



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill # HB0177

Title: Allow school districts to use equalization aid for preschool programs

Primary Sponsor: Anderson, Fred

Status: As Introduced

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

FISCAL SUMMARY

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill has no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:

Office of Public Instruction

1. Equalization aid defined in section 20-9-343, MCA, is to be distributed to schools for the purposes of funding guaranteed tax base aid, BASE aid for the BASE funding program, state reimbursement for school facilities, and negotiated payments authorized under 20-7-420(3), MCA.
2. Section 20-9-311(7), MCA, prohibits the inclusion of preschool pupils in the calculation of average number belonging (ANB), a contributing factor to the determination of most BASE aid components.
3. The proposed change in HB 177 would no longer disallow school districts use of state equalization aid to fund preschool programs.

Technical Notes:

1. Currently, the state school funding formula does not include preschool student counts in the budgeting process. The HB 177 change may conflict with the current intent of state equalization funds.

Sponsor's Initials

1/17/19

Date

Budget Director's Initials

1/17/19

Date