



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** SB0075

**Title:** Revise school funding laws related to unforeseen emergencies

**Primary Sponsor:** Salomon, Daniel

**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 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<b>Expenditures:</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
<b>Revenue:</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 75 revises and clarifies school funding laws related to minimum aggregate hours and unforeseen emergencies. There is no fiscal impact related to this bill.

### FISCAL ANALYSIS

**Assumptions:**

- SB 75 revises section 20-1-301, MCA, to allow that in the situation of declared unforeseen emergencies, the state support reduction when minimum aggregate hours are not met, will not be enforced.
- Currently, section 20-1-301, MCA, states that in circumstances where the minimum aggregate hours are not met, the Superintendent of Public Instruction shall reduce only direct state aid for the district by two times the hourly rate. SB 75 amends this statute to include all BASE aid which would include: direct state aid (DSA); guaranteed tax base aid (GTB); quality educator payment; Indian education for all payment; American Indian achievement gap payment; and data-for-achievement payment.

3. Section 1 of SB 75 amends statute to allow the exception to a reduction in BASE aid for the district for failure of any elementary or high school district to provide at least the minimum aggregate hours prescribed in 20-1-301, MCA, for an unforeseen emergency as defined in Title 20, chapter 9, part 8.
4. Current law directs the superintendent to reduce funding for schools proportionately for each hour short of the minimum number of aggregate hours of instruction required by law except that the board of trustees may close school for one school day each school year for an unforeseen emergency and the district would not be required to reschedule the pupil-instruction time lost if.
5. SB 75 proposes a district would not be required to reschedule pupil-instruction time lost and would not have funding reduced if the board adopted a resolution that a reasonable effort was made to reschedule the pupil-instruction time lost because of an unforeseen emergency. The district must have made up at least three school days or the equivalent aggregate hours to verify a reasonable effort was made to make up the lost time before a declaration of unforeseen emergency is made.
6. Additionally, it is clarified that in the case of a one school day closure for unforeseen emergency the school would not be subject to BASE aid reduction for the day.
7. The table below summarizes history associated with a reduction in DSA due to insufficient aggregate hours:

<u>Fiscal Year</u>	<u>Count of Districts</u>	<u>Payment Adjustment</u>
2015	2	(\$10,286.08)
2016	9	(\$101,236.63)
2017	6	(\$16,304.75)
2018	9	(\$19,305.08)
2019	0	(\$0.00)
2020	4	(\$15,956.05)

8. Given this history, for purposes of this fiscal note, an average of six districts per year would report insufficient aggregate hours. The costs associated would be for total BASE aid rather than only DSA as prescribed by the proposed language in SB 75 should the district not declare an emergency. The difference in cost between BASE aid and DSA is about a 0.05% increase.
9. Should all districts declare unforeseen emergencies per this bill, history shows a very minimal change in BASE aid funding for the state. Since BASE aid is appropriated assuming no closures, this fiscal note will show no fiscal impact related to this SB 75.
10. The effective date of this bill is retroactive to July 1, 2020. It is possible the BASE aid costs for FY 2021 could have been less than appropriated related to these statutory changes due to the Coronavirus Pandemic however, that information is not available, and no adjustments have been made to school districts' funding related to pupil-instruction time due to the pandemic. Schools across the state have declared unforeseen emergencies related to the pandemic.



Sponsor's Initials

1-18-21

Date



Budget Director's Initials

1/15/21

Date