

OFFICE OF PUBLIC INSTRUCTION  
JOINT APPROPRIATIONS COMMITTEE  
OPERATIONS DEPARTMENT  
January 17 – 20, 2005

**NEW PROPOSALS – PROGRAM 09**

**ADDITIONAL SCHOOL FACILITY REIMBURSEMENTS**

DP 21 MARTZ BUDGET (page E-22)	\$1,000,000 (FY 06)	\$1,000,000 (FY 07)
DP 63 SCHWEITZER BUDGET (page 27)	\$2,372,041 (FY 06)	\$2,403,642 (FY 07)

This decision package appears on page E-22 as "DP 21 Additional School Facility Reimbursements."

The school facilities program provides a formula-driven state payment to help eligible districts repay their bonds. This decision package was approved in the Martz Budget to fund approximately 80% of the state's obligation to schools under the school facilities program for FY 2006 and 2007. Governor Schweitzer's Budget, however, approved the amount needed to fund these school payments at 100% rather than requiring proration.

The combination of Governors Martz and Schweitzer's decision packages of \$3,372,041 in FY 2006 and \$3,403,643 in FY 2007 will allow the state to pay the law's formula payments for current bond issues outstanding under the school facilities program, without prorating. This program was originally established to equalize the ability of districts with low property tax wealth to provide safe school facilities and taxpayer fairness. However, the State has historically allocated a fixed amount for the program rather than funding the amount necessary under the statutory formula, so formula payments had to be prorated. The Schweitzer Administration and the State Superintendent believe that prorating this program jeopardizes the equity measures this program intended to address when it was created in response to a statewide lawsuit in the late 1980s. The lawsuit specifically required the state to address equalization of debt service repayment efforts. The combination of Decision Package 21 and 63 will fully fund the state's obligation under this program.

If we thought we needed 100%, why did we ask for 80%?  
What is history of prorate?