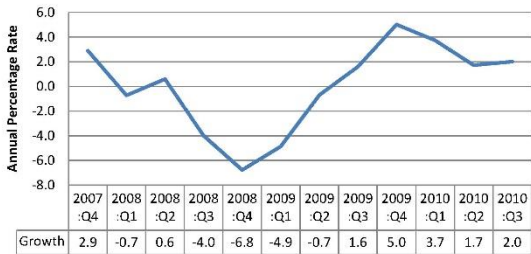


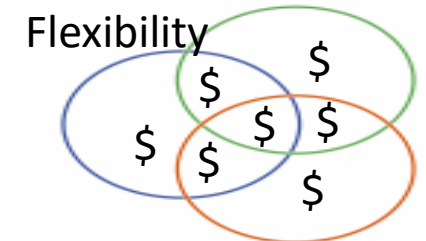
# Legislative Adjustments to School Funding

2003-2017

Quarter-to-quarter GDP growth



School Funding Lawsuit, Flexibility, National Recession, Eastern Montana Oil Development, New Funding Components, State Fires, Safety, Special Education Tuition



# Lawsuit & Economic Influenced Adjustments

2003-2017

## 2003 Session

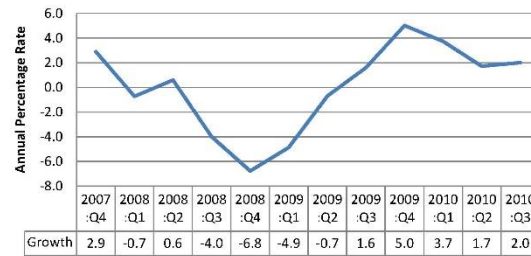
- Provided inflationary increases on the basic and student (per-ANB) entitlements as part of present law.  
20-9-326, MCA

## 2005 Session

- 3 year Student (ANB) averaging
- New State entitlements for Quality Educator, At Risk, American Indian Education for All, American Indian Achievement Gap (represents \$52 million per year today)
- Increases in Basic and Per-Student (ANB) Entitlements
- Adopted definition of Quality Education
- OTO State Payments for specific purposes

# The National Economic Downturn

Quarter-to-quarter GDP growth



## 2007 Session

- Full-time Kindergarten payment added
- 6% growth in state funding over the biennium

## 2009 Session

- Confusion coming out of the Great National Recession - the State used the American Recovery and Reinvestment Act (ARRA) to fill in State budget holes.
- \$20 million One Time Only (OTO) for maintenance and energy projects.
- “Slight relapse” in the words of Judge Sherlock in Columbia Falls II



# After 2009 Session, Judge Sherlock Findings

(119-122):

- Finding 119 - To avoid problems with constitutionality, the future increases should trend more toward what happened in 2005-2008.
- Finding 120 - The State's share should be at least as high as it is now and should ideally increase over time.
- Finding 121 - The costs of special education need to be addressed... The increased competition for general fund dollars between special and general education continues.
- Finding 122 - Recruitment and retention in rural schools is a problem that must be addressed. Increasing salaries would help.

# Budget Flexibility

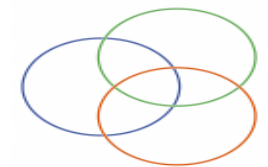


## 2011 Session

- Multi-district agreements added budget flexibility.
- State cut inflation on last day of the session.
- Schools sued, resulting in a settlement and a restoration of inflation.

## 2013 Session

- Provided a \$105 million biennial increase in funding.
- Applied inflation to all formula elements (except Special Education).
- Natural Resource Development Payment (NRD) added
- Data For Achievement Payment (D4A) Added
- Funding for unusual enrollment increases (went from 6% to 4% or 40 students)
- Basic Entitlement Per School Unit Added
- Fund Transfers to address school safety and security added
- Permissive Tuition levy to pay for unfunded “district student related” special education costs.
- Third Student Count date (ANB) added (December)



# Oncoming Fire Storm



## 2015 Session

- Inflation funding - first bill of the session
- December ANB Count Eliminated
- Tax Credits – Donations for scholarships to private schools & public schools
- Bonding capacity equals Taxable Valuation of District

## 2017 Session

- Eliminated General Fund school district block grants (\$54 million, net reduction of \$25 million after Guaranteed Tax Base adjustment) to cover budget shortfall.
- Phased in expansion of Guaranteed Tax Base (GTB) Payments to restore reductions over next 4 years.
- New non-voted (permissive) levy authority to address building issues provides statewide levy authority of \$23 million per year. State match promised. Public notice of permissive levies – annually. (Senate Bill 307)
- Suspension of Data for Achievement Payment.
- Reduction in State support for Transportation.
- Permanent elimination of transportation and combined fund block grants in special session.
- Suspended technology payments until 2020
- Added Type E (5 Star Rated) Transportation vehicle

# 2017 Special Session

## Biennium Reductions Made

• At Risk Payment	\$ 54,410
• Special Education Payment	\$435,094
• In State Treatment	\$7,878
• Career & Technical Education	\$ 20,000
• Adult Basic Education	\$ 5,250
• Gifted & Talented	\$ 2,500
• School Food	\$ 6,638
• Advancing Agricultural Education	\$1,517

## Continued Biennium Reductions

• Data for Achievement	\$6,289,385
• Combined Block Grants	\$5,600,000
• Career & Technical Education	\$1,000,000
• Natural Resources K-12 Facilities	\$5,800,000
• Total Reductions	<b>\$19,222,672</b>

# School Entitlements

## Until 2013

- Elementary School \$52,105 (One for each district) Great Falls 1
- Middle School (with approved program) \$104,212 Great Falls 1
- High School \$312,636 (One for each district) Great Falls 1

## 2014 - Present

- Now Elementary \$52,105 + \$2,606 for each additional 25 ANB
- Middle School (with approved program) \$104,212 + \$5,211 for each 45 additional ANB
- Now High School \$312,636 = \$15,632 for each additional 80 ANB





# School Building Based Funding

Budget Unit Entitlement			
Year	K-6	7-8	HS
2014-15	\$40,000 + \$2,000 (25) over 250	\$80,000 + \$4,000 (45) over 450	\$290,000 + \$12,000 (80) over 800
2015-16	\$50,000 + \$2,500 (25) over 250	\$100,000 + \$5,000 (45) over 450	\$300,000 + \$15,000 (80) over 800
2016-17	\$50,895 + \$2,545 (25) over 250	\$101,790 + \$5,090 (45) over 450	\$305,370 + \$15,269 (80) over 800
2017-18	\$51,149 + \$2,558 (25) over 250	\$102,299 + \$5,115 (45) over 450	\$306,897 + \$15,345 (80) over 800
2018-19	\$52,105 + \$2,606 (25) over 250	\$104,212 + \$5,211 (45) over 450	\$312,636 + \$15,632 (80) over 800

K-6 Enrollment				7-8 Enrollment				HS Enrollment			
Total ANB	ANB Increment	Increment \$	Total ANB Amount	Total ANB	ANB Increment	Increment \$	Total ANB Amount	Total ANB	ANB Increment	Increment \$	Total ANB Amount
250	25	2,606	52,105	450	45	5,211	104,212	800	80	15,632	312,636
275	25	2,606	54,711	495	45	5,211	109,423	880	80	15,632	328,268
300	25	2,606	57,317	540	45	5,211	114,634	960	80	15,632	343,900
325	25	2,606	59,923	585	45	5,211	119,845	1040	80	15,632	359,532
350	25	2,606	62,529	630	45	5,211	125,056	1120	80	15,632	375,164
375	25	2,606	65,135	675	45	5,211	130,267	1200	80	15,632	390,796
400	25	2,606	67,741	720	45	5,211	135,478	1280	80	15,632	406,428
425	25	2,606	70,347	765	45	5,211	140,689	1360	80	15,632	422,060
450	25	2,606	72,953	810	45	5,211	145,900	1440	80	15,632	437,692
475	25	2,606	75,559	855	45	5,211	151,111	1520	80	15,632	453,324
500	25	2,606	78,165	900	45	5,211	156,322	1600	80	15,632	468,956
525	25	2,606	80,771	945	45	5,211	161,533	1680	80	15,632	484,588
550	25	2,606	83,377	990	45	5,211	166,744	1760	80	15,632	500,220
575	25	2,606	85,983	1035	45	5,211	171,955	1840	80	15,632	515,852
600	25	2,606	88,589	1080	45	5,211	177,166	1920	80	15,632	531,484
625	25	2,606	91,195	1125	45	5,211	182,377	2000	80	15,632	547,116
650	25	2,606	93,801	1170	45	5,211	187,588	2080	80	15,632	562,748
675	25	2,606	96,407	1215	45	5,211	192,799	2160	80	15,632	578,380
700	25	2,606	99,013	1260	45	5,211	198,010	2240	80	15,632	594,012
725	25	2,606	101,619	1305	45	5,211	203,221	2320	80	15,632	609,644
750	25	2,606	104,225	1350	45	5,211	208,432	2400	80	15,632	625,276
775	25	2,606	106,831	1395	45	5,211	213,643	2480	80	15,632	640,908
800	25	2,606	109,437	1440	45	5,211	218,854	2560	80	15,632	656,540
825	25	2,606	112,043	1485	45	5,211	224,065	2640	80	15,632	672,172
850	25	2,606	114,649	1530	45	5,211	229,276	2720	80	15,632	687,804
875	25	2,606	117,255	1575	45	5,211	234,487	2800	80	15,632	703,436
900	25	2,606	119,861	1620	45	5,211	239,698	2880	80	15,632	719,068
925	25	2,606	122,467	1665	45	5,211	244,909	2960	80	15,632	734,700
950	25	2,606	125,073	1710	45	5,211	250,120	3040	80	15,632	750,332
975	25	2,606	127,679	1755	45	5,211	255,331	3120	80	15,632	765,964
1000	25	2,606	130,285	1800	45	5,211	260,542	3200	80	15,632	781,596
1025	25	2,606	132,891	1845	45	5,211	265,753	3280	80	15,632	797,228
1050	25	2,606	135,497	1890	45	5,211	270,964	3360	80	15,632	812,860
1075	25	2,606	138,103								
1100	25	2,606	140,709								
5100	25	2,606	57,669								
5125	25	2,606	60,275								
5150	25	2,606	62,881								
5175	25	2,606	65,487								
5200	25	2,606	68,093								
5225	25	2,606	70,699								
5250	25	2,606	73,305								
5275	25	2,606	75,911								
5300	25	2,606	78,517								
5325	25	2,606	81,123								
5350	25	2,606	83,729								
5375	25	2,606	86,335								
5400	25	2,606	88,941								
5425	25	2,606	91,547								
5450	25	2,606	94,153								
5475	25	2,606	96,759								
5500	25	2,606	99,365								
5525	25	2,606	101,971								
5550	25	2,606	104,577								
5575	25	2,606	107,183								
5600	25	2,606	109,789								
5625	25	2,606	112,395								
5650	25	2,606	115,001								
5675	25	2,606	117,607								
5700	25	2,606	120,213								



## Student Generated Funding

Per ANB Entitlement			
Year	K-6	7-8	HS
2014-15	\$5,226	\$6,691	\$6,691
2015-16	\$5,348	\$6,847	\$6,847
2016-17	\$5,444	\$6,970	\$6,970
2017-18	\$5,471	\$7,005	\$7,005
2018-19	\$5,573	\$7,136	\$7,136

# PER ANB Entitlement (Decrement System)

- Elementary \$5,573 for the first student
  - The second student is decreased by \$.20 (\$5,572.80)
  - The third student is decreased by \$.40 (\$5,571.40)
  - This continues with an additional \$.20 being taken off for each student until student 800. The amount stays at that rate for the rest of the students.
- Middle School \$7,136 for the first student
  - The second student is decreased by \$.50 (\$7,135.50)
  - The third student is decreased by \$1.00 (\$7,135.00)
  - This continues with an additional \$.50 being taken off for each student until student 800. The amount stays at that rate for the rest of the students.
- High School \$7,136 for the first student
  - The second student is decreased by \$.50 (\$7,135.50)
  - The third student is decreased by \$1.00 (\$7,135.00)
  - This continues with an additional \$.50 being taken off for each student until student 800. The amount stays at that rate for the rest of the students.