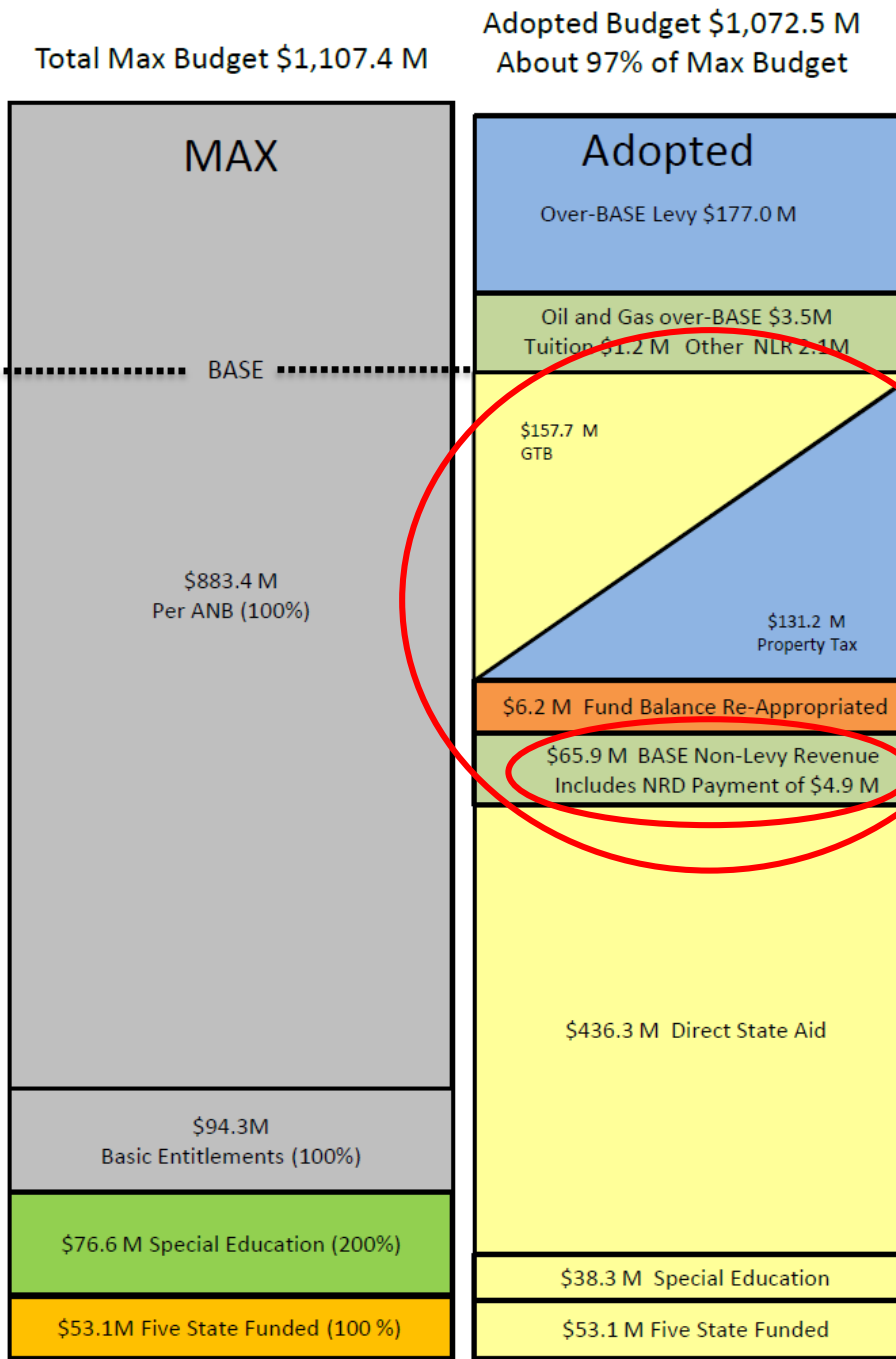
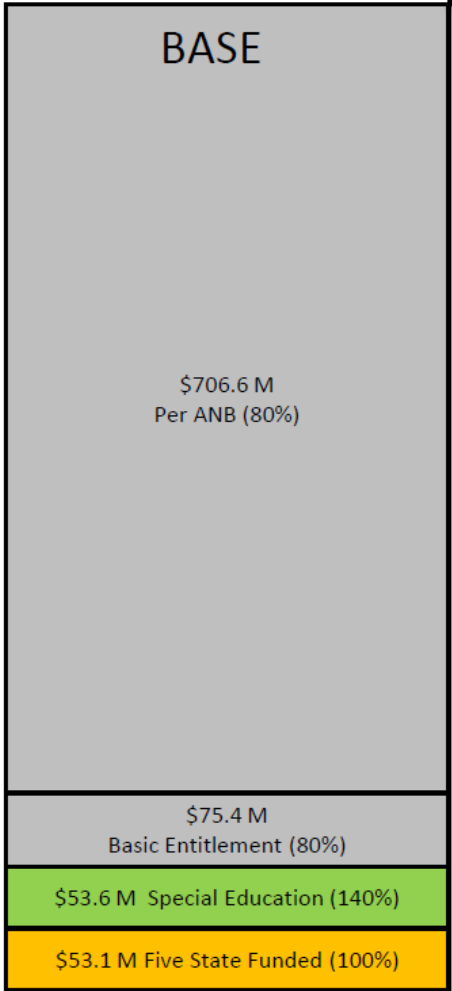


FY 2016 Statewide District General Fund Budget

Total BASE budget \$888.7 M
About 80% of Max Budget



Over-BASE Area =
Adopted Budget Less
Base Budget

GTB Area = 35.3 Percent of
Basic and Per-ANB
Entitlements plus 40 Percent
of Special Education
Allowable Costs. State
Guarantee Ratio = 193
percent of Taxable Value per
dollar GTB Area

Direct State Aid = 44.7
percent of Basic and per
ANB entitlements

Special Education
Appropriation

Components 100%
State Funded

The major changes to the K-12 funding formula in the 2017 Legislature are related to the elimination of two district general fund sources of nonlevy revenue:

1. general fund block grants; and
2. the natural resource development K-12 funding payment (NRD) and increases to state-funded Guaranteed Tax Base Aid (GTB).

These changes will affect property taxes in varying ways and to varying degrees in all Montana school districts over the next several years.

On the next slide we'll examine the circled areas in greater detail. Note that the dollar amounts on this slide reflect FY 2016 and that the next slide will reflect FY 2017 and future years, fund balance re-appropriated will be excluded, and the diagonal line splitting GTB and local taxes will be reoriented vertically.

2017 (GTB 193%)

GTB Aid \$163 million	Local Prop Tax \$134 million
Nonlevy revenue	\$70 million including: <ul style="list-style-type: none"> \$54 million in block grants \$8 million in NRD payment

The elimination of block grants and the NRD payment in 2018 decreases nonlevy revenue significantly and results in increases in both GTB and local property taxes (BASE mills).

2018 (GTB 193%)

GTB Aid will increase to about \$195 million	Local Prop Tax will increase to about \$166 million
Nonlevy revenue	

The share of GTB and local taxes varies from district to district based on local property tax wealth. Wealthier districts receive less or no GTB Aid; poorer districts receive more.

But as the state funding that previously went to districts as block grants is redistributed by increasing the GTB multiplier over the next few years, GTB aid will increase and local property taxes (BASE mills) will generally decrease. More districts will be eligible for more GTB aid. However, some wealthy districts will still not be eligible for GTB aid and will pay more in BASE taxes than before. This is the result of distributing more state aid through equalizing GTB aid.

2019 (GTB 216%)
2020 (GTB 224%), 2021... (GTB 232%)

GTB Aid:	→	Local Prop Tax:
2019 - \$216		2019 - \$153
2020 - \$224		2020 - \$149
2021 - \$234		2021 - \$148
(in \$ millions)		
Nonlevy revenue		

Data as per model 05-02-17K-12ModelMaster
Note—statewide local taxes are not expected to return to 2017 level due to projected ANB increases and inflationary adjustments to entitlement amounts