	33,266	33,265	0.00	16.55	10.26	10.26	1,280	0.94	16.55	1,279	0.76	10.26	1,279	0.76
Lewistown Elem	3,516,804	1,201	3,657,477	3,657,476	43.73	48.70	51.23	51.23	140,673	0.76	4.97	140,672	0.71	7.50	140,672	0.71
Malden Elem	37,856	7	39,370	39,370	0.00	53.43	49.51	49.51	1,514	0.93	53.43	1,514	0.90	49.51	1,514	0.90
Moore Elem	399,215	96	415,184	415,184	55.67	84.76	77.73	77.73	15,969	0.95	29.09	15,969	0.89	22.06	15,969	0.89
Moore H S	396,739	46	412,610	412,609	37.39	62.40	45.91	45.91	15,871	0.96	25.01	15,870	0.89	8.52	15,870	0.89
Roy Elem	309,173	43	309,173	309,173	73.41	141.47	133.06	133.06	0	1.55	68.06	0	1.41	59.65	0	1.41
Roy H S	373,506	14	373,507	373,506	25.60	114.36	113.97	113.97	1	1.39	88.76	0	1.40	88.37	0	1.40
Spring Creek Colony Elem	31,986	4	31,999	33,265	0.00	94.48	36.79	36.79	13	1.00	94.48	1,279	0.76	36.79	1,279	0.76
Winifred Elem	495,988	113	501,264	515,828	18.17	72.15	72.88	72.88	5,276	1.00	53.98	19,840	0.98	54.71	19,840	0.98
Winifred H S	394,116	47	409,881	409,881	29.55	51.78	40.64	40.64	15,765	0.95	22.23	15,765	0.89	11.09	15,765	0.89
Flathead																
Bigfork Elem	1,774,444	582	1,845,422	1,845,422	40.98	55.31	57.94	57.94	70,978	0.78	14.33	70,978	0.79	16.96	70,978	0.79
Bigfork H S	1,137,382	364	1,230,225	1,201,747	18.82	17.32	23.04	23.04	92,843	0.62	-1.50	64,365	0.66	4.22	64,365	0.66
Cayuse Prairie Elem	841,088	240	874,732	874,732	40.95	86.76	87.73	87.73	33,644	0.87	45.81	33,644	0.84	46.78	33,644	0.84
Columbia Falls Elem	5,165,132	1,694	5,371,737	5,371,737	35.91	49.87	50.01	50.01	206,605	0.79	13.96	206,605	0.75	14.10	206,605	0.75
Columbia Falls H S	2,925,370	779	3,042,385	3,042,385	15.35	25.95	27.28	27.28	117,015	0.76	10.60	117,015	0.81	11.93	117,015	0.81
Creighton Elem	238,041	85	270,621	251,157	49.61	58.29	41.24	41.24	32,580	0.82	8.68	13,116	0.66	-8.37	13,116	0.66
Deer Park Elem	379,244	92	394,414	394,414	50.90	117.45	72.33	72.33	15,170	0.89	66.55	15,170	0.81	21.43	15,170	0.81
Evergreen Elem	2,350,699	736	2,444,728	2,444,727	56.51	55.15	56.93	56.93	94,029	0.81	-1.36	94,028	0.78	0.42	94,028	0.78



IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
 ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
 (\$40 MILLION REDUCTION)

DATE: 04/12/93  
 TIME: 07:53:02

	ACTUAL 93 BUDGET	FY 94 AMB	HB 667		CURRENT SCHEDULES		REGRESSION MODEL		CURRENT SCHEDULES 94 RESTATED 94 MILLS	NB 667-FY94		CURRENT SCHEDULES-FY94	
			GF BUDGET	RESTATED 94 GF BUDGET	W/874, SPED	RESTATED 94 GF BUDGET	93 MILLS	94 RESTATED 94 MILLS		BUDGET CHANGE	PERCENT OF MAX	BUDGET CHANGE	PERCENT OF MAX
Benzlen Elem	28,646	5	29,792	29,916	0.00	58.82	35.64	1,146	0.84	58.82	1,270	0.68	35.64
Big Dry Creek Elem	32,501	4	32,501	33,801	0.00	34.20	25.15	0	1.02	34.20	1,300	0.77	25.15
Blackfoot Elem	26,780	4	27,851	28,423	0.00	39.69	26.24	1,071	0.87	39.69	1,643	0.65	26.24
Cloughen Elem	78,959	23	82,118	82,117	0.00	35.13	32.78	3,159	0.83	35.13	3,158	0.81	32.78
Garfield County H S	534,793	111	556,185	556,185	20.57	23.69	26.75	21,392	0.74	3.12	21,392	0.76	6.18
Jordan Elem	492,433	152	512,438	517,288	27.25	34.56	38.79	20,005	0.70	7.31	24,855	0.66	11.54
Kester Elem	39,418	4	39,418	40,995	0.00	87.74	60.05	0	1.23	87.74	1,577	0.94	60.05
Pine Grove Elem	27,088	6	28,172	28,670	9.95	45.22	34.80	1,084	0.72	35.27	1,582	0.66	24.85
Ross Elem	27,750	1	27,750	29,199	0.00	174.62	32.70	0	1.29	174.62	1,449	0.67	32.70
Sand Springs Elem	28,646	4	29,792	29,916	0.00	33.56	21.69	1,146	0.93	33.56	1,270	0.68	21.69
Van Norman Elem	55,953	19	58,277	60,324	5.87	43.64	34.19	2,324	0.69	37.77	4,371	0.62	28.32
Glacier													
Browning Elem	10,000,000	1,493	10,000,000	10,000,000	22.05	0.00	0.00	0	1.70	-22.05	0	1.60	-22.05
Browning H S	4,000,000	426	4,000,000	4,000,000	12.92	0.00	0.00	0	1.74	-12.92	0	1.87	-12.92
Cut Bank Elem	2,764,443	707	2,830,966	2,875,021	22.91	27.17	31.19	66,543	1.00	4.26	110,578	1.00	8.28
Cut Bank H S	1,875,897	299	1,875,897	1,875,897	26.34	3.71	8.81	0	1.12	-22.63	0	1.23	-17.53
East Glacier Park Elem	354,002	71	354,003	354,002	43.54	26.01	25.76	1	1.30	-17.53	0	1.17	-17.78
Mountain View Elem	75,150	24	78,156	78,156	22.93	49.21	49.93	3,006	0.77	26.28	3,006	0.76	27.00
Golden Valley													
Lavina Elem	245,039	79	257,361	262,677	36.95	37.22	44.20	12,322	0.69	0.27	17,638	0.63	7.25
Lavina H S	209,959	25	220,598	218,357	29.49	21.07	29.03	10,639	0.68	-8.42	8,398	0.77	-0.46
Ryegate Elem	298,667	58	298,667	310,614	29.68	46.29	46.28	0	1.09	16.61	11,947	0.99	16.60
Ryegate H S	303,636	27	315,782	303,636	35.67	44.71	46.36	12,146	0.95	9.04	0	1.03	10.69
Granite													
Drummond Elem	483,324	131	502,657	502,657	17.27	47.31	44.83	19,333	0.84	30.04	19,333	0.79	27.56
Drummond H S	502,275	103	522,366	522,366	3.78	13.04	16.79	20,091	0.74	9.26	20,091	0.77	11.01
Granite H S	521,306	73	542,158	542,158	25.65	43.29	29.69	20,852	0.94	17.64	20,852	0.84	4.04
Hall Elem	120,570	16	120,570	120,570	8.14	47.82	53.75	0	1.63	39.68	0	2.13	45.61
Phillipsburg Elem	666,093	210	713,538	713,537	36.78	37.90	42.07	27,445	0.78	1.12	27,444	0.75	5.29
Hill													
Blue Sky Elem	516,924	144	537,601	537,601	26.60	57.68	53.97	20,677	0.89	31.08	20,677	0.83	27.37
Blue Sky H S	474,274	37	474,274	474,274	45.22	58.80	58.69	0	1.24	13.58	0	1.23	13.47
Box Elder Elem	947,853	162	947,853	947,853	49.05	61.44	70.58	0	1.37	12.39	0	1.26	21.53
Box Elder H S	611,586	62	611,586	611,586	35.31	36.11	38.93	0	1.22	0.80	0	1.11	3.62
Cottonwood Elem	250,000	32	250,000	250,000	9.92	31.52	33.92	0	1.78	21.60	0	1.84	24.00
Devey Elem	46,020	13	47,861	47,861	0.00	0.00	0.00	1,841	0.72	0.00	1,841	0.82	0.00
Gilford Colony Elem	40,822	9	42,455	42,455	35.04	52.01	77.55	1,633	0.82	16.97	1,633	0.88	42.51
Havre Elem	5,716,273	1,794	5,944,924	5,944,924	30.76	56.84	49.72	228,651	0.85	26.08	228,651	0.80	18.96
Havre H S	2,888,128	799	3,003,653	3,003,653	1.00	15.77	17.74	115,525	0.73	14.77	115,525	0.76	16.74

DATE: 04/12/93  
TIME: 07:53:14

IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(\$40 MILLION REDUCTION)

	ACTUAL 93 BUDGET	FY 94 AMB	CURRENT SCHEDULES		REGRESSION MODEL		CURRENT SCHEDULES 94 RESTATED 94 MILLS	CURRENT SCHEDULES 94 RESTATED 94 MILLS	HB 667-FY94		CURRENT SCHEDULES-FY94	
			GF BUDGET	W/874, SPED	93 ACTUAL	94 RESTATED			BUDGET CHANGE	PERCENT OF MAX	BUDGET CHANGE	PERCENT OF MAX
K-G Elem	429,660	95	429,660	446,846	24.44	71.64	68.80	68.80	0	1.01	17,186	0.97
K-G H S	413,746	34	413,746	413,746	46.41	55.87	58.03	58.03	0	1.13	0	1.15
Rocky Boy Elem	1,826,585	371	1,826,585	1,826,585	41.45	15.07	16.82	16.82	0	1.22	0	1.19
Rocky Boy H S	823,975	91	823,975	823,975	32.18	0.00	0.00	0.00	0	1.24	0	1.20
Jefferson												
Basin Elem	62,020	17	64,501	62,020	0.00	0.00	0.00	0.00	2,481	0.83	0	1.05
Boulder Elem	861,788	233	896,260	896,260	74.53	77.72	76.51	76.51	34,472	0.89	34,472	0.84
Cardwell Elem	150,106	50	156,110	156,110	3.89	14.40	12.48	12.48	6,004	0.79	6,004	0.70
Clency Elem	1,218,542	400	1,267,284	1,267,284	42.35	53.90	61.63	61.63	48,742	0.79	48,742	0.79
Jefferson H S	1,035,212	252	1,076,621	1,076,620	15.79	24.18	26.98	26.98	41,409	0.74	41,408	0.79
Montana City Elem	819,285	242	852,057	852,056	104.05	75.07	85.17	85.17	32,772	0.87	32,771	0.86
Whitehall Elem	1,085,272	385	1,128,684	1,128,683	26.91	43.03	48.88	48.88	43,412	0.72	43,411	0.74
Whitehall H S	761,493	171	791,954	791,953	5.38	21.70	21.84	21.84	30,461	0.75	30,460	0.77
Judith Basin												
Geyser Elem	305,652	76	317,878	317,878	33.46	55.48	49.00	49.00	12,226	0.85	12,226	0.77
Geyser H S	285,954	33	297,393	297,392	21.93	28.52	31.31	31.31	11,439	0.82	11,438	0.83
Hobson Elem	409,190	102	425,558	425,558	39.70	61.40	58.83	58.83	16,368	0.89	16,368	0.84
Hobson Schools	408,883	45	422,600	425,238	39.70	56.86	49.00	49.00	13,717	1.00	16,355	0.94
Raynesford Elem	83,385	14	83,385	83,385	18.41	77.49	87.12	87.12	0	1.23	0	1.45
Stanford Elem	463,376	119	481,911	481,911	14.56	63.48	57.27	57.27	18,535	0.93	18,535	0.87
Stanford H S	412,410	64	428,907	428,906	18.77	34.33	26.47	26.47	16,497	0.84	16,496	0.76
Lake												
Arlee Elem	1,142,702	287	1,188,410	1,188,410	40.90	65.89	64.99	64.99	45,708	0.99	45,708	0.96
Arlee H S	833,728	137	867,077	867,077	19.61	20.98	18.80	18.80	33,349	0.98	33,349	0.98
Charlo Elem	712,401	196	740,897	740,897	26.51	104.89	78.96	78.96	28,496	0.91	28,496	0.86
Charlo H S	491,401	98	511,057	511,057	32.08	25.00	27.26	27.26	19,656	0.74	19,656	0.75
Polson Elem	3,137,865	1,089	3,263,380	3,263,380	29.05	45.09	47.45	47.45	125,515	0.75	125,515	0.73
Polson H S	1,688,161	459	1,755,688	1,755,687	15.52	23.58	26.66	26.66	67,527	0.71	67,526	0.76
Ronan Elem	3,978,816	1,144	4,137,969	4,137,969	19.62	33.55	34.99	34.99	159,153	0.91	159,153	0.88
Ronan H S	1,888,203	420	1,963,731	1,963,731	12.36	18.92	17.25	17.25	75,528	0.87	75,528	0.93
St Ignatius Elem	1,590,357	409	1,653,971	1,653,971	11.83	18.04	28.87	28.87	63,614	1.00	63,614	0.98
St Ignatius Schools	1,187,747	181	1,187,748	1,187,747	21.12	21.30	12.40	12.40	1	1.08	0	1.10
Svan Lake-Salmon Elem	65,294	21	67,906	68,267	21.64	39.97	35.45	35.45	2,612	0.74	2,973	0.68
Upper West Shore Elem	62,000	25	66,470	66,261	0.00	7.72	7.62	7.62	4,470	0.63	4,261	0.64
Valley View Elem	55,263	20	58,285	59,955	0.00	38.33	30.98	30.98	3,022	0.66	4,692	0.61
Lewis & Clark												
Auchard Creek Elem	48,228	21	53,216	54,641	0.00	14.34	15.02	15.02	4,988	0.58	6,413	0.54
Augusta Elem	421,447	96	421,448	438,305	53.61	92.37	85.05	85.05	1	1.03	16,858	0.97
Augusta H S	351,491	46	365,552	365,551	23.44	23.35	24.49	24.49	14,061	0.83	14,060	0.78



IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(940 MILLION REDUCTION)

DATE: 04/12/93  
TIME: 07:53:36

	CURRENT SCHEDULES				REGRESSION MODEL				CURRENT SCHEDULES				CURRENT SCHEDULES-FY94			
	FY 94		HB 667		93		94		RESTATED 94		HB 667-FY94		CURRENT SCHEDULES-FY94			
	ACTUAL BUDGET	AMB W/874, SPED	GF BUDGET W/874, SPED	RESTATED 94 GF BUDGET W/874, SPED	ACTUAL 93 BUDGET	93 MILLS	94 RESTATED 94 MILLS	94 RESTATED 94 MILLS	RESTATED 94 MILLS	RESTATED 94 MILLS	BUDGET CHANGE	PERCENT OF MAX	MILL CHANGE	BUDGET CHANGE	PERCENT OF MAX	MILL CHANGE
Circle Elem	833,464	204	866,803	866,803	833,464	9.10	48.45	48.03	48.03	33,339	0.94	39.35	33,339	0.90	38.93	
Circle H S	726,408	129	755,464	755,464	726,408	11.26	27.17	26.59	26.59	29,056	0.89	15.91	29,056	0.89	15.33	
Prairie Elk Elem	29,120	5	30,285	30,322	29,120	0.00	14.78	10.70	10.70	1,165	0.85	14.78	1,202	0.69	10.70	
Southview Elem	36,260	7	37,711	37,710	36,260	15.13	30.45	29.30	29.30	1,451	0.89	15.32	1,450	0.85	14.17	
Vida Elem	85,292	19	85,292	88,704	85,292	5.85	15.13	14.09	14.09	0	1.01	9.28	3,412	0.89	8.24	
Meagher																
Lennep Elem	32,666	14	36,850	34,594	32,666	1.68	4.00	5.38	5.38	4,184	0.55	2.32	1,928	0.65	3.70	
Ringling Elem	37,317	5	37,317	38,810	37,317	7.35	13.43	12.19	12.19	0	1.05	6.08	1,493	0.89	4.84	
White Sulphur Spgs Elem	755,144	187	785,350	785,350	755,144	61.57	85.76	85.87	85.87	30,206	0.99	24.19	30,206	0.95	24.30	
White Sulphur Spgs H S	602,576	99	626,679	626,679	602,576	20.56	36.40	37.33	37.33	24,103	0.91	15.84	24,103	0.94	16.77	
Mineral																
Alberton Elem	590,595	155	614,219	614,219	590,595	73.79	85.48	75.80	75.80	23,624	0.90	11.69	23,624	0.85	2.01	
Alberton H S	446,917	70	464,794	464,794	446,917	64.02	46.10	29.95	29.95	17,877	0.86	-17.92	17,877	0.79	-34.07	
St Regis Elem	577,506	162	600,606	600,606	577,506	54.86	51.42	51.41	51.41	23,100	0.86	-3.44	23,100	0.79	-3.45	
St Regis H S	454,766	71	472,957	472,957	454,766	47.40	29.58	26.41	26.41	18,191	0.86	-17.82	18,191	0.79	-20.99	
Superior Elem	1,102,641	336	1,146,747	1,146,747	1,102,641	83.72	54.53	66.36	66.36	44,106	0.82	-29.19	44,106	0.80	-17.36	
Superior H S	653,395	136	679,532	679,531	653,395	40.18	30.77	33.00	33.00	26,137	0.79	-9.41	26,136	0.80	-7.18	
Missoula																
Bonner Elem	1,462,873	429	1,521,388	1,521,388	1,462,873	64.73	69.62	83.82	83.82	58,515	0.86	4.89	58,515	0.88	19.09	
Clinton Elem	827,999	255	861,119	861,119	827,999	67.10	56.24	61.05	61.05	33,120	0.80	-10.86	33,120	0.76	-6.05	
DeSmet Elem	425,040	138	442,042	442,042	425,040	43.85	52.16	56.58	56.58	17,002	0.75	8.31	17,002	0.72	12.73	
Frenchtown Elem	1,946,347	652	2,024,201	2,024,201	1,946,347	16.55	42.42	42.76	42.76	77,854	0.78	25.87	77,854	0.78	26.21	
Frenchtown H S	1,408,094	289	1,464,418	1,464,418	1,408,094	23.39	32.89	37.24	37.24	56,324	0.91	9.50	56,324	1.00	13.85	
Hellgate Elem	2,741,449	993	2,851,107	2,851,107	2,741,449	41.87	46.39	49.79	49.79	109,658	0.73	4.52	109,658	0.71	7.92	
Lolo Elem	2,003,765	629	2,083,916	2,083,916	2,003,765	61.61	77.09	87.63	87.63	80,151	0.84	15.48	80,151	0.83	26.02	
Missoula Elem	19,595,900	6,002	20,379,736	20,379,736	19,595,900	65.78	85.04	67.32	67.32	783,836	0.91	19.26	783,836	0.81	1.54	
Missoula H S	15,368,799	3,600	15,983,551	15,983,551	15,368,799	42.81	46.60	43.80	43.80	614,752	0.91	3.79	614,752	0.87	0.99	
Potomac Elem	421,910	111	438,787	438,786	421,910	38.33	107.16	81.51	81.51	16,877	0.91	68.83	16,876	0.85	43.18	
Seeley Lake Elem	666,897	230	693,573	693,573	666,897	39.62	47.90	51.98	51.98	26,676	0.75	8.28	26,676	0.73	12.36	
Sunset Elem	44,882	14	47,990	46,677	44,882	32.52	23.77	45.75	45.75	3,108	0.67	-8.75	1,795	0.86	13.23	
Swan Valley Elem	325,923	78	338,960	338,960	325,923	0.00	97.99	70.42	70.42	13,037	0.99	97.99	13,037	0.89	70.42	
Target Range Elem	1,540,852	512	1,602,487	1,602,486	1,540,852	39.84	48.75	53.27	53.27	61,635	0.75	8.91	61,634	0.75	13.43	
Woodman Elem	320,794	68	333,626	333,626	320,794	0.00	114.14	78.89	78.89	12,832	0.99	114.14	12,832	0.89	78.89	
Musselshell																
Melstone Elem	322,590	65	335,494	335,494	322,590	0.00	66.98	44.00	44.00	12,904	0.94	66.98	12,904	0.82	44.00	
Melstone H S	387,957	42	403,476	403,475	387,957	0.00	101.14	83.97	83.97	15,519	1.00	101.14	15,518	0.96	83.97	
Musselshell Elem	96,709	20	96,709	99,771	96,709	0.00	17.91	18.90	18.90	0	1.07	17.91	3,062	1.00	18.90	
Roundup Elem	1,469,267	436	1,528,038	1,528,038	1,469,267	42.50	62.10	62.02	62.02	58,771	0.84	19.60	58,771	0.81	19.52	
Roundup H S	864,133	226	912,938	903,179	864,133	21.60	16.39	19.27	19.27	48,805	0.68	-5.21	39,046	0.68	-2.33	

IMPACT OF NB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(\$40 MILLION REDUCTION)

DATE: 04/12/93  
TIME: 07:53:47

Park	ACTUAL 93 BUDGET	FY 94 ANB	CURRENT SCHEDULES			REGRESSION MODEL			CURRENT SCHEDULES			NB 667-FY94			CURRENT SCHEDULES-FY94		
			RESTATED 94 GF BUDGET	RESTATED 94 GF BUDGET	RESTATED 94 GF BUDGET	93 ACTUAL	93 RESTATED	94 RESTATED	94 RESTATED	94 RESTATED	94 RESTATED	94 RESTATED	BUDGET CHANGE	PERCENT OF MAX	MILL CHANGE	BUDGET CHANGE	PERCENT OF MAX
Arrowhead Elem	163,792	53	170,344	170,344	170,344	8.02	34.01	29.44	6,552	0.84	25.99	6,552	0.76	21.42			
Cooke City Elem	32,034	9	33,546	33,546	33,546	9.81	18.39	21.04	1,512	0.68	8.58	1,281	0.76	11.23			
Gardiner Elem	699,620	198	727,605	727,605	727,605	36.05	47.17	55.99	27,985	0.85	11.12	27,985	0.82	19.94			
Gardiner H S	650,827	83	650,827	650,827	650,827	22.00	20.36	20.12	0	1.06	-1.64	0	1.03	-1.06			
Livingston Elem	3,530,717	1,075	3,671,946	3,671,946	3,671,946	53.70	56.37	57.19	141,229	0.84	2.67	141,229	0.79	3.49			
Park H S	2,092,365	519	2,176,060	2,176,060	2,176,060	28.50	24.03	31.58	83,695	0.77	-4.47	83,695	0.82	3.08			
Pine Creek Elem	62,745	26	67,626	67,147	67,147	3.83	29.93	32.08	4,881	0.62	26.10	4,402	0.63	28.25			
Richland Elem	48,592	11	50,536	48,592	48,592	0.00	17.26	19.09	1,944	0.89	17.26	0	1.01	19.09			
Shields Valley Elem	721,619	222	750,484	750,484	750,484	0.00	43.56	45.19	28,865	0.81	43.56	28,865	0.78	45.19			
Shields Valley H S	600,921	97	624,958	624,958	624,958	22.20	40.99	42.95	24,037	0.91	18.79	24,037	0.92	20.75			
Springdale Elem	35,465	10	36,884	36,884	36,884	11.85	9.74	11.55	1,419	0.70	-2.11	1,419	0.81	-0.30			
Petroleum																	
Winnett Elem	359,019	65	359,020	360,794	360,794	45.80	80.02	68.12	1,775	1	34.22	1,775	1.00	22.32			
Winnett Schools	372,627	30	372,628	372,627	372,627	15.75	57.39	70.10	0	1	41.64	0	1.14	54.35			
Phillips																	
Dodson Elem	484,937	90	484,938	484,937	484,937	16.96	84.69	71.73	0	1	67.73	0	1.02	54.77			
Dodson H S	483,336	49	483,336	483,336	483,336	23.00	48.11	41.75	0	0	25.11	0	1.02	18.75			
Lemduky Elem	33,315	9	34,648	34,648	34,648	3.00	4.76	5.54	1,333	0.70	1.76	1,333	0.79	2.54			
Malta Elem	1,607,805	461	1,672,117	1,672,117	1,672,117	41.69	64.08	68.87	64,312	0.88	22.39	64,312	0.89	27.18			
Malta H S	1,049,894	230	1,091,890	1,091,890	1,091,890	16.81	28.56	33.97	41,996	0.81	11.75	41,996	0.85	17.16			
Saco Elem	551,185	95	551,185	551,185	551,185	18.99	41.19	39.88	0	0	22.20	0	1.14	20.89			
Saco H S	537,638	44	537,638	537,638	537,638	18.97	48.98	45.68	0	0	30.01	0	1.23	26.71			
Second Creek Elem	35,864	6	37,299	37,299	37,299	2.72	20.98	17.65	1,435	0.90	18.26	1,435	0.76	14.93			
Whitewater Elem	446,224	55	446,224	446,224	446,224	28.44	31.86	28.33	0	0	3.42	0	1.36	-0.11			
Whitewater H S	415,489	37	415,489	415,489	415,489	13.20	13.96	13.05	0	0	0.76	0	1.06	-0.15			
Pondera																	
Brady Elem	385,937	61	385,937	385,937	385,937	49.63	70.05	65.49	0	0	20.42	0	1.03	15.86			
Brady H S	280,433	36	291,651	291,650	291,650	17.98	30.78	28.54	11,218	0.78	12.80	11,217	0.78	10.56			
Conrad Elem	1,983,000	578	2,062,320	2,062,320	2,062,320	40.23	56.38	59.72	79,320	0.89	16.15	79,320	0.86	19.49			
Conrad H S	1,222,314	247	1,271,207	1,271,207	1,271,207	29.41	32.42	40.17	48,893	0.89	3.01	48,893	0.93	10.76			
Dupuyer Elem	101,230	27	105,279	105,279	105,279	42.08	69.42	71.84	4,049	0.92	27.34	4,049	0.94	29.76			
Heart Butte Elem	1,074,773	196	1,074,773	1,074,773	1,074,773	35.08	28.98	32.45	0	0	-6.10	0	1.25	-2.63			
Heart Butte H S	690,096	50	690,096	690,096	690,096	35.69	500.52	7.58	0	0	464.83	0	1.43	-28.11			
Miami Elem	74,635	21	77,621	77,620	77,620	5.30	52.69	41.97	2,986	0.84	47.39	2,985	0.76	36.67			
Valler Elem	668,576	206	695,319	695,319	695,319	32.84	47.88	50.83	26,743	0.78	15.04	26,743	0.76	17.99			
Valler H S	495,725	79	515,554	515,554	515,554	32.92	43.79	35.80	19,829	0.88	10.87	19,829	0.83	2.88			
Powder River																	
Belle Creek Elem	122,000	10	122,000	122,000	122,000	0.00	8.04	10.00	0	0	8.04	0	2.64	10.00			

Select Committee on  
School Finance  
Ex 1  
4-12-93  
HB-667

IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(940 MILLION REDUCTION)

DATE: 04/12/93  
TIME: 07:53:58

	FY 93	CURRENT SCHEDULES				REGRESSION MODEL				CURRENT SCHEDULES	NB 667-FY94		CURRENT SCHEDULES-FY94			
		ACTUAL BUDGET	RESTATED 94 ANB	GF BUDGET	RESTATED 94 V/874, SPED	ACTUAL 93 MILLS	RESTATED 94 MILLS	RESTATED 94 MILLS	RESTATED 94 MILLS		CHANG OF MAX	MILL	BUDGET PERCENT	CHANGE OF MAX	MILL	BUDGET PERCENT
Biddle Elem	75,003	20	78,003	78,003	78,003	1.69	60.54	60.54	45.23	3,000	0.89	58.85	3,000	0.78	43.54	
Billup Elem	33,280	5	34,611	34,611	34,611	0.00	63.24	63.24	42.80	1,331	0.98	63.24	1,331	0.79	42.80	
Broedus Elem	915,098	210	917,698	951,702	951,702	73.20	85.07	85.07	93.97	2,600	1.00	11.87	36,604	0.97	20.77	
Horken Creek Elem	30,160	6	31,366	31,366	31,366	0.00	47.02	47.02	35.85	1,206	0.80	47.02	1,206	0.71	35.85	
Powder River Co Dist H S	1,075,325	136	1,075,326	1,075,325	1,075,325	39.97	56.77	56.77	58.61	1	1.23	16.80	0	1.25	18.64	
South Stacey Elem	32,263	8	33,554	33,554	33,554	0.00	33.97	33.97	40.38	1,291	0.73	33.97	1,291	0.76	40.38	
Powell																
Avon Elem	88,054	46	99,050	101,554	101,554	10.39	13.65	13.65	10.29	10,996	0.55	3.26	13,500	0.52	-0.10	
Deer Lodge Elem	2,386,768	658	2,482,239	2,482,239	2,482,239	81.11	72.89	72.89	80.23	95,471	0.92	-8.22	95,471	0.89	-0.88	
Elliston Elem	76,542	35	83,695	80,124	80,124	24.10	28.52	28.52	40.51	7,153	0.60	4.42	3,582	0.67	16.41	
Garrison Elem	54,841	16	57,035	57,035	57,035	0.00	4.56	4.56	10.92	2,194	0.77	4.56	2,194	0.99	10.92	
Gold Creek Elem	43,590	11	45,334	45,334	45,334	0.00	4.35	4.35	1.78	1,744	0.80	4.35	1,744	0.95	1.78	
Helmsville Elem	72,644	23	75,550	75,550	75,550	10.53	32.93	32.93	30.74	2,906	0.77	22.40	2,906	0.74	20.21	
Ovando Elem	74,669	21	77,656	77,656	77,656	18.93	52.04	52.04	46.45	2,987	0.85	33.11	2,987	0.76	27.52	
Powell County H S	1,455,088	298	1,513,292	1,513,292	1,513,292	36.60	34.18	34.18	40.57	58,204	0.90	-2.42	58,204	0.95	3.97	
Prairie																
Terry Elem	659,349	170	685,724	685,723	685,723	6.99	53.33	53.33	52.14	26,375	0.94	46.34	26,374	0.90	45.15	
Terry H S	561,568	92	584,031	584,031	584,031	12.34	33.08	33.08	31.36	22,463	0.89	20.74	22,463	0.87	19.02	
Revall																
Corvallis Elem	2,190,577	730	2,278,201	2,278,200	2,278,200	42.13	47.53	47.53	51.09	87,624	0.76	5.40	87,623	0.74	8.96	
Corvallis Schools	1,098,389	337	1,180,477	1,153,075	1,153,075	15.92	17.90	17.90	23.13	82,088	0.64	1.98	54,686	0.67	7.21	
Darby Elem	1,231,124	397	1,280,369	1,280,369	1,280,369	42.97	45.15	45.15	50.86	49,245	0.75	2.18	49,245	0.73	7.89	
Darby Schools	733,465	188	770,275	762,804	762,804	17.14	21.00	21.00	23.92	36,810	0.68	3.86	29,339	0.70	6.78	
Florence-Carlton Elem	1,444,576	533	1,502,359	1,502,359	1,502,359	31.74	45.94	45.94	51.81	57,783	0.73	14.20	57,783	0.73	20.07	
Florence-Carlton Schools	834,116	196	873,299	867,481	867,481	20.22	20.85	20.85	23.47	39,183	0.71	0.63	33,365	0.71	3.25	
Hamilton Elem	2,690,097	947	2,797,701	2,797,701	2,797,701	30.25	28.81	28.81	30.71	107,604	0.75	-1.44	107,604	0.73	0.46	
Hamilton Schools	1,588,964	460	1,672,965	1,652,523	1,652,523	18.72	12.58	12.58	15.80	84,001	0.68	-6.14	63,559	0.72	-2.92	
Lone Rock Elem	507,457	166	527,755	527,755	527,755	33.76	59.65	59.65	55.58	20,298	0.84	25.89	20,298	0.79	21.82	
Stevensville Elem	2,338,408	824	2,431,944	2,431,944	2,431,944	26.60	39.93	39.93	44.47	93,536	0.73	13.33	93,536	0.72	17.87	
Stevensville H S	1,435,482	410	1,518,609	1,492,901	1,492,901	10.45	15.31	15.31	19.07	83,127	0.67	4.86	57,419	0.70	8.62	
Victor Elem	610,039	205	634,441	634,441	634,441	35.78	44.10	44.10	50.44	24,402	0.75	8.32	24,402	0.72	14.66	
Victor Schools	476,836	86	495,909	495,909	495,909	12.89	26.60	26.60	20.04	19,073	0.78	13.71	19,073	0.74	7.15	
Richland																
Branson Elem	75,420	8	75,420	75,420	75,420	0.00	16.65	16.65	17.31	0	1.64	16.65	0	1.68	17.31	
Fairview Elem	914,987	184	914,987	914,987	914,987	12.00	54.01	54.01	50.60	0	1.17	42.01	0	1.09	38.60	
Fairview H S	1,100,582	155	1,100,582	1,100,582	1,100,582	0.00	35.75	35.75	37.60	0	1.13	35.75	0	1.13	37.60	
Lambert Elem	540,205	82	540,205	540,205	540,205	51.87	100.34	100.34	93.78	0	1.41	48.47	0	1.26	41.91	
Lambert H S	480,152	43	480,152	480,152	480,152	49.49	89.76	89.76	81.67	0	1.17	40.27	0	1.11	32.18	
Rau Elem	230,576	57	230,576	239,799	239,799	3.58	62.21	62.21	56.56	0	1.06	58.63	9,223	0.97	52.98	

IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
(\$40 MILLION REDUCTION)

DATE: 04/12/93  
TIME: 07:54:09

	CURRENT SCHEDULES										CURRENT SCHEDULES-FY94				
	CURRENT SCHEDULES					REGRESSION MODEL					CURRENT SCHEDULES		NB 667-FY94		
	ACTUAL 93 BUDGET	FY 94 AMB	HB 667 RESTATED 94 GF BUDGET	RESTATED 94 GF BUDGET	RESTATED 94 GF BUDGET	93 ACTUAL	94 RESTATED	BUDGET PERCENT CHANGE	MILL CHANGE	BUDGET PERCENT CHANGE	MILL CHANGE				
Savage Elem	436,948	137	454,426	454,426	454,426	10.61	36.77	35.38	35.38	35.38	17,478	26.16	0.76	24.77	
Savage H S	384,566	34	384,567	384,566	41.17	60.60	62.37	62.37	62.37	62.37	0	19.43	1.05	21.20	
Sidney Elem	3,923,730	1,071	4,080,679	4,080,679	30.80	69.66	70.01	70.01	70.01	70.01	156,949	38.86	0.95	39.21	
Sidney H S	2,343,614	516	2,437,359	2,437,359	18.75	26.83	38.61	38.61	38.61	38.61	93,745	8.08	0.89	19.86	
Roosevelt															
Bainville Elem	533,804	81	533,804	533,804	0.00	18.81	13.07	13.07	13.07	13.07	0	18.81	1.38	13.07	
Bainville Schools	487,215	33	487,215	487,215	0.00	18.40	21.21	21.21	21.21	21.21	0	18.40	1.34	21.21	
Brockton Elem	656,301	84	656,301	656,301	53.26	52.93	45.81	45.81	45.81	45.81	0	-0.33	1.62	-7.45	
Brockton H S	626,594	50	626,594	626,594	39.53	24.47	24.87	24.87	24.87	24.87	0	-15.06	1.39	-14.66	
Culbertson Elem	909,404	228	918,161	945,780	30.90	61.22	65.46	65.46	65.46	65.46	8,757	30.32	1.00	34.56	
Culbertson H S	591,044	102	614,707	614,707	25.84	28.68	34.02	34.02	34.02	34.02	23,643	2.84	0.87	8.18	
Froid Elem	420,788	89	420,788	437,620	47.61	75.76	81.26	81.26	81.26	81.26	0	28.15	1.02	33.65	
Froid H S	373,855	39	388,809	388,809	23.76	53.57	45.63	45.63	45.63	45.63	14,954	29.81	0.98	21.87	
Frontier Elem	581,316	140	604,569	604,569	0.00	53.94	47.32	47.32	47.32	47.32	23,253	53.94	1.00	47.32	
Poplar Elem	3,952,000	683	3,952,000	3,952,000	0.00	146.13	144.99	144.99	144.99	144.99	0	146.13	1.45	144.99	
Poplar H S	2,400,000	196	2,400,000	2,400,000	25.96	98.29	101.02	101.02	101.02	101.02	0	72.33	2.09	75.06	
Wolf Point Elem	2,741,798	735	2,851,470	2,851,470	10.86	35.15	36.92	36.92	36.92	36.92	109,672	24.29	0.97	26.23	
Wolf Point H S	1,571,998	320	1,634,879	1,611,554	0.00	32.12	48.80	48.80	48.80	48.80	62,881	32.12	0.91	48.80	
Rosebud															
Ashland Elem	475,500	121	494,520	494,520	33.91	43.63	53.98	53.98	53.98	53.98	19,020	9.72	0.91	20.07	
Birney Elem	66,000	17	68,640	66,000	18.93	49.55	69.82	69.82	69.82	69.82	2,640	30.62	0.89	50.89	
Colstrip Elem	4,796,868	882	4,796,868	4,796,868	3.09	8.76	8.74	8.74	8.74	8.74	0	5.67	1.34	5.65	
Colstrip H S	3,164,049	505	3,164,049	3,164,049	2.50	4.76	5.21	5.21	5.21	5.21	0	2.26	1.19	2.71	
Forsyth Elem	1,620,434	448	1,685,251	1,685,251	40.47	56.87	65.75	65.75	65.75	65.75	64,817	16.40	0.89	25.28	
Forsyth H S	984,610	237	1,023,994	1,023,994	0.00	13.41	15.80	15.80	15.80	15.80	39,384	13.41	0.74	15.80	
Lame Deer Elem	2,132,557	350	2,132,558	2,132,557	45.44	35.26	35.76	35.76	35.76	35.76	0	-10.18	1.55	-9.68	
Rock Spring Elem	32,055	4	32,055	33,337	0.00	18.91	13.67	13.67	13.67	13.67	0	18.91	1.00	13.67	
Rosebud Elem	364,442	83	379,020	379,020	43.75	76.56	69.46	69.46	69.46	69.46	14,578	32.81	0.96	25.71	
Rosebud H S	300,886	31	312,922	312,921	24.91	34.78	40.09	40.09	40.09	40.09	12,036	9.87	0.89	15.18	
Sanders															
Camas Prairie Elem	48,852	11	50,806	48,852	0.00	14.64	9.17	9.17	9.17	9.17	1,954	14.64	0.90	9.17	
Dixon Elem	347,000	53	347,000	347,000	72.70	0.00	0.00	0.00	0.00	0.00	0	-72.70	1.65	-72.70	
Hot Springs Elem	527,730	139	548,839	548,839	48.75	92.29	76.75	76.75	76.75	76.75	21,109	43.54	0.92	28.00	
Hot Springs H S	461,138	70	479,584	479,584	20.18	40.61	28.00	28.00	28.00	28.00	18,446	20.43	0.87	7.82	
Noxon Elem	680,936	199	708,174	708,173	33.27	47.76	47.10	47.10	47.10	47.10	27,238	14.49	0.84	13.83	
Noxon H S	521,217	101	542,066	542,066	11.20	20.34	21.25	21.25	21.25	21.25	20,849	9.14	0.78	10.05	
Paradise Elem	157,444	68	166,843	170,957	52.43	37.32	43.35	43.35	43.35	43.35	9,399	-15.11	0.65	-9.06	
Plains Elem	1,002,224	331	1,042,313	1,042,313	35.82	38.97	45.12	45.12	45.12	45.12	40,089	3.15	0.75	9.30	
Plains H S	810,522	189	842,943	842,943	30.04	22.92	26.57	26.57	26.57	26.57	32,421	-7.12	0.74	-3.47	



DATE: 04/12/93  
 TIME: 07:54:32

IMPACT OF HB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES  
 ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES  
 (\$40 MILLION REDUCTION)

	ACTUAL 93 BUDGET	FY 94 ANB	HB 667 RESTATED 94 GF BUDGET		CURRENT SCHEDULES		REGRESSION MODEL		CURRENT SCHEDULES		HB 667-FY94		CURRENT SCHEDULES-FY94	
			960,051	205	998,453	998,453	998,453	37.06	35.68	40.40	94 RESTATED 94 MILLS	94 RESTATED 94 MILLS	BUDGET CHANGE	PERCENT OF MAX
Sweet Grass County H S														
Teton														
Bryum Elem	94,341	61	112,455	116,319	13.21	1.68	0.00	18,114	0.49	-11.53	21,978	0.45	-13.21	
Choteau Elem	1,043,104	333	1,084,829	1,084,828	49.39	50.41	58.15	41,725	0.78	1.02	41,724	0.78	8.76	
Choteau H S	984,882	154	984,883	984,882	51.07	55.95	56.70	1	1.02	4.88	0	1.04	5.63	
Dutton Elem	451,317	108	469,370	469,370	28.55	55.63	53.08	18,053	0.98	27.08	18,053	0.91	24.53	
Dutton H S	440,690	46	440,690	458,318	37.69	50.84	49.31	0	1.03	13.15	17,628	0.99	11.62	
Fairfield Elem	773,865	201	804,820	804,820	35.13	69.74	61.63	30,955	0.89	34.61	30,955	0.83	28.50	
Fairfield H S	691,307	140	718,959	718,959	22.15	26.20	25.78	27,652	0.79	4.05	27,652	0.79	3.63	
Golden Ridge Elem	83,950	24	87,309	87,308	19.50	55.01	50.19	3,359	0.84	35.51	3,358	0.80	30.69	
Greenfield Elem	263,465	65	274,004	274,004	20.92	76.91	49.65	10,539	0.88	55.99	10,539	0.81	28.73	
Pendroy Elem	47,904	9	49,493	47,904	6.69	14.45	14.90	1,589	1.00	7.76	0	1.09	8.21	
Power Elem	419,989	111	436,789	436,789	59.30	75.35	65.12	16,800	0.86	16.05	16,800	0.81	5.82	
Power H S	346,400	61	360,256	364,536	41.20	25.65	22.71	13,856	0.72	-15.55	18,136	0.67	-18.49	
Toole														
Galata Elem	114,400	17	114,400	114,400	0.00	5.80	7.60	0	1.48	5.80	0	1.93	7.60	
Shelby Elem	1,894,539	525	1,970,321	1,970,321	54.07	72.74	75.67	75,782	0.93	18.67	75,782	0.91	21.60	
Shelby H S	1,283,059	222	1,301,339	1,283,059	26.03	36.53	38.77	18,280	1.00	10.50	0	1.03	12.74	
Sunburst Elem	849,091	226	883,055	883,055	7.02	33.02	31.95	33,964	0.91	26.00	33,964	0.88	24.93	
Sunburst H S	800,021	98	800,021	800,021	26.25	49.17	49.97	0	1.16	22.92	0	1.18	23.72	
Treasure														
Hysham Elem	478,727	136	497,876	497,876	24.44	45.63	42.92	19,149	0.85	21.19	19,149	0.80	18.48	
Hysham H S	474,503	57	489,019	493,483	32.82	48.47	43.07	14,516	1.00	15.65	18,980	0.91	10.25	
Valley														
Fort Peck Elem	255,250	22	255,250	255,250	125.22	380.86	350.58	0	2.69	255.64	0	2.32	225.36	
Frazer Elem	832,240	107	832,240	832,240	43.60	53.89	57.20	0	1.76	10.29	0	1.59	13.60	
Frazer H S	651,679	34	651,679	651,679	15.69	32.53	31.47	0	1.78	16.84	0	1.81	15.78	
Glasgow Elem	2,951,458	734	2,951,458	2,952,106	92.22	90.01	96.85	0	1.00	-2.21	648	1.00	4.63	
Glasgow H S	1,752,000	285	1,752,000	1,752,000	62.79	63.33	71.11	0	1.09	0.54	0	1.17	8.32	
Hinedale Elem	387,392	67	387,392	387,392	14.60	42.35	39.97	0	1.20	27.75	0	1.09	25.37	
Hinedale H S	434,979	26	434,979	434,979	12.79	39.73	43.37	0	1.32	26.94	0	1.51	30.58	
Lustre Elem	280,597	52	280,597	280,597	8.67	28.05	24.42	0	1.34	19.38	0	1.17	15.75	
Mashua Elem	523,963	135	544,922	544,922	65.32	70.35	61.90	20,959	0.88	5.03	20,959	0.82	-3.42	
Mashua H S	495,969	73	515,808	515,808	42.53	44.86	29.68	19,839	0.89	2.33	19,839	0.81	-12.85	
Opheim Elem	537,258	69	537,258	537,258	38.15	73.77	70.74	0	1.58	35.62	0	1.39	32.59	
Opheim Schools	515,861	44	515,861	515,861	32.51	60.49	54.93	0	1.24	27.98	0	1.18	22.42	
Wheatland														
Harlowton Elem	691,304	211	718,957	718,956	34.08	42.87	45.78	27,653	0.76	8.79	27,652	0.73	11.70	
Harlowton H S	648,455	116	674,394	674,393	26.79	35.15	37.66	25,939	0.87	8.36	25,938	0.89	10.87	

*School Finance*  
*EX 1*  
*4-12-93*  
*HB-607*

IMPACT OF MB667 USING REGRESSION ANALYSIS VERSUS FOUNDATION SCHEDULES ESTIMATES FY 94 GENERAL FUND BUDGETS AND MILL LEVIES (\$40 MILLION REDUCTION)

DATE: 04/12/93  
 TIME: 07:54:43

	CURRENT SCHEDULES		REGRESSION MODEL		CURRENT SCHEDULES		CURRENT SCHEDULES		CURRENT SCHEDULES			
	ACTUAL 93 BUDGET	FY 94 ANB	MB 667 RESTATED 94 GF BUDGET	MB 667 RESTATED 94 W/874, SPED	ACTUAL 93 MILLS	94 RESTATED 94 MILLS	MB 667 RESTATED 94 GF BUDGET	MB 667 RESTATED 94 W/874, SPED	MB 667-FY94 BUDGET CHANGE	MB 667-FY94 PERCENT OF MAX CHANGE	CURRENT SCHEDULES-FY94 BUDGET CHANGE	CURRENT SCHEDULES-FY94 PERCENT OF MAX CHANGE
Wibeaux												
Wibeaux Elem	895,448	156	895,448	895,448	9.81	53.48	895,448	895,448	0	1.30	0	1.19
Wibeaux H S	659,663	82	659,663	659,663	0.00	33.82	659,663	659,663	0	1.10	0	1.05
Yellowstone												
Billings Elem	33,812,312	10,646	35,164,804	35,164,804	45.02	63.52	35,164,804	35,164,804	1,352,492	0.87	1,352,492	0.75
Billings H S	17,698,840	4,925	18,406,794	18,406,794	17.80	26.16	18,406,794	18,406,794	707,954	0.77	707,954	0.73
Blue Creek Elem	290,432	111	302,050	302,755	7.01	36.00	302,755	303,755	11,618	0.75	13,323	0.68
Broadview Elem	513,000	63	513,000	513,000	11.46	27.57	513,000	513,000	0	1.47	0	1.28
Broadview H S	508,000	37	508,000	508,000	8.90	24.64	508,000	508,000	0	1.29	0	1.28
Canyon Creek Elem	675,381	216	702,396	702,396	45.38	53.12	702,396	702,396	27,015	0.77	27,015	0.73
Custer Elem	408,840	59	408,840	408,840	25.00	73.69	408,840	408,840	0	1.37	0	1.25
Custer H S	421,800	27	421,800	421,800	28.42	73.29	421,800	421,800	0	1.27	0	1.40
Elder Grove Elem	597,375	212	621,270	621,270	38.19	44.00	621,270	621,270	23,895	0.72	23,895	0.70
Elysian Elem	294,683	132	314,086	319,492	7.83	14.10	314,086	319,492	19,403	0.65	24,809	0.61
Huntley Project Elem	1,508,287	490	1,568,618	1,568,618	33.58	50.68	1,568,618	1,568,618	60,331	0.79	60,331	0.79
Huntley Project H S	901,502	211	937,563	937,562	27.63	24.93	937,562	937,562	36,061	0.76	36,060	0.79
Independent Elem	453,717	167	471,866	471,866	21.56	51.82	471,866	471,866	18,149	0.79	18,149	0.71
Laurel Elem	4,144,375	1,213	4,310,150	4,310,150	48.83	73.90	4,310,150	4,310,150	165,775	0.89	165,775	0.85
Laurel H S	2,009,140	613	2,117,674	2,089,506	10.22	17.38	2,117,674	2,089,506	108,534	0.67	80,366	0.71
Lockwood Elem	3,545,309	1,199	3,687,121	3,687,121	34.66	48.51	3,687,121	3,687,121	141,812	0.78	141,812	0.74
Mor-In Elem	151,335	34	151,335	151,335	1.77	13.44	151,335	151,335	0	1.11	0	1.30
Pioneer Elem	218,000	65	226,720	226,720	20.43	82.42	226,720	226,720	8,720	0.93	8,720	0.82
Shepherd Elem	1,334,655	542	1,425,262	1,415,425	24.83	34.95	1,415,425	1,415,425	90,607	0.65	80,770	0.65
Shepherd H S	1,058,765	253	1,101,116	1,101,116	45.15	27.32	1,101,116	1,101,116	42,351	0.75	42,351	0.79
	612,260,935		631,641,675	632,787,838					19,380,740		20,526,903	

**ASSUMPTIONS USED TO DETERMINE IMPACT  
OF HB667 USING EXISTING SCHEDULES**

1. Foundation schedules are unchanged from current law.
2. Maximum budget (100% level) is equal to 185% of the current foundation program plus special education allowable costs (as well as 85% of prorated special ed coop costs).
3. Minimum budget (80% level) is equal to 148% of the current foundation program plus special education allowable costs (as well as 48% of prorated special ed coop costs).
4. State provides 75% of the foundation schedule amount through direct payment.
5. State provides GTB up to the lower of: a) the FY94 general fund budget; or (b) 148% of the foundation program plus special education.
6. Guaranteed tax base eligibility and subsidy amounts are based on the "weighted" formula.
7. Districts budgeting below the 148% level in FY93 are required to budget at the 148% level by FY98 (5 years @ 20%).
8. Districts budgeting above the 148% level and below the 185% level grow 4% per year permissively.
9. Districts budgeting above the 185% level are frozen at FY93 budget amounts.
10. FY94 ANB is based on FY93 enrollment (October 1, 1992) with projected growth in FY95.
11. PL81-874 is used to fund the amount of the budget above the 148% level.
12. Fund balance reappropriated remains constant at FY93 levels after adjusting downward for statutory reserve spenddowns.
13. Nonlevy revenues remain constant at FY92 actual receipts.

SUPPLEMENT TO "ASSUMPTIONS USED TO DETERMINE  
IMPACT OF HB667 USING EXISTING SCHEDULES"

1. Assumptions 6 through 12 are the same under both models:
  - a. low spender growth takes place over 5 years.
  - b. annual growth for districts within minimum and maximum limits is at 4%.
  - c. high spending districts' budgets are frozen at the FY 93 level.
  - d. the enrollment numbers are projected for the next biennium.
  - e. P.L.81-874 is used in the unsubsidized portion of the budgets.
  - f. fund balance reappropriated is adjusted down for statutory reserve spend-downs.
  - g. nonlevy revenue remains constant at the FY 92 actual receipts.
  
2. Maximum budget under the HB 667 model is based on an entitlement calculation (base entitlements plus a total per student allocation which is based on enrollment within the district) plus allowable special ed costs. The minimum budget is 80% of the entitlement calculation plus the allowable special ed costs plus an additional 40% of the allowable special ed costs.
  
3. State provides direct payment for 40% of the entitlement calculation plus the special ed allowable costs. State provides GTB assistance (weighted GTB) up to the lower of the FY 94 budget or the next 40% of the entitlement calculation plus the additional 40% special ed allowable costs.
  
4. The attached spreadsheet illustrates disparities which are inherent in the current foundation schedules.

## FY 90, 91, 92 and 93 BUDGET DATA

GENERAL FUND BUDGET / FOUNDATION PROGRAM AND GTB AID  
AVERAGE RATIO PER CATEGORY

SENATE TAXATION

EXHIBIT NO. 4DATE 4-12-93BILL NO. HB 667SOURCE: THE OFFICE OF PUBLIC INSTRUCTION  
(UNAUDITED)

CATEGORY	FY 90 GENERAL FUND BUDGET/ FOUND. PGM AVE PER CAT.	FY 91 GENERAL FUND BUDGET/ FOUND. PGM AVE PER CAT.	FY 92 GENERAL FUND BUDGET/ FOUND. PGM AVE PER CAT.	FY 93 GENERAL FUND BUDGET/ FOUND. PGM AVE PER CAT.
-----				
ELEMENTARY				
1	1.75	1.31	1.38	1.48
2	2.13	1.62	1.56	2.11
3	2.07	1.56	1.39	1.98
4	1.74	1.48	1.78	1.78
5	1.86	1.47	1.56	1.55
6	2.18	1.59	1.74	1.77
7	1.85	1.33	1.39	1.46
8	1.87	1.26	1.30	1.36
HIGH SCHOOL				
9	2.67	1.79	1.65	1.82
10	2.64	1.85	1.86	2.05
11	2.19	1.49	1.63	1.64
12	2.21	1.51	1.60	1.57
13	2.03	1.40	1.47	1.59
14	2.17	1.48	1.50	1.64
15	1.99	1.33	1.41	1.45

NOTE: SOME SCHOOLS CHANGED CATEGORIES BETWEEN FY91, FY92 AND FY93.  
 FY91, 92, AND 93 GENERAL FUND BUDGETS EXCLUDE P.L.874 MONIES.  
 DISTRICTS WITH P.L.874 RECEIPTS GREATER THAN 10% OF ITS GENERAL  
 FUND BUDGET WERE EXCLUDED FROM OUR ANALYSIS.

NET EFFECT OF SUBCOMMITTEE ACTIONS

	FY94	FY95
<del>20% MIN</del>	<del>\$0.515</del>	<del>\$1.792</del>
WID GIB	(\$0.592)	(\$0.670)
800 STOP LOSS	\$1.075	\$1.222
ENROLLMENT	\$5.087	\$5.381
<del>VOTE BELOW 80%</del>	<del>\$1.649</del>	<del>\$0.912</del>
SPECIAL ED GIB	\$6.309	\$6.309
GIB % TO <sup>172</sup> <del>196</del>	(11.020) <del>\$0.399</del>	(13.351) <del>\$0.148</del>
NET EFFECT	.859 <del>\$11.189</del>	(1.109) <del>\$15.392</del>

SENATE TAXATION  
 EXHIBIT NO. 5  
 DATE 4-19-93  
 BILL NO. HB 667

Changes from Senate Subcommittee Version

- ① Return minimum growth to 20% in house version
- ② No voted to increase above mandatory growth below 80%.
- ③ Change GTB % to 172% of statewide average

Amendments to House Bill No. 667  
3rd Reading Copy

Requested by Subcommittee  
For the Committee on Education

Prepared by Andrea Merrill  
April 12, 1993

SENATE TAXATION  
EXHIBIT NO. 6  
DATE 4-12-93  
BILL NO. HB 667

1. Title, page 3, line 8.

Following: "GRANT;"

Insert: "INCREASING THE BASIC ENTITLEMENT AND PER-ANB ENTITLEMENT FOR DISTRICTS BY (4?) PERCENT EACH SCHOOL FISCAL YEAR, CONTINGENT ON PASSAGE AND VOTER APPROVAL OF LEGISLATION PROVIDING FOR A SALES TAX;"

2. Page 91, line 9.

Following: line 8

Insert: "NEW SECTION. Section 43. Coordination. (1) If [this act] and Senate Bill No. 235 are both passed and approved, Section 71 of Senate Bill No. 235, establishing the disposition of sales tax revenue, is amended to read:

"NEW SECTION. Section 71. Disposition of sales tax and use tax revenue -- appropriation required. (1) Sales tax and use tax revenue deposited in the sales tax and use tax account established in [section 70] must be distributed according to the provisions of subsection (2) and is allocated as follows:

(a) the amount determined under 15-1-111(6) to provide property tax replacement revenue for each taxing jurisdiction;

(b) to the state equalization aid account in 20-9-343, the amount necessary to provide an increase of (4?)% in each fiscal year for the basic entitlement, defined in [section 1] and an increase of (4?)% in each fiscal year for the total per-ANB entitlement, as defined in [section 1];

(c) for the fiscal year ending june 30, 1995, the amount determined under [section 184] to be deposited in the workers' compensation tax account established in 39-71-2504; and

(d) the amount of sales tax and use tax revenue remaining after the allocations in subsections (1)(a) through (1)(c) is allocated in the same manner as income tax revenue is allocated under 15-1-501(2).

(2) (a) Except as provided in subsection (1)(d), distribution of sales tax and use tax revenue must be made according to the provisions of the statute governing allocation of the tax in effect on the last day of the tax period in which the activity, enterprise, or product being taxed was engaged in, took place, was assembled, or was produced.

(b) All taxes collected pursuant to audit or collected after the date the tax is payable must be distributed according to the statute governing allocation of the tax in effect on the date the taxes are collected.

(3) This section provides for the disposition of sales tax and use tax revenue. Allocations may not be made from the sales tax and use tax account until appropriated."

(2) If [this act] and Senate Bill No. 235 are both passed and approved, [this act] is amended to read:

"NEW SECTION. Section 37. Annual entitlement increase. For the school fiscal year beginning July 1, 1994, and each succeeding school fiscal year, the superintendent of public instruction shall increase the basic entitlement for each district in [section 1(5)] by (4?) and the total per-ANB entitlement calculated for each district in [section1(9)] by (4?)%."

Amendments to House Bill No. 667  
3rd Reading Copy, as amended

Requested by Subcommittee  
For the Senate Select Committee on Education

Prepared by Andrea Merrill  
April 6, 1993

1. Title, page 1, line 10.  
Strike: "5"  
Insert: "-3"

2. Title, page 1, line 20.  
Following: "ELIGIBLE;"  
Insert: "REQUIRING VOTER APPROVAL TO EXCEED CERTAIN GENERAL FUND  
BUDGET GROWTH INCREMENTS UP TO THE BASE BUDGET AMOUNT FOR A  
DISTRICT IN THE 3 SCHOOL FISCAL YEARS FOLLOWING  
IMPLEMENTATION;"

3. Title, page 1, line 22 through page 2, line 3.  
Following: "REVENUE" on line 22  
Strike: remainder of line 22 through "TO" on page 2, line 3  
Insert: "; REQUIRING VOTER APPROVAL FOR DISTRICT GENERAL FUND  
BUDGET GROWTH THAT EXCEEDS"

4. Title, page 2, line 6.  
Following: "YEAR'S ANB;"  
Insert: "REVISING THE METHOD OF CALCULATING GUARANTEED TAX BASE  
AID TO ELIGIBLE DISTRICTS BY COMPARING A DISTRICT'S TAXABLE  
VALUATION DIVIDED BY 40 PERCENT OF THE MAXIMUM GENERAL FUND  
BUDGET AMOUNT TO THE STATEWIDE TAXABLE VALUATION DIVIDED BY  
40 PERCENT OF THE STATEWIDE MAXIMUM GENERAL FUND BUDGET  
AMOUNT;"

5. Title, page 2, line 8.  
Strike: "195"  
Insert: "196"

6. Title, page 2, lines 11 through 13.  
Following: "YEAR" on line 11  
Strike: remainder of line 11 through "IMPLEMENTATION." on line 13  
Insert: "FREEZE GENERAL FUND BUDGET GROWTH"

7. Title, page 2, line 18.  
Following: "FUND;"  
Insert: "EQUALIZING FUNDING FOR SCHOOL DISTRICT FACILITY NEEDS BY  
PROVIDING GUARANTEED TAX BASE AID FOR THE DEBT SERVICE FUND  
OF A SCHOOL DISTRICT IF THE DISTRICT MILL VALUE PER ANB IS  
LESS THAN THE CORRESPONDING STATEWIDE MILL VALUE PER ANB;  
ALLOWING A DISTRICT THAT QUALIFIES FOR GUARANTEED TAX BASE  
AID TO INCUR INDEBTEDNESS UP TO 45 PERCENT OF THE STATEWIDE  
TAXABLE VALUE PER PUPIL MULTIPLIED BY THE DISTRICT'S ANB;"

8. Title, page 2, lines 24 and 25.

Strike: "STATE EQUALIZATION"  
Insert: "BASE"

9. Title, page 2, line 25 through page 3, line 6.

Following: "AID;" on page 2, line 25

Strike: remainder of line 25 through "YEARS;" on page 3, line 6

Insert: "BASING THE DISTRICT ANB COUNT ON THE ENROLLMENT COUNT  
FROM OCTOBER OF THE PREVIOUS YEAR;"

10. Title, page 3, line 8.

Following: "GRANT;"

Insert: "REMOVING CERTAIN CAPITAL OUTLAY COSTS FROM THE GENERAL  
FUND BUDGET;"

Following: "SECTIONS"

Insert: "20-2-121,"

11. Title, page 3, line 9.

Following: "20-5-312,"

Insert: "20-6-401, 20-6-406,"

12. Title, page 3, line 10.

Following: "20-6-702,"

Insert: "20-7-117,"

Following: "20-9-143,"

Strike: "20-9-147,"

13. Title, page 3, line 11.

Following: "20-9-303,"

Insert: "20-9-304,"

14. Title, page 3, line 12.

Following: "20-9-344,"

Insert: "20-9-346,"

15. Title, page 3, line 13.

Strike: "AND"

Following: "20-9-368,"

Insert: "20-9-369, 20-9-406, 20-9-439, AND 20-9-507,"

16. Title, page 3, line 14.

Following: "20-9-145,"

Insert: "20-9-147,"

17. Page 5.

Following: line 21

Insert: "(2) "BASE aid" means:

(a) direct state aid for any amount up to 40% of the basic entitlement and up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district; and

(b) guaranteed tax base aid for an eligible district for any amount up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district, and up to 40% of the special education allowable cost payment."

Re-number: subsequent subsections

18. Page 6, line 8.

Following: "districts"

Insert: "and special education allowable cost payments as provided in 20-9-321"

19. Page 6, line 11.

Following: "district"

Insert: "or K-12 district elementary program"

20. Page 6, line 15.

Following: "district"

Insert: "or K-12 district elementary program"

21. Page 6, lines 24 and 25.

Following: "district" on line 24

Strike: "and"

Insert: ", "

Following: "district" on line 25

Insert: ", and special education allowable cost payments plus up to 53% of special education allowable cost payments"

22. Page 7, lines 5 through 13.

Strike: subsection (8) in its entirety

Renumber: subsequent subsections

23. Page 7, line 16.

Following: "district,"

Insert: "a maximum rate of"

24. Page 7, line 17.

Following: "ANB"

Insert: "is"

Following: "decreased"

Strike: "by"

Insert: "at the rate of"

Following: "cents"

Insert: "per ANB"

25. Page 7, line 18.

Strike: "to"

Insert: "through"

26. Page 7, lines 18 and 19.

Page 8, lines 12 and 13.

Strike: "1,000"

Insert: "800"

27. Page 7, line 20.

Page 8, line 14.

Strike: "1,000TH"

Insert: "800th"

28. Page 7, line 21.

Following: "district"

Insert: "or a K-12 district elementary program"

29. Page 7, line 23.  
Following: line 22  
Insert: "a maximum rate"  
Following: "ANB"  
Insert: "is"  
Following: "decreased"  
Strike: "by"  
Insert: "at the rate of"  
Following: "cents"  
Insert: "per ANB"

30. Page 7, line 24.  
Strike: "to"  
Insert: "through"

31. Page 8, line 2.  
Following: "district"  
Insert: "or a K-12 district elementary program"

32. Page 8, line 5  
Following: "(i)"  
Insert: "a maximum rate of"

33. Page 8, line 6.  
Following: "6"  
Insert: "is"  
Following: "decreased"  
Strike: "by"  
Insert: "at the rate of"  
Following: "cents"  
Insert: "per ANB"  
Strike: "to"  
Insert: "through"

34. Page 8, line 10.  
Following: "(ii)"  
Insert: "a maximum rate of"

35. Page 8, line 11.  
Following: line 10  
Insert: "is"  
Following: "decreased"  
Strike: "by"  
Insert: "at the rate of"  
Following: "cents"  
Insert: "per ANB"

36. Page 8, line 12.  
Following: "up"  
Strike: "to"  
Insert: "through"

37. Page 8, line 23.  
Following: "through"  
Strike: "state equalization"

Insert: "BASE"

38. Page 9, line 7.

Following: "title."

Insert: "Costs that may not be budgeted or paid from the general fund include but are not limited to bond principal and interest payments, the purchase of new and replacement buses, new construction, building addition expenses, land acquisitions, infrastructure expenses, and major building renovations.

(4) The provisions of subsection (3) do not prohibit a district from paying for the costs of routine or emergency repairs out of the general fund."

Renumber: subsequent subsection

39. Page 9, line 15.

Following: line 14

Insert: "(c) appropriations for special education;"

Renumber: subsequent subsections

40. Page 10, line 5.

Following: "(2)"

Insert: "(a)"

41. Page 10, line 9 through page 14, line 5.

Following: "district" on line 9

Strike: remainder of line 9 through page 14, line 5

Insert: "shall increase within 3 school fiscal years the general fund budget for the district by the greatest of:

(i) 104% of the previous year's general fund budget;

(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes; or

(iii) for the appropriate school fiscal year:

(A) 33.3% of the range between the district general fund budget for the school fiscal year ending June 30, 1993, and the BASE budget for the district for the school fiscal year beginning July 1, 1993;

(B) 50% of the range between the district general fund budget for the school fiscal year ending June 30, 1994, and the BASE budget for the district for the school fiscal year beginning July 1, 1994; or

(C) the remainder of the range between the district general fund budget for the school fiscal year ending June 30, 1995, and the BASE budget for the district for the school fiscal year beginning July 1, 1995.

(b) Except for the school fiscal year beginning July 1, 1993, whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) but does not exceed the BASE budget for the district, the trustees shall submit a proposition on the amount that exceeds the limitation to the electors of the district, as provided in 20-9-353.

(3) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but

does not exceed the maximum general fund budget for the district, the trustees shall:

(a) adopt a resolution stating the reasons and purposes for exceeding the BASE budget amount if the general fund budget adopted under this subsection (3) does not exceed the greater of:

(i) 104% of the previous year's general fund budget; or  
(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes; or

(b) except for the school fiscal year beginning July 1, 1993, submit a proposition on any amount of the over-BASE budget levy that exceeds one of the limitations in subsection (3)(a) to the electors of the district, as provided in 20-9-353.

(4)(a) If the maximum general fund budget for a district for an ensuing school fiscal year is less than the general fund budget for the district for the current school fiscal year, the trustees of the district may not adopt a general fund budget for the ensuing school fiscal year that is greater than:

(i) the district's general fund budget for the current school fiscal year; or

(ii) the maximum general fund budget for the district for the ensuing school fiscal year.

(b) Except for the school fiscal year beginning July 1, 1993, the trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

(5) Whenever the trustees of a district adopt a general fund budget that does not exceed the BASE budget for the district, the trustees shall finance this amount with the following sources of revenue:

(a) state equalization aid as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

(6) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district as provided in 20-9-141."

42. Page 16, line 2.

Following: "distribute"

Strike: "state equalization"

Insert: "BASE"

43. Page 29, line 18.

Following: "of"

Strike: "20-9-353"  
Insert: "20-9-502"

44. Page 29, line 20.  
Following: "building;"  
Insert: "or"

45. Page 29, line 21 through page 30, line 2.  
Strike: subsection (c) in its entirety  
Renumber: subsequent subsection

46. Page 31, lines 16 through 18.  
Following: "using" on line 16  
Strike: remainder of line 16 through "ANB" on line 18  
Insert: "each district's guaranteed tax base ratio, as defined in  
20-9-366"

47. Page 31, lines 19 and 20.  
Following: "levy" on line 19  
Strike: remainder of line 19 through the second "levy" on line 20

48. Page 33, line 9.  
Following: "be"  
Insert: ": (a)"

49. Page 33, line 12.  
Following: "ON"  
Strike: "JULY 1"  
Insert: "June 30"

50. Page 33, line 14.  
Following: the first "THE"  
Strike: "JULY 1, 1994"  
Insert: "June 30, 1993"

51. Page 33, line 15.  
Strike: "35"  
Insert: "46"  
Following: "l"  
Insert: "; or"  
(b) transferred at the end of the school fiscal year ending  
June 30, 1993, to the building reserve, transportation, or bus  
depreciation funds"

52. Page 33, line 25.  
Strike: subsection (a) in its entirety  
Renumber: subsequent subsections

53. Page 37, line 7 through page 41, line 15.  
Strike: section 12 in its entirety  
Renumber: subsequent sections

54. Page 44, line 4.  
Strike: "SUBSECTION (1)(B)(II)"  
Insert: "subsections (1)(b)(i) and (1)(b)(iii)"

55. Page 44, line 8.  
Following: "~~act,~~"  
Insert: "Public Law 81-874 funds transferred to the general fund  
from the impact aid fund as provided in [section 46];  
(ii)"  
Renumber: subsequent subsections
56. Page 45, line 20.  
Following: "budget"  
Strike: "levy"  
Insert: "amount"
57. Page 45, line 21.  
Following: "and"  
Strike: "an"  
Insert: "any"
58. Page 45, line 22.  
Following: "levy"  
Insert: "financing"
59. Page 46, line 6.  
Following: "levied"  
Insert: "and for Public Law 81-874 funds transferred to the  
general fund in lieu of levying mills"
60. Page 46, line 24.  
Strike: "35"  
Insert: "46"
61. Page 46, line 25 through page 48, line 8.  
Strike: section 16 in its entirety  
Renumber: subsequent sections
62. Page 50, lines 10 and 11.  
Following: the first "expenditures" on line 10  
Strike: remainder of line 10 through "year" on line 11
63. Page 50, line 17.  
Following: "amendment."  
Insert: "If the petition is for a budget amendment for an  
enrollment increase as provided in 20-9-161(1), the  
superintendent of public instruction shall adjust the  
district's maximum general fund budget based on the approved  
enrollment increase."
64. Page 50, lines 19 through 21.  
Following: "petition" on line 19  
Strike: remainder of line 19 through "year" on line 21  
Insert: "for the reason provided in 20-9-161(1) if the amount  
will cause the district to exceed the district's adjusted  
maximum general fund budget"
65. Page 53, line 25 through page 54, line 1.  
Following: "program" on line 25

Strike: remainder of line 25 through "20-9-347" on page 54, line 1

Insert: "basic entitlement and total per-ANB entitlement, as defined in [section 1]"

66. Page 54, line 2.

Following: "~~one-half~~"

Strike: "BASE budget amount"

Insert: "one-half"

67. Page 54, line 9.

Strike: "accounting budget"

Insert: "program"

68. Page 54, lines 16 through 20.

Following: "31." on line 16

Strike: remainder of line 16 through "title." on line 20

Following: "The"

Strike: "unexpended balance"

Insert: "amount"

69. Page 54, lines 21 and 22.

Following: line 20

Strike: line 21 through the second "to"

Insert: "allowable cost payments that is not matched with district funds, as required in 20-9-321, will"

Strike: the first "the" on line 22 through "finance"

Insert: "by a like amount"

70. Page 56, lines 12 through 19.

Strike: lines 12 through 19

Insert: "as follows:

(a) count the regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year; and

(b) multiply the enrollment calculated in subsection (1)(a) by the sum of the pupil-instruction and the approved pupil-instruction-related days for the current school year and divide by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) When"

71. Page 56, line 21.

Following: "total"

Insert: "ANB"

72. Page 56, lines 22 through 25.

Following: "20-9-805." on line 22

Strike: remainder of lines 22 through 25

Insert: "(4)"

73. Page 57, line 3.

Following: "."

Insert: "(5)"

74. Page 57, lines 4 and 5

Following: "at" on line 4

Strike: remainder of line 4 through "from" on line 5

75. Page 57, lines 7 and 8.

Following: "one-half" on line 7

Strike: remainder of line 7 through "be" on line 8

Insert: "a pupil for ANB purposes"

76. Page 57, line 11.

Following: "ANB"

Insert: "for a kindergarten student"

77. Page 57, line 12.

Following: "pupil."

Insert: "(6)"

78. Page 57, lines 14 and 15.

Following: "the" on line 14

Strike: remainder of line 14 through "absence" on line 15

Insert: "pupil"

79. Page 57, lines 15 through 17.

Following: "in the" on line 15

Strike: remainder of line 15 through the first "the" on line 17

Insert: "count"

80. Page 57, lines 18 and 19.

Following: "ANB" on line 18

Strike: remainder of line 18 through "school" on line 19

Insert: "unless the pupil resumes attendance prior to the day of  
the enrollment count.

(7) The enrollment of prekindergarten pupils, as provided  
for in 20-7-117, may not be included in the ANB calculations

81. Page 58, line 3.

Following: line 2

Insert: "(8) If a student spends less than half the time in the  
regular program and the balance of the time in school in the  
special education program, the student is considered a full-  
time special pupil but is not considered regularly enrolled  
for ANB purposes. If a student spends half or more of the  
time in school in the regular program and the balance of the  
time in the special education program, the student is  
considered regularly enrolled for ANB purposes."

Renumber: subsequent subsections

82. Page 59, line 16.

Following: line 15

Insert: "(11) For average daily attendance reporting purposes,  
districts shall provide the superintendent of public  
instruction with annual reports of school attendance for  
regularly enrolled students and special education students,

using a format determined by the superintendent of public instruction."

83. Page 62, line 8.

Following: line 7

Insert: "(7)(a) Immediately upon completion of the October enrollment count provided for in 20-9-311, the district clerk of a school district that anticipated an enrollment increase and, accordingly, increased the district ANB under the provisions of this section shall recalculate the district BASE budget and the maximum general fund budget in accordance with [section 3], using the October enrollment count. If the actual enrollment is less than the anticipated enrollment, the district clerk shall recalculate the district levy requirement and notify the county superintendent, county assessor, and county treasurer of the reduced levy requirement.

(b) At the next regularly scheduled meeting of the board of trustees of the district, the trustees shall adopt a revised budget and notify the superintendent of public instruction and the county superintendent of schools of the revised budget and levy requirements."

84. Page 63, lines 12 through 19.

Strike: subsection (3) in its entirety

Renumber: subsequent subsections

85. Page 64, line 18.

Strike: "(4)"

Insert: "(3)"

86. Page 65, line 19.

Strike: "(4)"

Insert: "(3)"

87. Page 65.

Following: line 24

Insert: "Section 23. Section 20-9-321, MCA, is amend to read:

"20-9-321. ~~Foundation program and contingency funds~~ Allowable cost payment for special education. (1) For the purpose of establishing the foundation program amount allowable cost payment for a current year special education program for a school district, the superintendent of public instruction shall determine the total estimated cost of the special education program for the school district on the basis of a special education program budget submitted by the district. The budget must be prepared on forms provided by the superintendent of public instruction and must set out for each program special education payment for special education services to a school district, cooperative, or joint board formed under 20-3-361 prior to July 1, 1992, using the following factors:

(a) the estimated allowable costs associated with operating the program where allowable costs are as defined in 20-7-431 district ANB student count as established pursuant to 20-9-311 and 20-9-313; and

~~(b) the number of pupils expected to be enrolled in the program a per-ANB amount for the special education instructional block grant;~~

~~(c) a per-ANB amount for the special education related services block grant;~~

~~(d) weighted cost factors for cooperatives or joint boards meeting the requirements of 20-7-457, to compensate for the additional costs of operations and maintenance, travel, supportive services, recruitment, and administration;~~

~~(e) district and cooperative expenditure reports; and~~

~~(f) any other data required by the superintendent of public instruction for budget justification purposes and to administer the provisions of 20-9-315 through 20-9-321 this section.~~

~~(2) The total amount of allowable costs approved by the superintendent of public instruction is the special education foundation program amount allowable cost payment for current year special education program purposes. The total amount of allowable costs that are approved for the special education budget may not, under any condition, be less than the foundation program amount for one regular ANB for each full time special pupil in the school district. Special education allowable cost payments must be granted to each school district and cooperative with a special education program as follows:~~

~~(a) An instructional block grant must be awarded to each school district, based on the district ANB and the per-ANB special education instructional amount.~~

~~(b) A special education related services block grant must be awarded to each school district that is not a cooperative member, based on the district ANB and the per-ANB special education related services amount. The special education related services block grant amount for districts that are members of approved cooperatives or a joint board must be awarded to the cooperatives or joint board. If a cooperative or joint board meets the requirements of 20-7-457, the special education related services block grant must be weighted for the factors in subsection (1)(d).~~

~~(3) The superintendent of public instruction shall annually determine the per-ANB special education instructional and special education related services block grant amounts based on the prior years' trustees' expenditure data for special education instruction and related services.~~

~~(4) The superintendent of public instruction shall adopt rules necessary to implement this section.~~

~~(5) A district shall provide a 25% local contribution for special education, matching every \$3 of state special education instructional and special education related services block grants with at least one local dollar. A district that is a cooperative member is required to provide the 25% match of the special education related services grant amount to the special education cooperative, but the district is not required to match the weighted funding factors.~~

~~(6) The superintendent of public instruction shall determine the actual district match based on the trustees' reports. Any unmatched portion reverts to the state and must be~~

subtracted from the district's ensuing year's foundation program payment.

(7) If a district's allowable costs of special education, as verified by the trustees' reports, exceed by at least 10% the total of the special education instructional and special education related services block grant plus the required district match, the district is eligible for a 65% reimbursement of the costs that exceed the additional 10%. A district that demonstrates severe economic hardship because of exceptional special education costs may apply to the superintendent of public instruction for an advance on the reimbursement for the year in which the actual costs will be incurred.

~~(3) (8) Any amount of the special education allowable costs for a district approved under the provisions of subsection (2) that is an increase in the approved allowable costs from the previous school fiscal year and is a result of expanded programs or recalculations of the special education allowable costs base may be deposited and managed in the separate account of the miscellaneous programs fund of the district that is prescribed in subsection (4) 20-9-507.~~

~~(4) If a special education program is implemented or expanded during a given school term too late to be included in the determination of the district foundation program budget for the school year as prescribed in this part, allowable costs approved under the budgeting provisions of subsections (1) and (2) for the operation of the program during the given year must be funded from any legislative appropriation for contingency financing for special education. Contingency funds granted under this subsection must be deposited in a separate account of the miscellaneous programs fund of the district as provided in 20-9-507. However, if contingency funds are not available, then subject to the approval of the program by the superintendent under the budget amendment provisions of 20-9-161(6), allowable costs for the given year may be funded in the miscellaneous programs fund by other revenue sources and added to the foundation program amount allowable cost payment for special education for the subsequent school year under the provisions of 20-9-147. The allowable costs must be recorded as previous year special education expenses in the school district budget for the subsequent school year.~~

~~(5) (a) The special education contingency funds in subsection (4):~~

~~(i) are biennially appropriated;~~

~~(ii) are for emergencies that may arise in the special education programs of school districts or special education cooperatives; and~~

~~(iii) may be used to fund positions that have gone unfilled for a full school fiscal year and for which state special education funds were not awarded.~~

~~(b) The board of trustees of a district or the management board of a special education cooperative may apply for contingency funding by submitting to the superintendent of public instruction, in the form prescribed by the superintendent of public instruction, written documentation that describes the need for the funds.~~

~~(6) The sum of the previous year special education expenses as defined in subsections (3) and (4) and the foundation program amount for current year special education as defined in subsections (1) and (2) is the special education budget for accounting purposes.~~

~~(7) The foundation program amount for special education must be added to the foundation program amount of the regular program ANB defined in 20 9 311 and 20 9 313 to obtain the total foundation program amount for the district."~~

{ Internal References to 20-9-321:

x20-7-431	a20-9-141	a20-9-147	a20-9-303
a20-9-321	a20-9-366	x20-9-507	

Renumber: subsequent sections

88. Page 68, lines 11 and 19.

Page 70, line 14.

Page 71, lines 1, 6, 12, 15, 16 and 17, and 23.

Page 72, lines 5 and 6, 10 and 11, 17 and 18, and 21.

Page 73, lines 13 and 14 and 16.

Page 75, lines 12, 15, and 23.

Page 76, lines 4, 11, 17, and 22.

Page 77, lines 5 and 6, 7 and 8, and 21.

Page 78, lines 10, 24, and 25.

Page 79, lines 4 and 5 and 11.

Strike: "state equalization" or "state equalization" or "STATE EQUALIZATION"

Insert: "BASE"

89. Page 68, lines 4 and 5.

Strike: "account" or "account"

90. Page 68, line 11.

Following: "program"

Insert: "guaranteed tax base aid,"

Following: "aid"

Insert: "and"

91. Page 68, line 13.

Following: "GRANT"

Strike: "┘"

92. Page 68, line 19.

Following: "foundation"

Insert: "guaranteed tax base aid,"

93. Page 68, line 20.

Following: "7"

Insert: ", "

94. Page 78, line 8.

Following: "for"

Strike: "state"

Insert: "BASE aid"

95. Page 78, lines 19 and 20.

Following: "the" on line 19  
Strike: "state" through "equalization" on line 20  
Insert: "BASE"  
Following: "money" on line 20  
Insert: ", state special education appropriation,"

96. Page 79, line 4.  
Following: "~~20-9-369~~"  
Insert: "guaranteed tax base aid required under 20-9-366 through  
20-9-369 and"

97. Page 79, line 15.  
Following: "Additional"  
Strike: "levy"  
Insert: "financing"

98. Page 80, line 5.  
Following: "SECTION 3"  
Strike: "(3) (B)"  
Insert: "(4) (b)"

99. Page 80, line 10.  
Following: "proposition"  
Strike: remainder of line 10  
Insert: "to finance"

100. Page 80, lines 19 and 20.  
Following: "be" on line 19  
Strike: remainder of line 19 through "taxation" on line 20  
Insert: "financed"  
Following: "raise" on line 20  
Insert: "all or a portion of"

101. Page 80, lines 24 and 25.  
Following: "Shall" on line 24  
Strike: remainder of line 24 through "necessary" on line 25  
Insert: "the district be authorized"

102. Page 81, lines 1 and 2.  
Following: "raised" on line 1  
Strike: remainder of line 1 through "levy" on line 2

103. Page 81, line 4.  
Strike: "tax levy"  
Insert: "financing"

104. Page 81, lines 5 and 6.  
Strike: "the"  
Insert: "budget authority and any "

105. Page 81, line 7.  
Following: "additional"  
Strike: "levy"  
Insert: "financing"

106. Page 81, line 12.

Following: "certify"

Strike: "the"

Insert: "any"

107. Page 81, line 24.

Strike: "CHOOSE TO OR"

108. Page 81, line 25.

Strike: "FOR"

Insert: "to finance a base budget amount, as provided in [section 3(2)(b)]-, or"

109. Page 82, line 1.

Strike: "LEVY"

Insert: "amount, as provided in [section 3(3)(b)],"

110. Page 82, lines 1 and 2.

Strike: "AS" on line 1 through "3]" on line 2

111. Page 82, line 16.

Following: "(2)"

Insert: "(a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an eligible district means the taxable valuation in the previous year of all property in the district divided by 40% of the district's current year maximum general fund budget.

(b)

Following: "ANB"

Insert: ", for debt service and retirement purposes,"

112. Page 83, line 5.

Following: "~~and~~"

Insert: "debt service and"

113. Page 83, lines 13 and 14.

Following: "Statewide" on line 13

Strike: remainder of line 13 through "ANB" on line 14

Insert: "guaranteed tax base ratio for elementary districts or statewide guaranteed tax base ratio for high school districts"

114. Page 83, line 18.

Strike: "195%"

Insert: "196%"

Following: "and"

Strike: remainder of line 18

115. Page 83, lines 19 and 20.

Following: "by" on line 19

Insert: "40% of"

Following: "state" on line 19

Strike: remainder of line 19 through line 20

116. Page 83, line 22.

Strike: "per-ANB entitlement"  
Insert: "maximum general fund budget"

117. Page 83, line 25.  
Strike: "taxable value per ANB"  
Insert: "guaranteed tax base ratio"

118. Page 84, lines 2 and 3.  
Following: "~~mill~~" on line 2  
Strike: remainder of line 2 through the second "ANB" on line 3  
Insert: "guaranteed tax base ratio for elementary districts or statewide guaranteed tax base ratio for high school districts"

119. Page 84, line 4.  
Following: "levied"  
Insert: ", including mills that would have been levied had the district not elected to transfer Public Law 81-874 funds to the general fund in lieu of levying the mills,"

120. Page 84, line 10.  
Strike: "or"  
Insert: ", the"

121. Page 84, line 11.  
Following: "ANB"  
Insert: ", or the district taxable value per ANB"

122. Page 85, line 10.  
Strike: "per ANB"

123. Page 85, lines 12 and 14.  
Following: "entitlement" on line 12  
Strike: "and"  
Insert: ", "  
Following: "budget" on line 14  
Insert: ", and up to 40% of the special education payment"

124. Page 85, lines 14 through 18.  
Following: "is" on line 14  
Strike: remainder of line 14 through "budget" on line 18  
Insert: "calculated in the following manner:  
(a) multiply 40% of the district's current year maximum general fund budget amount by the corresponding statewide guaranteed tax base ratio;  
(b) subtract the taxable valuation of the district from the product obtained in subsection (3)(a); and  
(c) divide the remainder by 1,000 to determine the equivalent to the dollar amount of guaranteed tax base aid for each mill levied"

125. Page 85, line 19.  
Following: line 18  
Insert: "(4) The amount of guaranteed tax base aid per ANB that a district may receive in support of its debt service fund budget is subject to the provisions of [section 41] and is

the difference between the district mill value per ANB and the corresponding statewide mill value per ANB, multiplied by the number of mills levied in support of the district's debt service fund budget and multiplied by the percentage of the total principal amount of its proposed bond amount that meets the requirements of [section 41(1)(b)]."

Renumber: subsequent subsection

126. Page 86, line 4.

Following: line 3

Insert: "Section 34. Section 20-6-401, MCA, is amended to read:

"20-6-401. Definitions. As used in this part, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Component districts" means the elementary or high school districts incorporated into the enlarged district.

(2) "Eligible pupils" means the average number belonging (ANB) in the operating schools of the component districts and the tuition pupils residing in the component districts and attending another district's school under the tuition provisions of the school laws, except that the pupils residing in the component district having the largest total number of pupils are ineligible for bonus payment consideration.

(3) "Enlarged district" means the elementary or high school district resulting from the consolidation or annexation of two or more component districts.

(4) "General bonus payment" for first- and second-class school districts must be \$450 per eligible pupil per year for a period of 3 years and ~~must be deposited in the enlarged district's general fund.~~ General bonus payment for third-class school districts must be \$750 per eligible pupil per year for a period of 3 years and ~~must be deposited in the enlarged district's general fund.~~ The general bonus payment must be made from the state school equalization aid account.

(5) "Transportation bonus payment" is the provision of 66 2/3% state financing of the on-schedule transportation amount as provided by the transportation provisions of the school laws. When an eligible pupil is entitled to transportation, the enlarged district is entitled to the transportation bonus payment for the eligible pupil for a period of 3 years. The payment must be made from the state transportation aid account. When the eligible pupil rides a bus providing transportation for ineligible pupils, the 66 2/3% state financing of the on-schedule amount for this payment must be prorated to provide financing for the eligible pupil."

{Internal References to 20-6-401:

X20-6-402                      X20-6-703                      A20-9-104 (3)                      R20-9-315}

Section 35. Section 20-6-406, MCA, is amended to read:

"20-6-406. Disbursal and deposit of bonus payments. On or before June 30 of the next 3 consecutive years following the year of application, the superintendent of public instruction shall disburse the bonus payments for approved applications to the enlarged school district, and such disbursement is statutorily appropriated as provided in 17-7-502. The general bonus payment shall be deposited by the county treasurer in the enlarged

district's general fund or building reserve fund, and the transportation bonus payment shall be deposited by the county treasurer in the transportation fund. These bonus payments shall not be considered as a part of the regular ~~state equalization~~ BASE aid or state transportation aid received by the enlarged district."

Section 36. Section 20-9-311, MCA, is amended to read:

"20-9-311. Calculation of average number belonging (ANB).

(1) Average number belonging (ANB) must be computed by ~~determining the total of the aggregate days of attendance by regularly enrolled, full time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year plus the aggregate days of absence by regularly enrolled, full time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year and by dividing the total by 180 as follows:~~

(a) compute an average enrollment by adding a count of regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on February 1 of the prior school fiscal year, or the nearest school day if those dates do not fall on a school day, and divide the sum by two; and

(b) multiply the average enrollment calculated in subsection (1)(a) by the sum of the pupil-instruction and the approved pupil-instruction-related days for the current school fiscal year and divided by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) However, ~~when~~ When a school district has approval to operate less than 180 school days under 20-9-804, the total ANB must be calculated in accordance with the provisions of 20-9-805. ~~For the purpose of calculating ANB under this section, the days of attendance for a regularly enrolled pupil may not exceed 180 pupil instruction days and 7 pupil instruction related days.~~

(4) Attendance for a part of a morning session or a part of an afternoon session by a pupil must be counted as attendance for one-half day.

(5) In calculating the ANB for pupils enrolled in a program established under 20-7-117(1), attendance at ~~or absence from~~ a regular session of the program for at least 2 hours of either a morning or an afternoon session ~~will~~ must be counted as one-half day ~~attended or absent as the case may be~~ pupil for ANB purposes. If a variance has been granted as provided in 20-1-302, ANB ~~will~~ must be computed in a manner prescribed by the superintendent of public instruction, but ~~in no case may~~ the ANB for a kindergarten student may not exceed one-half for each kindergarten pupil.

(6) When any pupil has been absent, with or without excuse, for more than 10 consecutive school days, including pupil-instruction-related days, ~~his absence after the 10th day of absence~~ the pupil may not be included in the aggregate days of absence and ~~his enrollment in the school may not be considered~~ count used in the calculation of the average number belonging until he resumes attendance at school ANB unless the pupil

resumes attendance prior to the day of the enrollment count.

(7) The enrollment of prekindergarten pupils, as provided in 20-7-117, may not be included in the ANB calculations.

~~(2) If a student spends less than half his time in the regular program and the balance of his time in school in the special education program, he is considered a full time special pupil but is not considered regularly enrolled for ANB purposes. If a student spends half or more of his time in school in the regular program and the balance of his time in the special education program, he is considered regularly enrolled for ANB purposes.~~

~~(3)~~ (8) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that when:

~~(a) (i) a school of the district is located more than 3 miles beyond the incorporated limits of a city or town located in the district and 3 miles from any other school of the district, all of the regularly enrolled, full time pupils of the school must be calculated separately for ANB purposes; or~~

~~(ii) a school of the district is located more than 3 miles from any other school of the district and no incorporated territory is involved in the district, all of the regularly enrolled, full time pupils of the school must be calculated separately for ANB purposes;~~

~~(b)~~ (a) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;

~~(e)~~ (b) a middle school has been approved and accredited, all pupils below the 7th grade must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered high school pupils for ANB purposes; or

~~(d)~~ (c) a school has not been accredited by the board of public education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the foundation program for the district.

(4) (9) When 11th or 12th grade students are regularly enrolled on a part-time basis, high schools may calculate the ANB to include an "equivalent ANB" for those students. The method for calculating an equivalent ANB must be determined in a manner prescribed by the superintendent of public instruction.

(10) For average daily attendance reporting purposes, districts shall provide the superintendent of public instruction with annual reports of school attendance for regularly enrolled students and special education students, using a format determined by the superintendent."

Section 37. Section 20-9-369, "MCA, is amended to read:  
"20-9-369. Duties of superintendent of public instruction and department of revenue. (1) The superintendent of public instruction shall administer the distribution of guaranteed tax base aid by:

(a) providing each school district and county superintendent, by March 1 of each year, with the preliminary statewide and county mill values per ANB guaranteed tax base ratios and, by May 1 of each year, with the final statewide, and district, and county mill values per ANB guaranteed tax base ratios, for use in calculating the guaranteed tax base aid available for the ensuing school fiscal year;

(b) providing each county superintendent, by March 1 of each year, with the preliminary statewide and county mill values per ANB and, by May 1 of each year, with the final statewide and county mill values per ANB, for use in calculating the guaranteed tax base aid available to counties for the ensuing school fiscal year;

~~(b)~~ (c) requiring each county and district that qualifies and applies for guaranteed tax base aid to report to the county superintendent all budget and accounting information required to administer the guaranteed tax base aid;

~~(e)~~ (d) keeping a record of the complete data concerning appropriations available for guaranteed tax base aid and the entitlements for ~~such~~ the aid of the counties and districts that qualify;

~~(d)~~ (e) distributing the guaranteed tax base aid entitlement to each qualified county or district from the appropriations for that purpose.

(2) The superintendent shall adopt rules necessary to implement 20-9-366 through 20-9-369.

(3) The department of revenue shall provide the superintendent of public instruction by December 1 of each year a final determination of the taxable value of property within each school district and county of the state reported to the department of revenue based on information delivered to the county clerk and recorder as required in 15-10-305."

Section 38. Section 20-9-406, MCA, is amended to read:

"20-9-406. Limitations on amount of bond issue. (1) (a) The Except as provided in subsection (1)(c), the maximum amount for which an elementary district or a high school district may become indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered warrants, is 45% of the taxable value of the property subject to taxation as ascertained by the last completed assessment for state, county, and school taxes previous to the incurring of the indebtedness, ~~including:~~

~~(i) the taxable value of coal gross proceeds as determined for county bonding purposes in 15-23-703(2);~~

~~(ii) the taxable value of oil and gas net proceeds as determined for county bonding purposes in 15-23-607(3); and~~

~~(iii) the amount of the value of any other oil and gas production occurring after December 31, 1988, multiplied by 60%.~~

(b) The Except as provided in subsection (1)(c), the maximum amount for which a K-12 school district, as formed pursuant to 20-6-701, may become indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered warrants, is up to 90% of the taxable value of the property subject to taxation as ascertained by the last-completed assessment for state, county,

and school taxes previous to the incurring of the indebtedness. The total indebtedness of the high school district with an attached elementary district ~~as represented by the issuance of bonds~~ must be limited to the sum of 45% of the taxable value of the property for elementary school program purposes and 45% of the taxable value of the property for high school program purposes.

(c) The maximum amount for which an elementary district or a high school district that qualifies for guaranteed tax base aid under the provisions of 20-9-367 may become indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered warrants, is 45% of the corresponding statewide mill value per ANB times 1,000 times the ANB of the district. For a K-12 district, the maximum amount for which the district may become indebted is 45% of the sum of the statewide mill value per elementary ANB times 1,000 times the elementary ANB of the district and the statewide mill value per high school ANB times 1,000 times the high school ANB of the district.

(2) The maximum amounts determined in subsection (1), however, may not pertain to indebtedness imposed by special improvement district obligations or assessments against the school district or to bonds issued for the repayment of tax protests lost by the district. All bonds issued in excess of the amount are void, except as provided in this section.

(3) When the total indebtedness of a school district has reached the limitations prescribed in this section, the school district may pay all reasonable and necessary expenses of the school district on a cash basis in accordance with the financial administration provisions of this chapter.

(4) Whenever bonds are issued for the purpose of refunding bonds, any money to the credit of the debt service fund for the payment of the bonds to be refunded is applied toward the payment of the bonds and the refunding bond issue is decreased accordingly."

Section 39. Section 20-9-439, MCA, is amended to read:

"20-9-439. Computation of net levy requirement -- procedure when levy inadequate. (1) The county superintendent shall compute the levy requirement for each school district's debt service fund on the basis of the following procedure:

(a) ~~determine~~ Determine the total money available in the debt service fund for the reduction of the property tax on the district by totaling:

(i) the end-of-the-year fund balance in the debt service fund, less any limited operating reserve as provided in 20-9-438;

(ii) anticipated interest to be earned by the investment of debt service cash in accordance with the provisions of 20-9-213(4) or by the investment of bond proceeds under the provisions of 20-9-435; and

(iii) any other money, including money from federal sources, anticipated by the trustees to be available in the debt service fund during the ensuing school fiscal year from such sources as legally authorized money transfers into the debt service fund or from rental income, excluding any guaranteed tax base aid.

(b) ~~the~~ Subtract the total amount available to reduce the property tax, determined in subsection (1)(a), ~~must be subtracted~~ from the final budget ~~expenditure amount~~ for the debt service fund as established in 20-9-438~~+~~.

(c) Determine the number of mills to be levied on the taxable property in the district to finance the net debt service fund levy requirement by dividing the remainder determined in subsection (1)(b) by the sum of:

(i) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(ii) the taxable valuation of the district divided by 1,000.

(2) the ~~The~~ net debt service fund levy requirement determined in subsection ~~(1)(b)~~ (1)(c) must be reported to the county commissioners on the second Monday of August by the county superintendent as the net debt service fund levy requirement for the district, and a levy must be made by the county commissioners in accordance with 20-9-142.

~~(2)~~ (3) If the board of county commissioners fails in any school fiscal year to make a levy for any issue or series of bonds of a school district sufficient to raise the money necessary for payment of interest and principal becoming due during the next ensuing school fiscal year, in any amounts established under the provisions of this section, the holder of any bond of the issue or series or any taxpayer of the district may apply to the district court of the county in which the school district is located for a writ of mandate to compel the board of county commissioners of the county to make a sufficient levy for such purposes. If, upon the hearing of the application, it appears to the satisfaction of the court that the board of county commissioners of the county has failed to make a levy or has made a levy that is insufficient to raise the amount required to be raised as established in the manner provided in this section, the court shall determine the amount of the deficiency and shall issue a writ of mandate directed to and requiring the board of county commissioners, at the next meeting for the purpose of fixing tax levies for county purposes, to fix and make a levy against all taxable property in the school district that is sufficient to raise the amount of the deficiency. The levy is in addition to any levy required to be made at that time for the ensuing school fiscal year. Any costs that may be allowed or awarded the petitioner in the proceeding must be paid by the members of the board of county commissioners and may not be a charge against the school district or the county."

Section 40. Section 20-9-507, "MCA, is amended to read:

"20-9-507. Miscellaneous programs fund. (1) The trustees of a district receiving money from local, state, federal, or other sources provided in 20-5-307(4), 20-5-312(8), and 20-9-321~~(3)~~ other than money under the provisions of Title I of Public Law 81-874 or federal money designated for deposit in a specific fund of the district shall establish a miscellaneous programs fund for the deposit of the money. The money may be a reimbursement of miscellaneous program fund expenditures already realized by the district or may be a grant of money for the financing of expenditures to be realized by the district for a special,

approved program to be operated by the district. When the money is a reimbursement, the money may be expended at the discretion of the trustees for school purposes. When the money is a grant, the money must be expended according to the conditions of the program approval by the superintendent of public instruction or any other approval agent. Within the miscellaneous programs fund, the trustees shall cause a separate accounting to be maintained for each federal grant program and for the aggregate of all reimbursement money.

(2) The financial administration of the miscellaneous programs fund must be in accordance with the financial administration provisions of this title for a nonbudgeted fund."

NEW SECTION. Section 41. Qualifications for state guaranteed tax base aid to support debt service. (1) To qualify for the guaranteed tax base aid per ANB for debt service described in 20-9-368, a school district, before issuing its bonds, must have:

(a) received voter approval for bonds pursuant to 20-9-421;

(b) following voter approval, received a certificate of eligibility from the board of public education, on or after [the effective date of this act], stating that after consultation with the superintendent of public instruction, the board has determined what percentage of the total principal amount of the proposed amount of the proposed bonds will be used to:

(i) restore, rebuild, or replace a destroyed or severely damaged school building;

(ii) correct one or more building deficiencies that affect the health and safety of school children;

(iii) correct one or more deficiencies that prevent the school district from meeting current accreditation standards; or

(iv) address any combination of circumstances described in subsections (1)(b)(i) through (1)(b)(iii).

(2) The superintendent of public instruction shall certify and notify the district of the amount, if any, of guaranteed tax base aid for which the district qualifies.

Section 42. Section 20-2-121, MCA, is amended to read:

"20-2-121. Board of public education -- powers and duties. The board of public education shall:

(1) effect an orderly and uniform system for teacher certification and specialist certification and for the issuance of an emergency authorization of employment by adopting the policies prescribed by 20-4-102 and 20-4-111;

(2) consider the suspension or revocation of teacher or specialist certificates and appeals from the denial of teacher or specialist certification in accordance with the provisions of 20-4-110;

(3) administer and order the distribution of state ~~equalization~~ BASE aid in accordance with the provisions of 20-9-344;

(4) adopt and enforce policies to provide uniform standards and regulations for the design, construction, and operation of school buses in accordance with the provisions of 20-10-111;

(5) approve or disapprove a reduction of the number of hours in a district's school day in accordance with the provisions of 20-1-302;

(6) adopt policies prescribing the conditions when school may be conducted on Saturday and the types of pupil-instruction-related days and approval procedure for such days in accordance with the provisions of 20-1-303 and 20-1-304;

(7) adopt standards of accreditation and establish the accreditation status of every school in accordance with the provisions of 20-7-101 and 20-7-102;

(8) approve or disapprove educational media selected by the superintendent of public instruction for the educational media library in accordance with the provisions of 20-7-201;

(9) adopt policies for the conduct of special education in accordance with the provisions of 20-7-402;

(10) adopt rules for issuance of documents certifying equivalency of completion of secondary education in accordance with 20-7-131;

(11) adopt policies for the conduct of programs for gifted and talented children in accordance with the provisions of 20-7-903 and 20-7-904;

(12) adopt rules for student assessment in the public schools; and

(13) perform any other duty prescribed from time to time by this title or any other act of the legislature."

{Internal References to 20-2-121:

x20-2-115                      a20-3-106}

Section 43. Section 20-7-117, MCA, is amended to read:

"20-7-117. Five-year-old schooling and preschool programs.

(1) The trustees of an elementary district shall establish or make available a program capable of accommodating, at a minimum, all the children in the district who will be 5 years old on or before September 10 of the school year for which the program is to be conducted or who have been enrolled by special permission of the board of trustees. The program must be an integral part of the elementary school and must be financed and governed accordingly, provided that to be eligible for inclusion in the calculation of ANB pursuant to 20-9-311, a child must have reached the age of 5 on or before September 10 of the school year covered by the calculation or have been enrolled by special permission of the board of trustees.

(2) The trustees of an elementary school district may establish and operate a free preschool program for children between the ages of 3 and 5 years. When preschool programs are established, they must be an integral part of the elementary school and must be governed accordingly. Financing of preschool programs may not be supported by money available from state equalization BASE aid."

{Internal References to 20-7-117:

a20-9-311                      x20-9-313}

Section 44. Section 20-9-304, MCA, is amended to read:

"20-9-304. Eligibility for and payment of state impact aid.

Any district which shall have children of employees of a public institution may be eligible for state impact aid under the following provisions:

(1) An "employee" means an employee of a public institution under the administration of the department of corrections and human services, as defined in 53-1-202, or the department of

family services, as defined in 2-15-2401, who resides on the property of such a public institution.

(2) A school district shall receive annually from moneys available for ~~state equalization~~ BASE aid \$150 for each elementary pupil and \$250 for each high school pupil whose parents are employees of an institution located in the school district where the pupil attends school or in a school district which has a tuition agreement with the district where the pupil attends school.

(3) A district which is eligible for state impact aid shall apply for such aid to the superintendent of public instruction in the manner prescribed by the rules prescribed by the superintendent of public instruction.

(4) The distribution of state impact aid shall be deposited in the general fund of the district and shall not be considered as a part of the ~~state equalization~~ BASE aid but shall be used to reduce the property tax in support of the general fund of the district."

{Internal References to 20-9-304:

a20-3-106 a20-9-141}

Section 45. Section 20-9-346, MCA, is amended to read:

"20-9-346. Duties of the superintendent of public instruction for ~~state equalization~~ BASE aid distribution. The superintendent of public instruction shall administer the distribution of the ~~state equalization~~ BASE aid by:

(1) establishing the annual entitlement of each district and county to ~~state equalization~~ BASE aid, based on the data reported in the retirement and general fund budgets for each district that have been duly adopted for the current school fiscal year and verified by the superintendent of public instruction and by applying the verified data under the provisions of the ~~state equalization~~ BASE aid allocation procedure prescribed in 20-9-347;

(2) distributing by state warrant or electronic transfer the ~~state equalization~~ BASE aid and state advances for county equalization, for each district or county entitled to the aid, to the county treasurer of the respective county or county where the district is located, in accordance with the distribution ordered by the board of public education;

(3) keeping a record of the full and complete data concerning money available for ~~state equalization~~ BASE aid, state advances for county equalization, and the entitlements for ~~state equalization~~ BASE aid of the districts of the state;

(4) reporting to the board of public education the estimated amount that will be available for ~~state equalization~~ BASE aid; and

(5) reporting to the legislature as provided in 5-11-210:

(a) the figures and data available concerning distributions of ~~state equalization~~ BASE aid during the preceding 2 school fiscal years;

(b) the amount of ~~state equalization~~ BASE aid then available;

(c) the apportionment made of the available money but not yet distributed;

(d) the latest estimate of accruals of money available for

~~state equalization~~ BASE aid; and

(e) the amount of state advances and repayment for county equalization."

{Internal References to 20-9-346:

x5-11-210

a20-3-106

a20-9-347}

Renumber: subsequent sections

127. Page 86, line 15.

Following: line 14

Insert: "(3)(a) Money in the impact aid fund may be transferred into the general fund to offset any levy amount in support of the BASE budget that exceeds:

(i) for the school fiscal year beginning July 1, 1993, the prior school fiscal year's statewide average permissive levy for all elementary school districts or all high school districts; or

(ii) for succeeding school fiscal years, the prior year's statewide average BASE budget levy for all elementary school districts or all high school districts.

(b) A district using Public Law 81-874 funds to support the local levy in the BASE budget shall levy the prior year's statewide average permissive levy as provided in subsection (3)(a) unless the net BASE is less than the income from the average mills in that district.

(c) By March 1 of each school fiscal year, the superintendent of public instruction shall calculate the prior year's statewide average permissive levy as provided in subsection (3)(a)."

128. Page 86, line 15 through page 89, line 13.

Strike: section 36 in its entirety

Renumber: subsequent sections

129. Page 89, line 15.

Following: line 14

Insert: "20-9-147,"

130. Page 89, line 25.

Strike: "school funding"

Insert: "equalization aid for schools"

131. Page 90, line 4.

Following: "refers"

Strike: "to"

Insert: "specifically to state"

132. Page 90, line 6.

Following: "instruction."

Insert: "(1)"

133. Page 90, lines 7 and 10.

Following: "~~AND~~"

Strike: "35, AND 36"

Insert: "and 46"

134. Page 90.

Following: line 10

Insert: "[Section 41] is intended to be codified as an integral part of Title 20, chapter 9, and the provisions of Title 20, chapter 9, apply to [section 41]."

135. Page 90, line 18.

Strike: "THROUGH (4)"

Insert: "and (3)"

136. Page 90, line 25 through page 91, line 3.

Strike: subsection (3) in its entirety

Renumber: subsequent subsection

137. Page 91, lines 4 and 5.

Following: "(4)" on line 4

Strike: remainder of line 4 through "┘" on line 5

Insert: "[Section 23]"

138. Page 91, line 6.

Following: "1994"

Insert: ", and applies retroactively, within the meaning of 1-2-109, to the school fiscal year beginning July 1, 1993"

139. Page 91.

Following: line 6

Insert: "(4) Sections relating to guaranteed tax base aid for the debt service of a district apply to bonds issued after July 1, 1993.

NEW SECTION. Section 52. Coordination instruction. (1) If House Bill No. 667 and Senate Bill No. 348 are passed and approved and if they include a section that amends 20-9-303, then [section 4 of Senate Bill No. 348] is void.

(2) If House Bill No. 667 and Senate Bill No. 348 are passed and approved and if they include a section that amends 20-9-311, then [section 5 of Senate Bill No. 348] is void.

(3) If House Bill No. 667 and Senate Bill No. 348 are passed and approved and if they include a section that amends 20-9-321, then [section 7 of Senate Bill No. 348] is void.

(4) If House Bill No. 667 and House Bill No. 469 are passed and approved, then [sections 6 and 7 of this act] are void."

Renumber: subsequent section

140. Page 91, line 7.

Strike: "36"

Insert: "22"

141. Page 91, line 8.

Strike: "1995"

Insert: "1993"