

GENERAL FUND OVERVIEW

- General Fund
 - Expenditure Budget Limits
 - Funding Sources

OPI resources to have handy:

FY2021 Preliminary Budget Data Sheet

OPI FY21 General Fund Budget Spreadsheet

General Fund - Budget Elements

Basic Entitlement

Per-ANB Entitlement

Special Education Allowable Cost Payment

Quality Educator Payment

At-Risk Student Payment

Indian Education for All Payment

American Indian Achievement Gap Pmt

Data for Achievement Payment

Basic Entitlement Rates

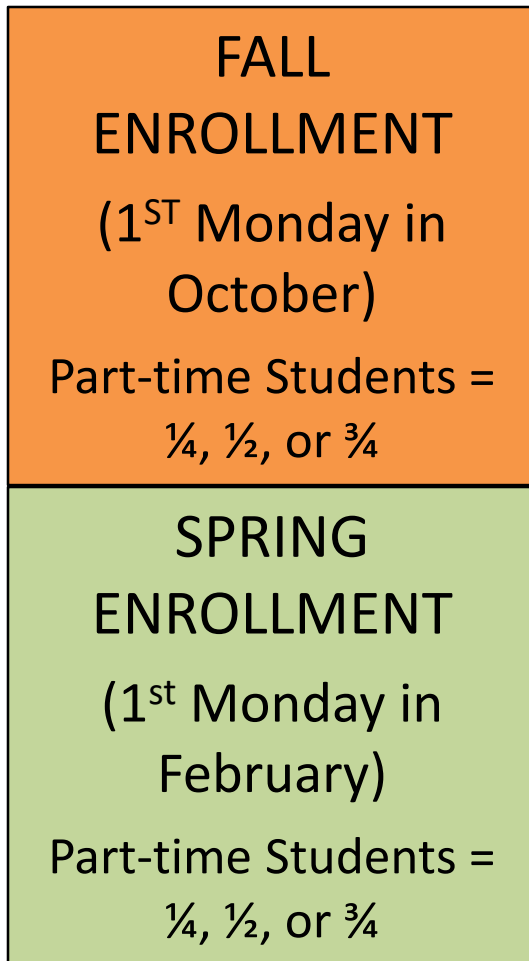


Entitlements	FY2019	FY2020 * (HB159)	FY2021 * (HB159)
Elementary Basic	\$ 52,105	\$ 52,579	\$ 53,541
For every 25 Elem ANB over 250	\$ 2,606	\$ 2,630	\$ 2,678
Middle School Basic	\$ 104,212	\$ 105,160	\$ 107,084
For every 45 MS ANB over 450	\$ 5,211	\$ 5,258	\$ 5,354
High School Basic	\$ 312,636	\$ 315,481	\$ 321,254
For every 80 HS ANB over 800	\$ 15,632	\$ 15,774	\$ 16,063

****HB159 increased FY2019 by inflation of .91% for FY2020 and 1.83% in FY2021.***

General Fund - ANB

AVERAGE NUMBER BELONGING (ANB)



Total of 2 counts
divided by 2

$$\times \frac{180 + \text{PIR Days}^*}{180}$$

= **ANB**

Example:
Oct count = 150
Feb count = 166

$$\frac{(150 + 166)}{2} = 158$$
$$\times \frac{187}{180} = 165 \text{ ANB}$$

*PIR Days are “pupil instruction related” days for teacher in-service training and recordkeeping

General Fund - ANB

Use the ANB that generates the greatest maximum general fund budget:

– **Current Year ANB (CY ANB)**

- ANB for the budget unit for the ensuing school year (FY2020 ANB is based on FY2019 enrollment counts)

– **3-Year Average ANB**

- Add current year ANB to the current ANB for the previous two school fiscal years and divide by 3 (FY2020 ANB is the average of FY2019, FY2018 and FY2017)

(see section 1. Certified ANB on budget data sheet)

Per-ANB Entitlement Rates



Entitlements	FY2019	FY2020 * (HB159)	FY2021* (HB159)
Elementary per-ANB	\$ 5,573	\$5,624	\$ 5,727
High School per-ANB	\$ 7,136	\$ 7,201	\$ 7,333

****HB159 increased per-ANB entitlements by .91% in FY2020 and 1.83% in FY2021.***

Each student after the first ANB is decreased by a reduction factor (decrement) per ANB:

- Elementary ANB decrement is **\$.20** per ANB
- High school & 7th - 8th accred ANB decrement is **\$.50** per ANB

Per-ANB Entitlement Calculations

Elementary: \$.20 decrement for first 1,000 ANB

$$[\$5,727 \times \text{Elem ANB}] - [.20 \times (\text{Elem ANB}/2) \times (\text{Elem ANB} - 1)]$$

$$\text{For each ANB over 1000: } (\$5,527.20 \times \text{ANB}) + \$5,627,100$$

7th & 8th accredited: \$.50 decrement for first 800 ANB

$$[\$7,333 \times 7^{\text{th}} \& 8^{\text{th}} \text{ ANB}] - [.50 \times (7\&8 \text{ ANB}/2) \times (7\&8 \text{ ANB} - 1)]$$

$$\text{For each ANB over 800: } (\$6,933.50 \times (7\&8 \text{ ANB} - 800)) + \$5,706,600$$

High School: \$.50 decrement for first 800 ANB

$$[\$7,333 \text{ HS ANB}] - [.50 \times (\text{HS ANB}/2) \times (\text{HS ANB} - 1)]$$

$$\text{For each ANB over 800: } (\$6,933.50 \times (\text{HS ANB} - 800)) + \$5,706,600$$

Special Education Allowable Costs

	FY2020	FY2021
HB 2 Appropriation (FY2019 base \$43,291,924)	\$ 43,509,471	\$ 43,509,471
HB 638 Appropriation	\$393,957	\$1,193,409
Total SPED distribution	\$43,903,428	\$44,702,880

HB2 approp restores \$217,547 cut in SB9 (2017 special session)

HB638 increases FY2019 base by .91% in FY2020 and 1.83% in FY2021

Special Education Allocation 20-9-321(4)(a), MCA:

- 52.5% through instructional block grants (ISB)
- 17.5% through related services block grants (RSBG)
- 25% to reimbursement of local districts (disproportionate costs)
- 5% to special education cooperatives for admin and travel

Special Education Allowable Costs

Section 8 Preliminary Budget Data Sheet

Must be “eligible” (meet one of the following):

- operate a special education program; **or**
 - belong to a special education cooperative;
- or**
- has a signed written agreement with another public entity to provide instructional services to children with disabilities

Special Education Allowable Costs	Rate	Who receives payment?	Local Match required
<p>8a. Instructional Block Grant (ISB)</p>	<p>\$152.88 per current year ANB</p>	<p>District</p>	<p>\$1 of local match for every \$3 (ISB X .33)</p>
<p>8b. Related Services Block Grant (RSBG)</p> <p>If district is in a co-op, see 8e.</p>	<p>\$ 50.96 per current year ANB</p>	<p>- To district, if district operates its own program</p> <p>- To special education cooperative if district is a member of the co-op</p>	<p>\$1 of local match for every \$3 (RSBG X .33)</p> <p>Districts in a co-op send their local match to the co-op</p>
<p>8c. Reimbursement for Disproportionate Costs</p>	<p>See PDBS pg 2 for calculation</p>	<p>District</p>	<p>no</p>

Special Education Allowable Costs

How to “Avoid Reversion”

- Minimum amount required to spend is shown in 8g of the data sheet
- Code expenditures for special education to program 280
 - See TFS report “[Special Education Reversion](#)” for expenditure codes that count
- Monitor the level of expenditures to ensure you are spending the minimum amount
- Amount spent below the minimum are “reverted” back to the state

Funding Components

- Quality Educator (QEC)
 - OPI pays to school districts and special education cooperatives
 - Paid for each full-time equivalent (FTE) licensed educator and for other licensed professionals employed by the district or cooperative
- At-Risk Student (ARC)
 - Annual appropriation is distributed school districts based on Title I allocations

Funding Components (continued)

- Indian Education for All (IEA)
 - Paid *per ANB* (\$100 minimum)
 - For providing curriculum for the recognition of American Indian cultural heritage
- American Indian Student Achievement Gap (SAG)
 - Paid per each American Indian student enrolled as reported on the October enrollment count
 - For closing the educational achievement gap that exists between American Indian students and non-Indian students
- Data for Achievement (D4A)
 - Paid *per ANB*
 - For access fees or other costs for statewide data system, including data entry and staff training

Funding Components



	FY2019	FY2020* (HB159)	FY2021* (HB159)
Quality Educator	\$3,245	\$3,275	\$3,335
At-Risk Student (HB2)	\$5,463,895 (1)	\$5,513,616	\$5,614,515
Indian Education for All <i>(per ANB)</i>	\$21.76 (\$100 min.)	\$21.96 (\$100 min.)	\$22.36 (\$100 min.)
Am Indian Student Achievement Gap	\$214	\$216	\$220
Data for Achievement <i>(per ANB)</i>	\$20.84 (2)	\$21.03	\$21.41

***HB159 increased these payments .91% in FY2020 and 1.83% in FY2021.**

(1) payment reduced by SB261 level 2 trigger;

(2) payment suspended by SB261 level 4 trigger

General Fund Budget Limits

	BASE Budget	'Maximum' Budget*
Basic Entitlement	80%	100%
Per-ANB Entitlement	80%	100%
Special Ed Allowable Cost Payment	140%	175 – 200%
Quality Educator Payment	100%	100%
At-Risk Student Payment	100%	100%
Indian Education for All Payment	100%	100%
Amer. Indian Achievement Gap Pymnt	100%	100%
Data For Achievement Payment	100%	100%

General Fund Budget Limits

~80%



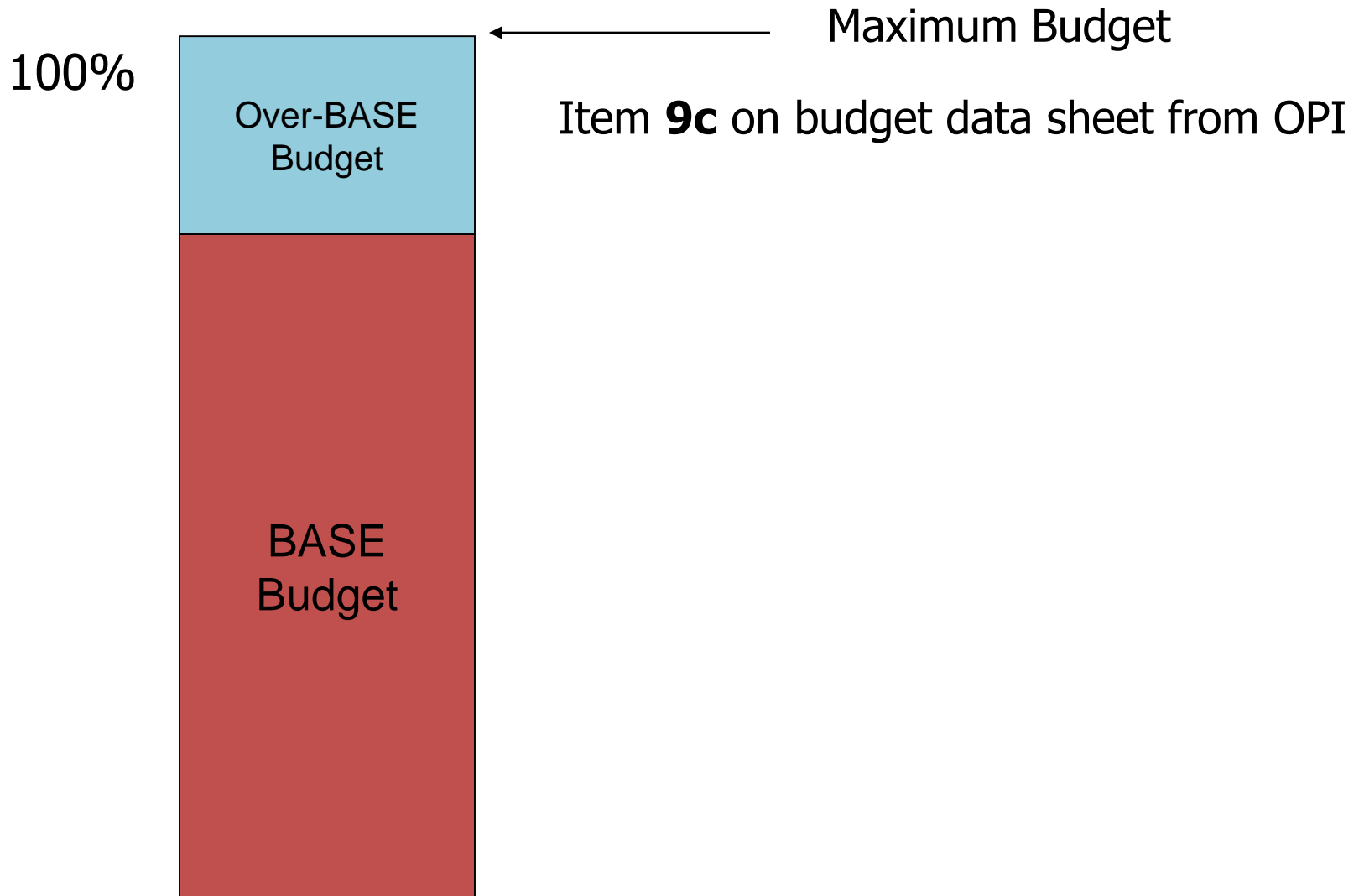
BASE
Budget

← Minimum Budget Requirement

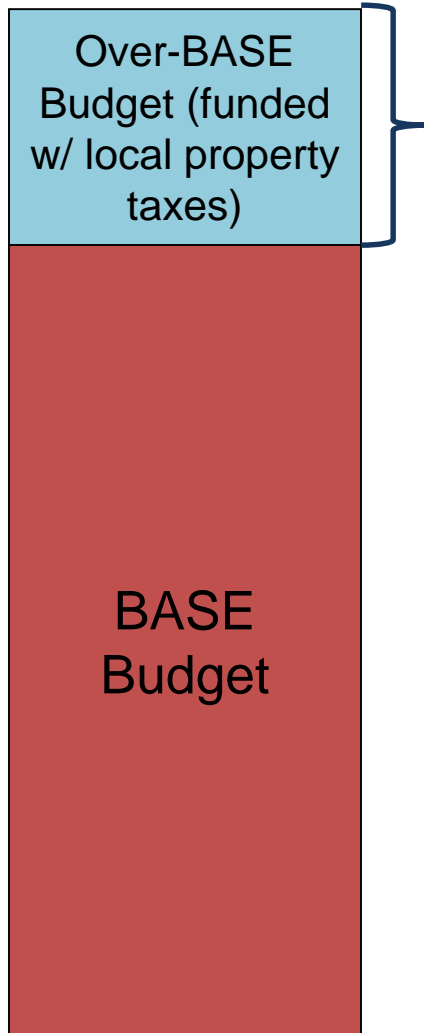
Trustees must adopt a budget that is at least equal to the BASE Budget.

Item **9b** on your budget data sheet from OPI

General Fund Budget Limits

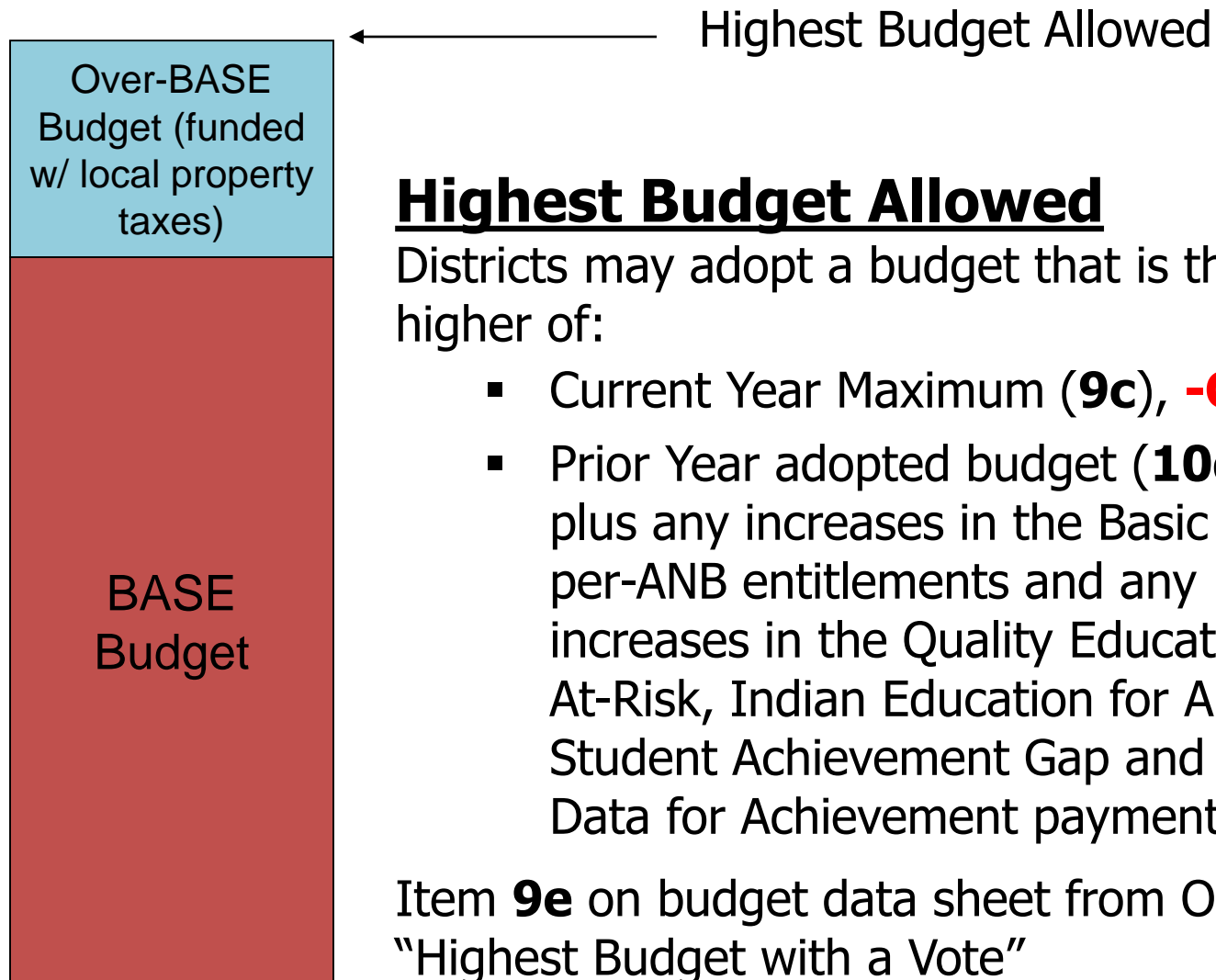


General Fund Budget Limits



A district may adopt an expenditure budget that exceeds the BASE budget. The Over-BASE budget is funded primarily through local property taxes at a level approved (authorized) by the voters through a levy election.

General Fund Budget Limits



Highest Budget Allowed

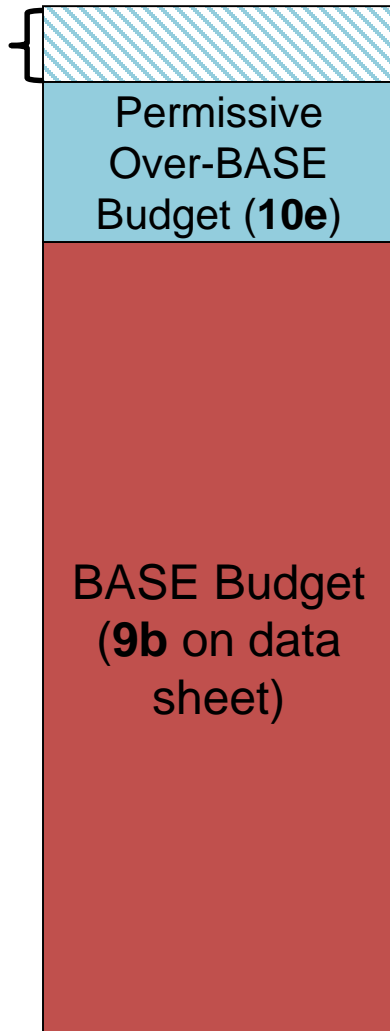
Districts may adopt a budget that is the higher of:

- Current Year Maximum (**9c**), **-OR-**
- Prior Year adopted budget (**10d**) plus any increases in the Basic and per-ANB entitlements and any increases in the Quality Educator, At-Risk, Indian Education for All, Student Achievement Gap and Data for Achievement payments

Item **9e** on budget data sheet from OPI
“Highest Budget with a Vote”

General Fund Budget Limits

Voted
levy (9f)



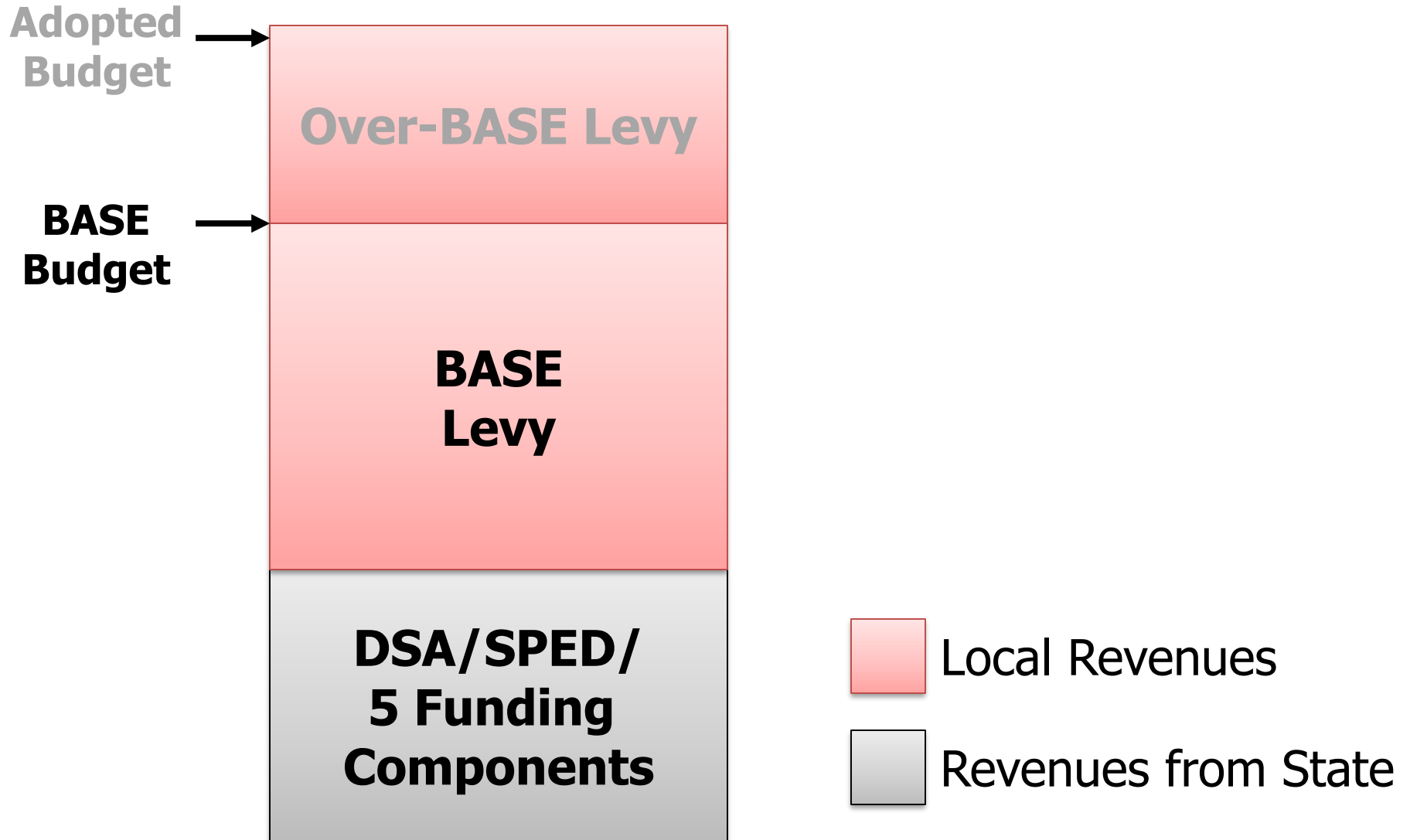
Highest Budget Allowed (9e)

Highest Budget allowed without
having to ask voters to approve
an additional local levy (9d)

Without seeking additional voter approval, trustees may adopt a General Fund budget that equals their current year BASE budget (9b) *plus* highest over-BASE levy approved by voters or levied in past five years (10e).

Item 9d on budget data sheet from OPI
"Highest Budget without a Vote"

Funding the BASE Budget



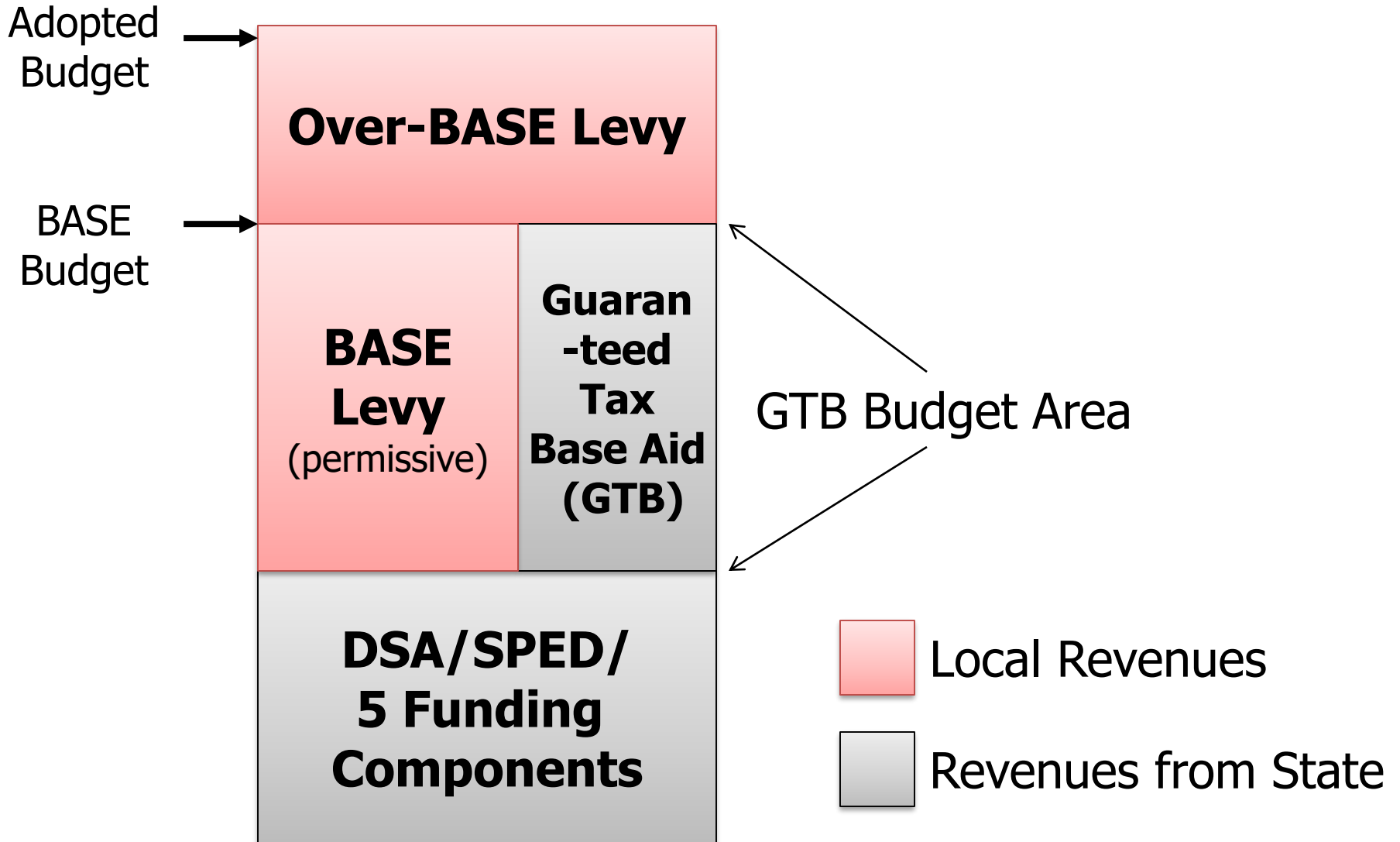
Funding the BASE Budget

State funding

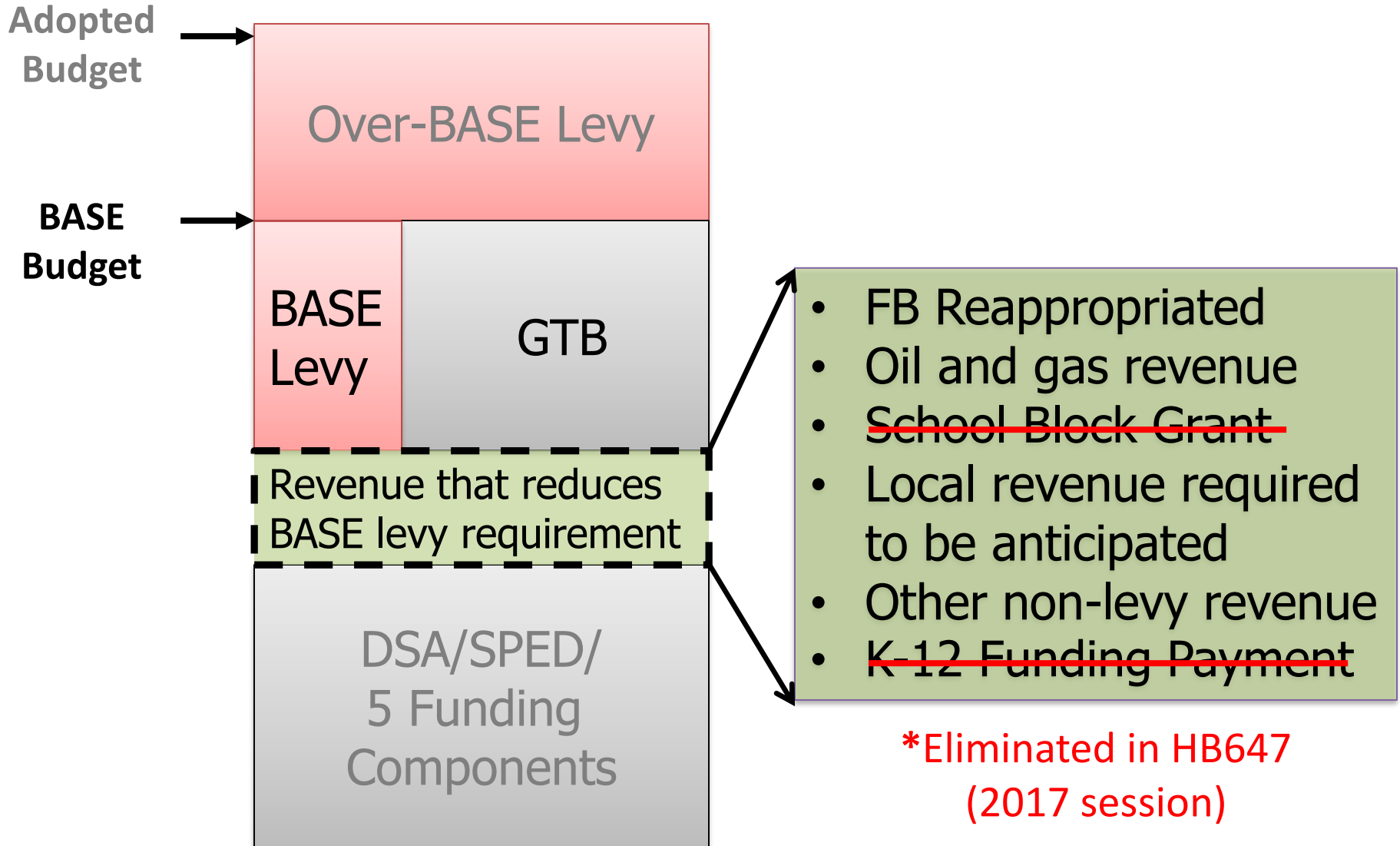
- Direct State Aid
 - 44.7% of the Basic Entitlement
 - 44.7% of the per-ANB Entitlement
- Special Education Allowable Costs (140%)
- Funding Components (100%)
 - Quality Educator
 - At-Risk Student
 - Indian Education for All
 - American Indian Achievement Gap
 - Data for Achievement

Payment schedule: 10% in Aug–Nov and Jan –Apr; 20% in June

Funding the BASE Budget



Funding the BASE Budget



Funding the BASE Budget

State Guaranteed Tax Base Aid (GTB)

- State subsidy for BASE mills
- Eligibility is based on the ratio between the district's taxable value and the district's GTB Budget Area as compared to the statewide taxable value X **232%** and the GTB Budget Areas of all districts statewide.
- Districts with a ratio lower than the statewide ratio qualify for GTB aid.

OPI pays General Fund GTB to districts in December and May

GTB Example

FY2021 Statewide GTB Ratio (Elementary)

$$\frac{\text{Statewide taxable value (tax year 2019)}}{\text{FY2019-20 Statewide GTB Budget Area}} \times 232\%$$

$$\frac{\$3,063,220,961.00}{\$254,245,874.39} \times 232\% = 27.95$$

Example School:

$$\frac{\text{Taxable value (tax year 2019)}}{\text{FY2019-20 GTB Budget Area}} = 7.87$$
$$\frac{\$9,234,194.00}{\$1,173,811.13} = 7.87$$

GTB Example

FY2021 Statewide GTB Ratio (Elementary)

$$\frac{\text{Statewide taxable value (tax year 2019)}}{\text{FY2019-20 Statewide GTB Budget Area}} \times 232\%$$

$$\frac{\$3,063,220,961.00}{\$254,245,874.39} \times 232\% = 27.95$$

Example School:

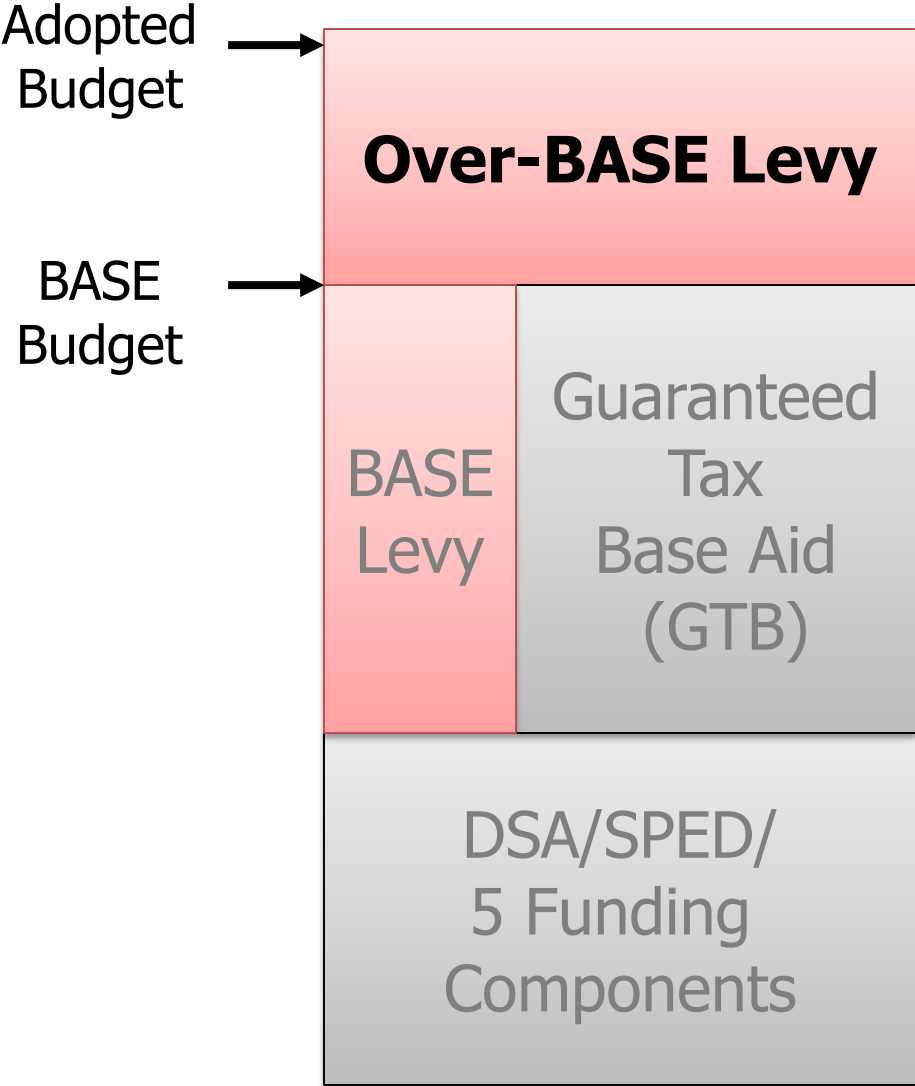
Guaranteed Tax Base = FY2020 GTB Budget Area X GTB ratio

$$\$1,173,811.13 \times 27.95 = \$32,808,021.00 \quad \$32,808.02/\text{mill}$$



$$\text{District taxable value} = \underline{\$ 9,234,194.00} \quad \underline{\$ 9,234.19/\text{mill}}$$

$$\text{State GTB subsidy} = \$23,573,827.00 \quad \$20,573.83/\text{mill}$$

Funding the over-BASE Budget



Funded with voter approved levies and non-levy revenue

-  Local Revenues
-  Revenues from State

HB2/HB647 General Fund “tax shifts”

House Bill 2 is the General Appropriations Bill
House Bill 647 implements Section E of HB2

HB 647 Provision	Funding from State	Local Taxpayer
Eliminate NRD payment	Decrease	Increase
Eliminate GF Block Grant	Decrease	Increase
*Guaranteed Tax Base Aid (GTB) increased over 4 year period	Increase	Decrease

*GTB statewide guarantee ratio

FY2018 193% (no change)

FY2019 216%

FY2020 224%

FY2021 232%

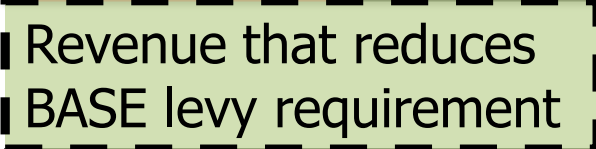
- Districts that already qualify for GTB will receive more
- More districts will qualify

Funding the BASE Budget

Adopted Budget



BASE Budget



PRIOR TO FY2017

- FB Reappropriated
- Oil and gas revenue
- School Block Grant
- Local revenue required to be anticipated
- Other non-levy revenue
- K-12 Funding Payment

Funding the BASE Budget

FY2018

Adopted Budget



BASE Budget



Increases GTB budget area



- FB Reappropriated
- Oil and gas revenue
- ~~School Block Grant~~
- Local revenue required to be anticipated
- Other non-levy revenue
- ~~K-12 Funding Payment~~

*Eliminated in HB647 (2017 session)

Increases in GTB to offset the loss of block grant and NRD payments (HB647)

State Guaranteed Tax Base Aid (GTB)

- State subsidy for BASE mills
- Eligibility is based on the ratio between the district's taxable value and the district's GTB Budget Area as compared to the statewide taxable value X **193%*** and the GTB Budget Areas of all districts statewide.
- Districts with a ratio lower than the statewide ratio qualify for GTB aid

*GTB statewide guarantee ratio

FY2018 193% (no change)

FY2019 216%

FY2020 224%

FY2021 232%

- Districts that already qualify for GTB will receive more
- More districts will qualify

Funding the BASE Budget

