

## 1 SENATE BILL NO. 6

2 INTRODUCED BY D. RYAN

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A REDUCTION IN CURRENT YEAR DIRECT STATE  
5 AID FOR A SCHOOL DISTRICT THAT SPENT LESS THAN ITS BASE BUDGET IN THE PREVIOUS YEAR;  
6 PROVIDING THAT THE REDUCTION IN DIRECT STATE AID MUST BE EQUIVALENT TO THE DIFFERENCE  
7 BETWEEN THE DISTRICT'S PRIOR YEAR BASE BUDGET AND ITS PRIOR YEAR GENERAL FUND  
8 EXPENDITURES; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
12 NEW SECTION. **Section 1. Direct state aid reduction.** For a school district that spent less than its  
13 BASE budget in the previous year, the district's direct state aid for the current year must be reduced by an  
14 amount equal to the difference between the district's prior year BASE budget and its prior year general fund  
15 expenditures.

16  
17 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an  
18 integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [section 1].

19  
20 NEW SECTION. **Section 3. Effective date -- applicability.** [This act] is effective July 1, 2003, and  
21 applies to the school fiscal year beginning on or after July 1, 2003.

22 - END -