

# FISCAL NOTE

Bill #: SB0177 Title: Revise ANB funding

Primary Sponsor: Ryan, D Status: As Introduced

Sponsor signature \_\_\_\_\_ Date \_\_\_\_\_  
*David Ewer* \_\_\_\_\_ *4/18/05*  
 David Ewer, Budget Director \_\_\_\_\_ Date \_\_\_\_\_

### Fiscal Summary

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
<b>Expenditures:</b>		
General Fund	\$29,835,951	\$0
<b>Revenue:</b>		
General Fund	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	(\$29,835,951)	\$0

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns           |
| <input type="checkbox"/> Included in the Executive Budget         | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached          | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

### Fiscal Analysis

#### ASSUMPTIONS:

- SB 177 applies only to FY 2006 public school funding.
- The average number belonging (ANB) in K-12 public schools under present law and SB 177 would be as follows:

	<u>Present Law</u>	<u>SB 177</u>
K-6 ANB	71,263	73,026
7-8 ANB	24,958	25,229
<u>9-12 ANB</u>	<u>49,363</u>	<u>49,786</u>
Total ANB	145,584	148,041

- SB 177 increases both the FY 2005 elementary per-ANB entitlement and the FY 2005 high school per-ANB entitlement by \$250 for FY 2006. The basic and per-ANB entitlements will be set as follows:

	<u>FY 2005</u>	<u>FY 2006</u>
Basic entitlement EL	\$19,859	\$19,859
Basic entitlement HS	\$220,646	\$220,646
Per-ANB entitlement EL	\$4,031	\$4281
Per-ANB entitlement HS	\$5,371	\$5,621
Direct State Aid Percentage	44.7%	44.7%

SB 177

**Fiscal Note Request SB0177, As Introduced**  
(continued)

4. SB 177 allows districts to use either the current year ANB or the 3-year ANB provided in 20-9-311. This fiscal note is based on "the current year ANB or the 3-year ANB provided in 20-9-311" whichever is highest.
5. The statewide taxable valuations will increase by 2.5 percent in FY 2006.
6. Under current statute direct state aid will be \$322.38 million in FY 2006. Special education payments will be \$36.4 million in FY 2006. Guaranteed tax base aid to schools will be \$102.03 million in FY 2006.
7. SB 177 does not affect the state special education appropriation, which has been estimated at the FY 2005 amount.
8. Under SB 177, direct state aid will be \$344.39 million in FY 2006. Guaranteed tax base aid paid to schools will be \$110.26 million in FY 2006.

**FISCAL IMPACT:**

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Local Assistance	\$29,835,951	\$0
<u>Funding of Expenditures:</u>		
General Fund (01)	\$29,835,951	\$0
<u>Revenues:</u>		
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$29,835,951)	\$0

**EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:**

School districts will respond to SB 177 in three ways. Many districts will increase general fund spending; others will provide property tax relief. Some districts will combine the two approaches.

- Districts that are currently spending at the BASE budget level will be required to increase spending and local property taxes to achieve the new BASE level.
- Increases in property taxes to support the over-BASE portion of school district budgets will require voter approval.
- Property taxes over the Maximum budgets will be reduced by this proposal.

**TECHNICAL NOTES:**

1. Difficulties in implementing SB 177 by July 1, 2005, may occur in several areas including: a.) the time frame will be short for programming budgeting tools that allow districts to budget to their best advantage; and b.) voting requirements for budget election deadlines may have to be legislatively adjusted.
2. Implementation to the Montana Automated Education Financial and Information Reporting System (MAEFAIRS) for a one-year program will be very time consuming.
3. Using the highest ANB between current year ANB or the 3-year ANB is not always the highest entitlement for the school district. 20-9-306(c) states: "the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or

**Fiscal Note Request SB0177, As Introduced**

(continued)

middle school, calculated as follows using either the current year ANB or the 3-year ANB provided for in 20-9-311,”. It is unclear which ANB will be used.

4. SB 177, Section 2, 20-9-311(10)(a) states “After calculating a district’s basic entitlement and total per-ANB entitlement using the 3-year ANB, the calculation must be used for general fund budgeting and funding purposes for school districts in existence for 3 years or more.” This conflict with #3 that states “either” ANB can be used.
5. Section 3 of SB 177 pertains to anticipated enrollment increases and will have no fiscal impact on the bill. However, the language in 20-9-314(3)(a) and again in (5) interchange the terms “enrollment” and “ANB” in a manner that is not clear. Using 3-year ANB should only pertain when 3-year ANB was used for budgeting and the bill eliminates the language to determine percentage increase using estimated and current enrollment numbers if 3-year averaging was not used. If this language is left in the bill, it would effect years following FY 2006 when the 3-year ANB is no longer being used. SB 177 would not require any changes to 20-9-314, MCA.
6. Providing SB 177 3-year averaging to schools for only FY 2006 raises questions as to how schools will adapt in FY 2007. If 3-year averaging is used for budgeting purposes in FY 2006 it could provide a higher budget and revenues in that fiscal year, but the districts budget would potentially fall to much lower levels in FY 2007 when they are then using current ANB, which might be significantly lower than the 3-year average ANB.



**MONTANA STATE SENATE  
2005 LEGISLATURE**

VISITOR REGISTER

DATE January 17, 2005

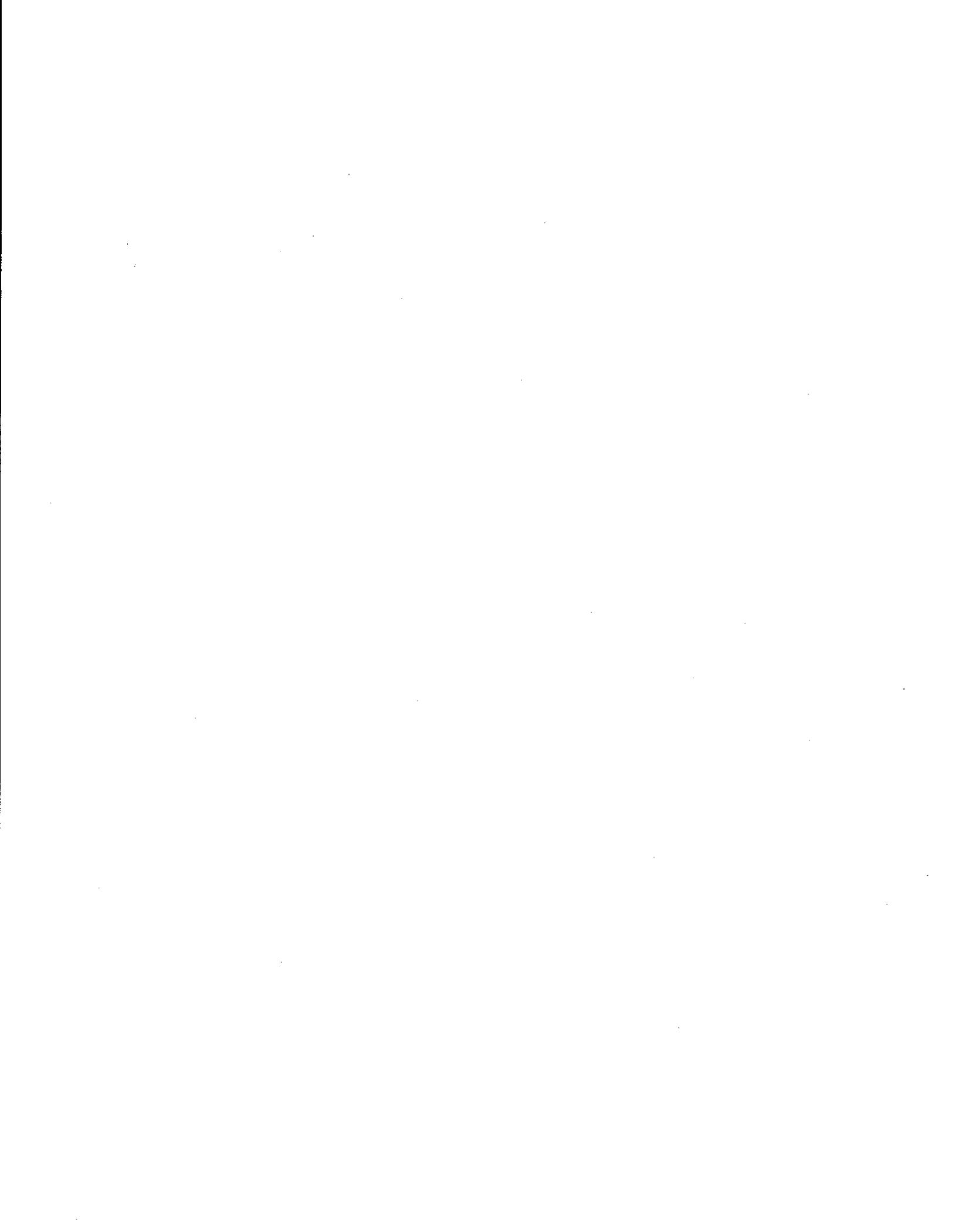
SENATE COMMITTEE ON Education + Cultural Resources

BILLS BEING HEARD TODAY: SB-177; SB-224; SB-198

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Deb Gutzmer	728-0898	Self	SB198	✓	
David Jones	363 5292	self	SB 198	✓	
Jane Hummelon	6527328	MDEA	SB198	✓	
Austin Mapston	380 0463	Self	SB 198	✓	
Gary Stallings	728-6452	Self	SB 198	✓	
Luke van Helden	721-4101	self	SB 198	✓	
Rick Waser	728-6452	Self	SB198	✓	
John Schneiderberger	375-0088	Bitterroot Human Rights Alliance	SB198	✓	
Joseph Kellogg	459-3664	SELF	SB198	✓	
Jeanne Stark	443-3639		813198	—	
BRIANNA Molek	449-6610	SELF	<del>SB</del> 198	✓	
Heidi B. Kestrel	2736485	Self	SB 198	✓	
Tegan Munnard Hahn	202-1470	Self	SB198	✓	

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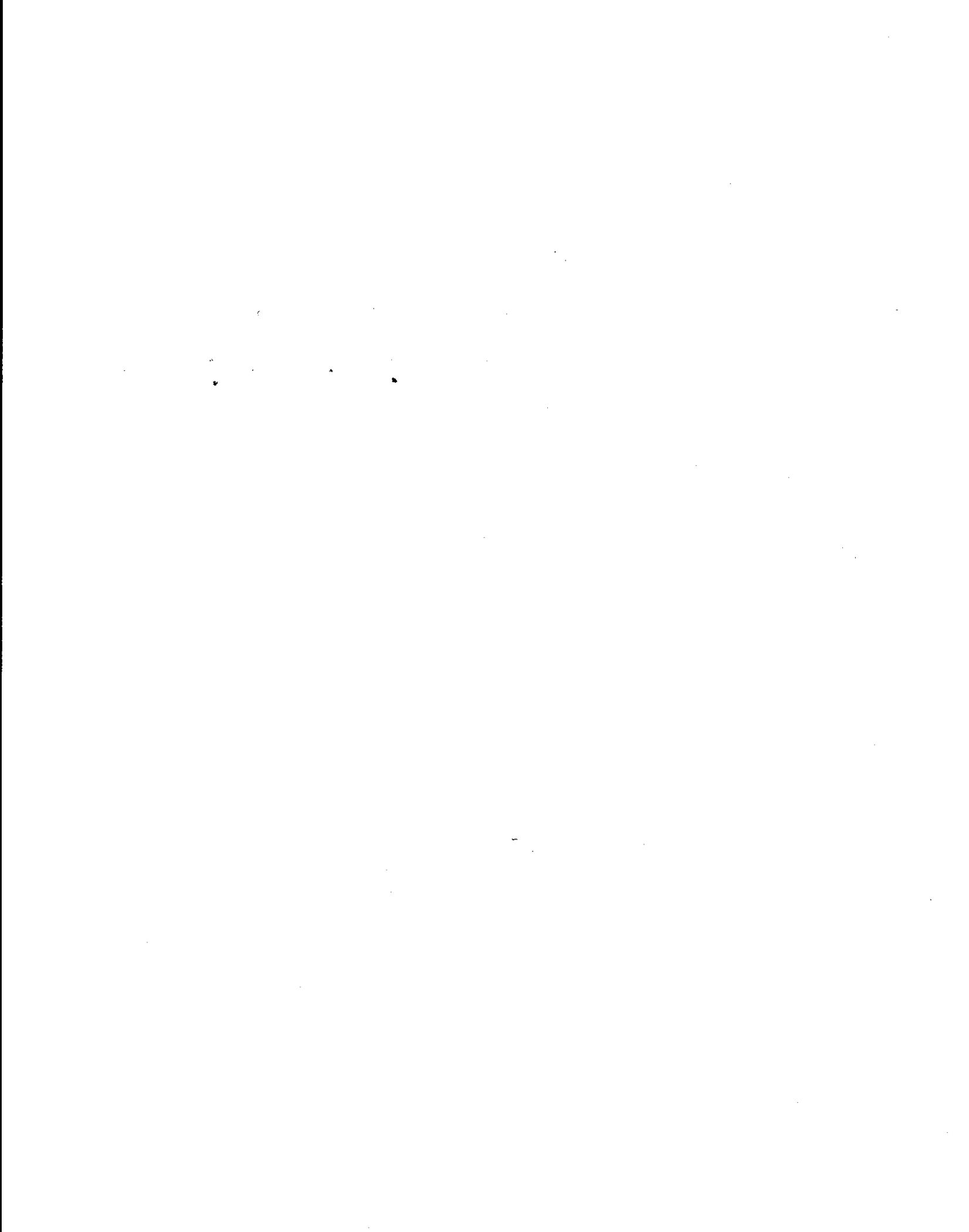
SENATE COMMITTEE ON Education + Cultural Resources

BILLS BEING HEARD TODAY: SB-177; SB-224; SB-198

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
BERNIE KNEE	728-9305	SELF	198	✓	
Joe Loo	721-5013	PFLAG Missoula NASW MT	SB198	✓	
Starshine	453-8989	Great Falls, MT	SB198	✓	
Ben Fuglewand	206-755-5654	Helena	SB 198	✓	
Jayne Cox	443-0511	Well Lives Project	SB198	✓	
Jennifer Kendrick	442-0496	self	SB198	✓	
Betty Krywski	442-5506	MTRN	SB198	✓	
Shelby Dale Hussain	442-5866	<del>self</del> self	SB198	✓	
Alison James	202-0201	self	SB198	✓	
Trowie Madam	442-8671	self	SB198	✓	
Jim Rogers	883-3611	self	SB198	✓	
Sherry Jones	883-3611	self	SB198	✓	
Claudette Morton	442-9179	Self	SB198	✓	

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2005 LEGISLATURE**

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SENATE COMMITTEE ON SB 177, SB 198, SB 224

BILLS BEING HEARD TODAY: Education + Cultural Resources

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NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
<del>Don Martin</del>		Billings	SB177		
Ariel Johnson	202-1470	self	SB198	X	
Kim Spurzem	461-4134	self	SB198	X	
Dawn Hayden	443-7794	self, READSV	SB198		
BRENDA WAHLER	449-2060	self	SB198	✓	
Leanne West	449-3430	MSELIC	SB224	X	
Darrell Ruc	442-2510	SAM	SB224 SB177	X X	
Eugene Williams	363-0933	Self	198		X
Elaine SolletHerman	449-2816	MT Eagle Forum	198		X
LANE MELTON		MTSBA	198 224 177	X X X	X
Bruce Messinger	224-2661	Helena Schools	224		
DANCLING BEAR	363-0323	SELF	224 177		X
SCOTT CRICHTER	443-8590	ACLU	198	X	

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**MONTANA STATE SENATE  
2005 LEGISLATURE**

**VISITOR REGISTER**

DATE 1-17-05

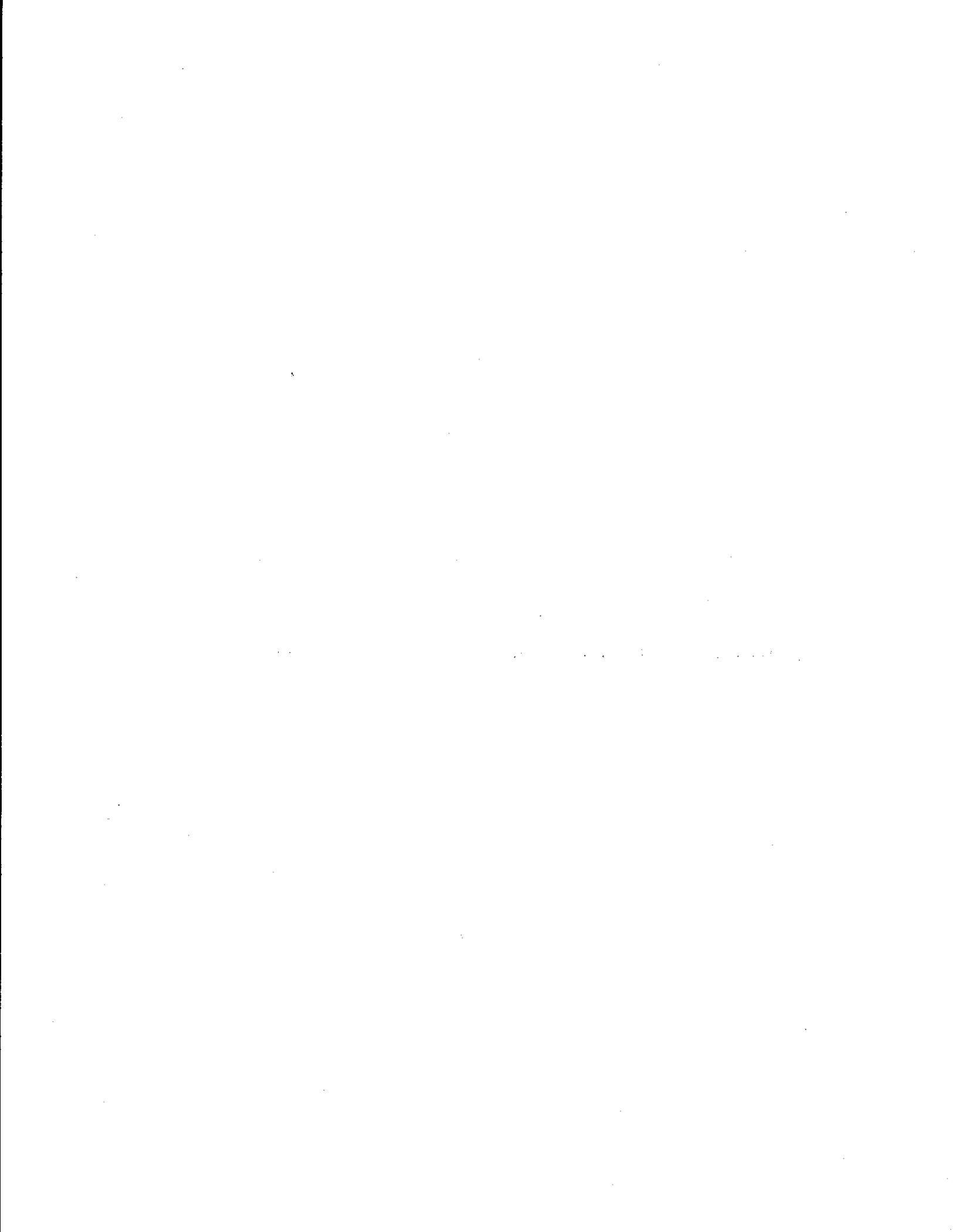
SENATE COMMITTEE ON ~~SB 198~~ Education + Cultural Resources

BILLS BEING HEARD TODAY: SB-198 SB-177 SB 224

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Terri Poake	458-0036	self	198		X
K Galvin-Nelson		Rep. self			
Patricia A. Kemp	442-2937	self	198	X	
Dallas Erickson	240-5277	<del>SELF</del> MCDL	198		X
Martha Kohl	449-2504	self	198	X	
Mary Rulien	755-1093	SD#5 KAL	177, 158, 224	X	
Doreen Fleener	363-4472	self	198		X
Beth Brenner	449-2344	Montana Advocacy Program	198	X	
M Shannon Bennett	406-375-0460	self <sup>Teacher</sup> <del>Parmer</del>	198		X
Lynne Baber	388-9180	self + husband + son wife	198		✓
Esther Fishbaugh	587-0455	self	198		✓
DOWN DUGAN	363-1167	SELF			✓

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2005 LEGISLATURE**

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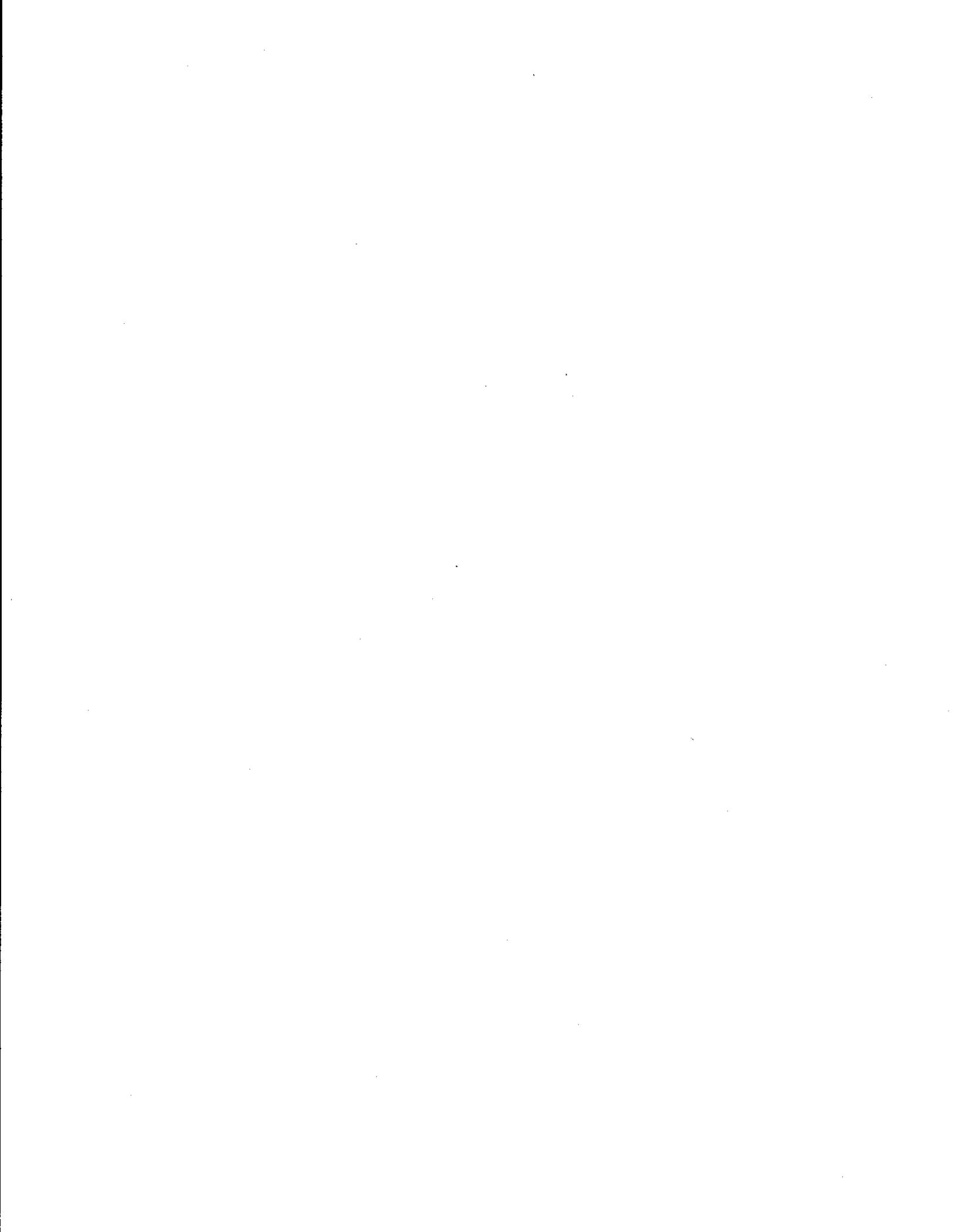
SENATE COMMITTEE ON Senate Education + Cultural Resources

BILLS BEING HEARD TODAY: SB-198 - SB-177 SB-224

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
HARRIS Himes		MFC	198		✓
Julie MILLAM		MFC	198		✓
Venice Coates		self			✓
Steve Meloy		BPE	198		✓
DIANE SANDS		AAUW Self	198	✓	
ALAN Ruby		self	177, 224, 158	✓	
JACK COPPS		MQEC	177	✓	

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Senate Bill # 198  
~~HOUSE OF REPRESENTATIVES~~

Judiciary Committee

WITNESS STATEMENT

PLEASE PRINT

NAME Judy White BUDGET \_\_\_\_\_

ADDRESS 104 Mainview Dr. DATE 1/17/05

WHOM DO YOU REPRESENT? Self

SUPPORT:  OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

COMMENTS:

Unkind words are one thing →  
hateful actions are entirely another.  
Young people who are vulnerable  
and impressionable have difficulty  
recovering from hostile, devastating  
attacks - whether verbal or physi-  
cal - both impact emotionally.  
Youth who are gay already struggle  
with more than ordinary pressure.  
They need peer approval, as do all youths  
but because they are "different" often find  
little support from their peers.  
Bullying needs to be addressed for  
the safety of all young people, to protect  
them mentally, physically & emotionally.

/s/JudicWitnessState.2003

I urge you to pass Bill # 198.



Senate Education Committee

Witness Statement

SB 198

support

In order to provide a safe learning environment for Montana's children they must be free from harassment or bullying. Parents, educators and school administrations must send a strong signal that these behaviors will not be tolerated and instill the message that in a free, democratic and civil society diversity is both accepted and appreciated and that all individuals deserve respect regardless of race, creed, religion, sexual orientation or ethnicity. A statewide policy would provide uniform direction for all Montana school districts to form anti bullying / harassment directives.



SB 198 Proponent  
Submitted for record

My name is AUSTIN MAPSTON and am a senior attending Carroll College. I attended high school at Denton High School. During my time at Denton High School I bore witness to, partook in, and was subject to the very harrassment SB 198 addresses. This is what I saw in school: From 6<sup>th</sup> grade through my senior year my class of 14 students continually and religiously targeted a male student in my class and classified him as gay. He was not. I am not innocent in this story; regrettably I partook on numerous occasions. That was my fault. Daily comments of FAGGOT, HOMO, QUEER, etc were commonplace. Over the years the harassment became so bad that this student went over the edge. My class was taken out of our first period class to have sessions with a Counselor. The harassment did not stop. As a junior, the harassment escalated including my participation. In shop members of my class, including myself, violence erupted as a result. The targeted student picked up a chisel in shop class and threw it. The object found its place in the back of my head. I was fortunate to have recieved the blunt handle. That day my school was not safe. It was a chain of events that began in 6<sup>th</sup> grade and ended with a violent act. This legislation can help prevent acts such as this. I stand in support of SB 198 and urge the committee to pass this bill. Respectfully submitted -

Austin Mapston

