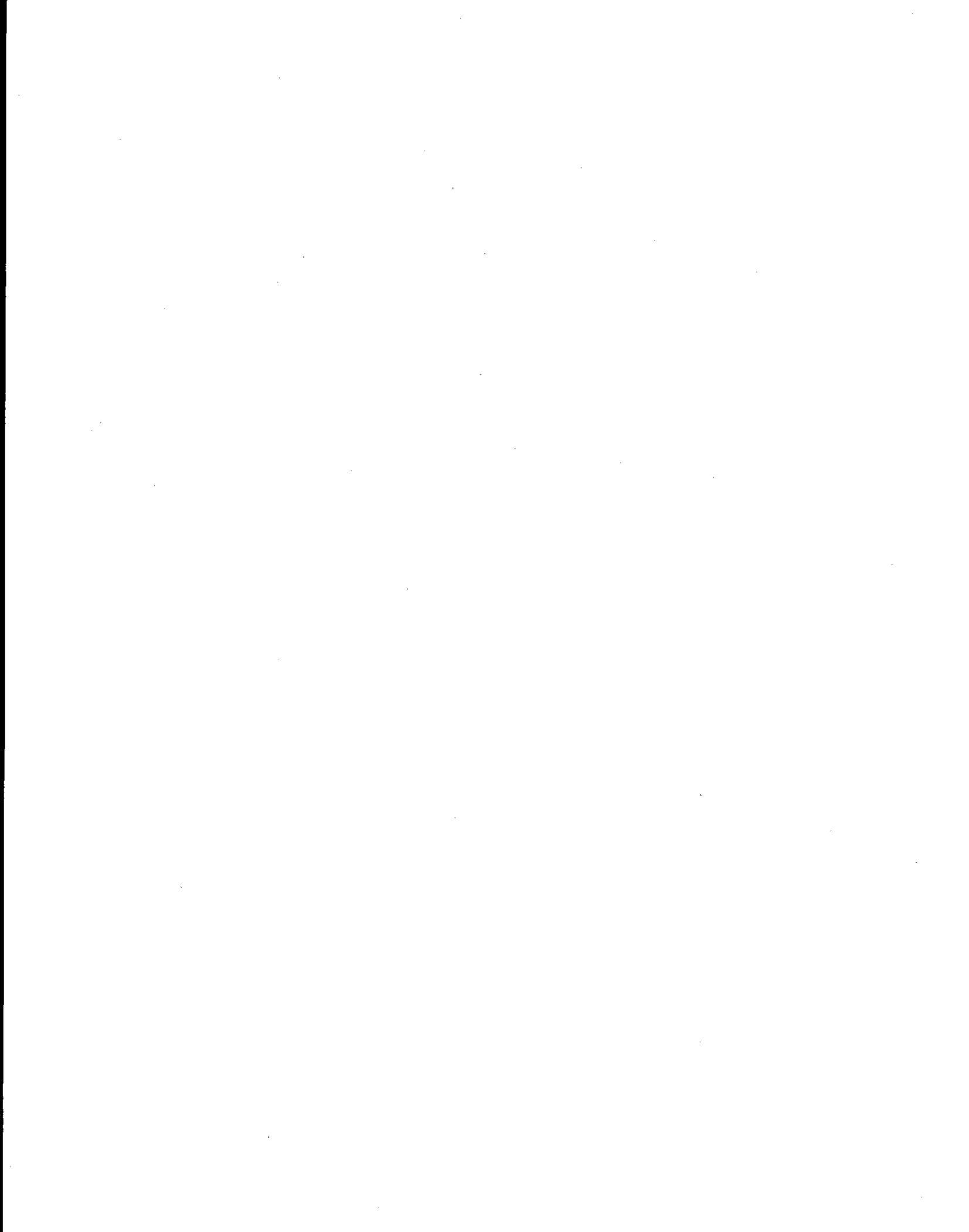


Montana State Legislature

Exhibit Number: 7

The following exhibit is several assorted documents that exceeds the 10-page limit therefore it cannot be scanned. A small portion has been scanned to aid in your research for information. The exhibit is on file at the Montana Historical Society and can be viewed there.

Montana Historical Society Archives, 225 N. Roberts, Helena, MT 59620-1201; phone (406) 444-4774. For minutes in paper format, please contact the Montana State Law Library, Justice Building, 215 N. Sanders, Helena, MT 59620; (406) 444-3660. Tapes and exhibits are also available at the Historical Society (tapes are retained for five years). Scanning done by: Susie Hamilton



OPI Office of Public Instruction
Linda McCallister, Superintendent
PO Box 20291
Helena, MT 59620-2001

Basics of School Funding

by Madalyn Quinlan, Chief of Staff

This Powerpoint presentation is available on the OPI website at <http://www.opi.state.mt.us/schoolfinanceforms.htm>.

School Finance Overview

1. Budgeted/Non-budgeted Funds

2. Funds:

- Governmental
 - General Fund
 - Special Revenue
 - Debt Service
 - Capital Projects
- Proprietary
- Fiduciary



Budgeted/Non-Budgeted Funds

1. Budgeted Funds

- District trustees adopt expenditure budget annually
- Revenue includes tax levies
- Examples:
 - General
 - Transportation
 - Retirement



Budgeted/Non-Budgeted Funds

2. Non-Budgeted Funds

- District can spend up to cash balance in fund
- No tax revenue
- Examples:
 - Food Service
 - Miscellaneous Programs
 - Extracurricular



School Finance Overview

1. Budgeted/Non-budgeted Funds

2. Funds:

- Governmental
 - General Fund
 - Special Revenue
 - Debt Service
 - Capital Projects
- Proprietary
- Fiduciary



General Fund

- Authorized by 20-9-307, MCA
- Purpose: To finance general maintenance and operational costs of a district not financed by other funds
- Budgeted Fund (Tax Levy)
- Funding Model
- Funding Sources



Principles of Equalization

Basis for HB 667 (L.1993)

- Limit expenditure disparities to 25% from lowest to highest spending districts
- Recognize school district size and special education costs as educationally-relevant reasons for expenditure disparities
- Once a district is within the equalized "window," it must stay within the window

Tape 1 Side B 29.6

ANB = Average Number Belonging

FALL ENROLLMENT
(1st Monday in October)

Less 1/2 Kindergartners
Less 1/2 part-time students

SPRING ENROLLMENT
(February 1)

Less 1/2 Kindergartners
Less 1/2 part-time students

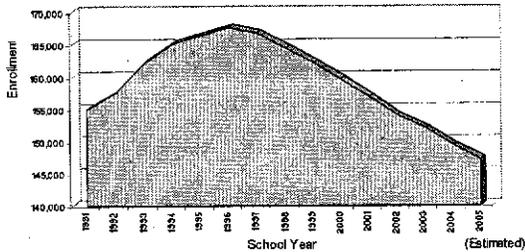
Total of 2 counts
Divided by 2

Times 180 + PIR Days = ANB
180

Tape 2 Side A

K-12 Student Enrollment

Montana School Years 1991-2005



Budget Elements

- Basic Entitlement
 \$\$ per District
- Per Student Entitlement
 \$\$ per student
- State Special Education Payment
- Local Special Education Payment

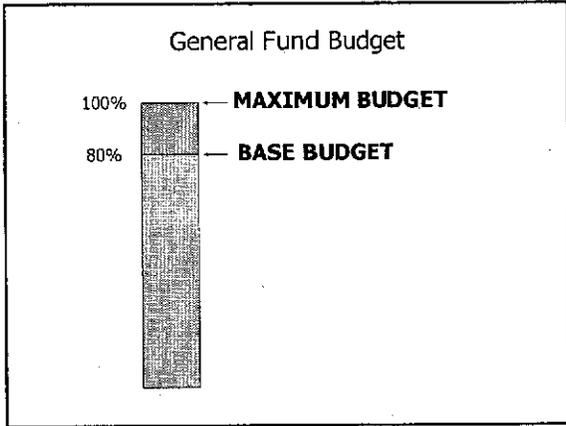
Budget Elements (FY 05)

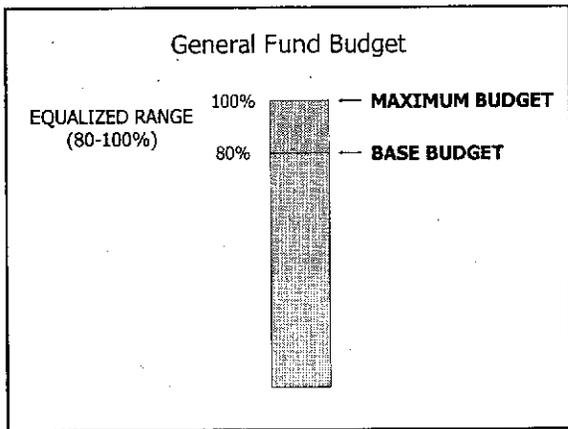
- \$\$ per District
 - Elementary \$ 19,859
 - High School \$220,646
- \$\$ per Student
 - Elementary
 - \$4, 031 - .20/ANB to 1,000 ANB
 - High School
 - \$5, 371 -.50/ANB to 800 ANB
- Special Education Block Grant
 - Instructional \$129.65/ANB
 - Related-Services \$ 43.21/ANB

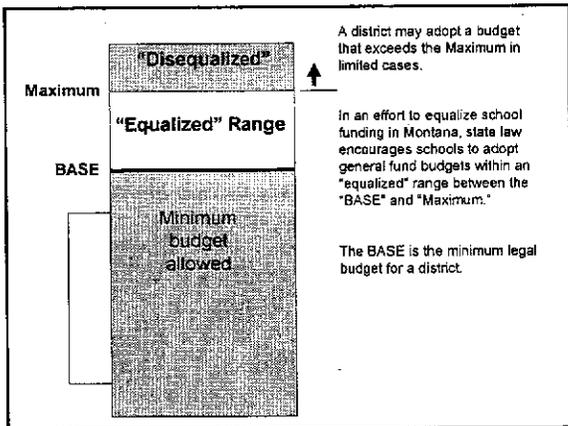
Questions

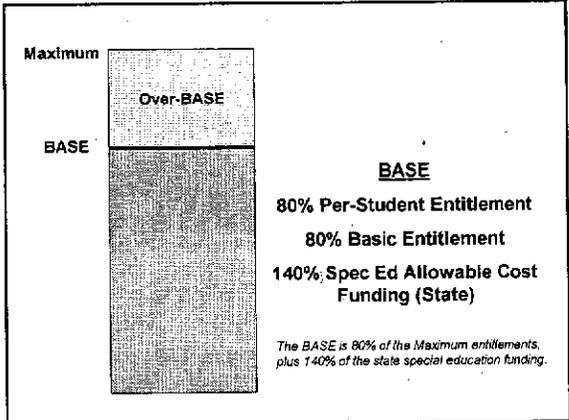
\$\$ per District _____
 \$\$ per Student + _____
 200% of Spec. Ed.
 \$\$ per Student + _____
 =
 MAXIMUM BUDGET **100%**

Page 2 Side A 79

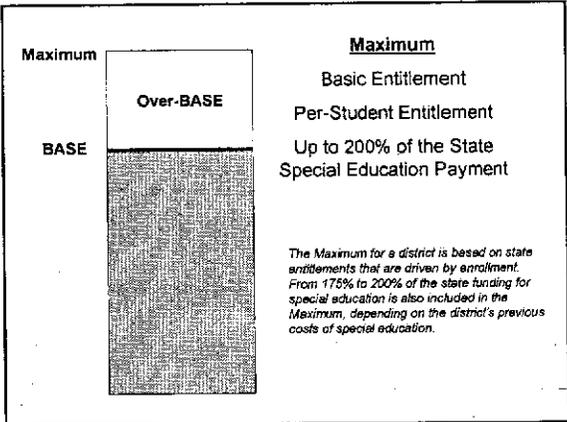




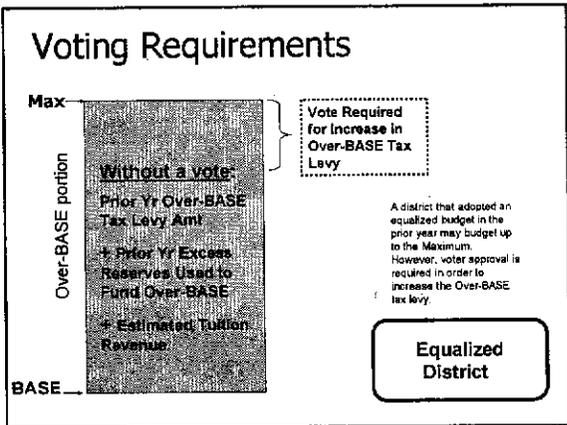




Tape 2 Side A 9.5



Tape 2 Side A 10.0
Questions From Subcommittee



Tape 2 Side A 16.7