



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # HB0045

Title: Revise school finance laws

Primary Sponsor: Villa, D.

Status: As Introduced

- Significant Local Gov Impact
 Include in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Impact-General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FISCAL ANALYSIS

Assumptions:

1. The changes in HB 45 affect the over-BASE portion of a school district's general fund budget. There is no direct impact to the state general fund as a result of the bill.
2. The change in the definition of one-quarter time enrollment from 181 hours to 180 hours is not anticipated to have a fiscal impact.

Effect on County or Other Local Revenues or Expenditures:

1. HB 45 requires any increases in local property taxes to support the over-BASE levy to be approved by district voters. It removes the requirement to vote levies that exceed statutory maximum budget.
2. The legislation provides the same procedure for all school general fund levy elections regardless of whether the district adopts a budget less than or in excess of the maximum general fund budget.

Technical Notes:

A 1989 Supreme Court decision required the state to provide school districts with equalized budgets. This legislation moves in a direction of less equalized district budgets:

- This legislation eliminates statute that requires districts to reduce general fund budgets that are above the equalized area over a period of time specified in law.
- HB 45 allows additional districts to exceed the equalized budget range by adopting budgets over the maximum calculated budget whenever the state increases the entitlements in MCA 20-9-327 through 20-9-330 and the district’s prior year budget is higher than the current year maximum budget.
- Under current law, a district may not exceed its maximum budget without voter approval. Under the provisions of HB 45, a district may be able to exceed the maximum budget without voter approval.

Sponsor’s Initials

Date

Budget Director’s Initials

Date