

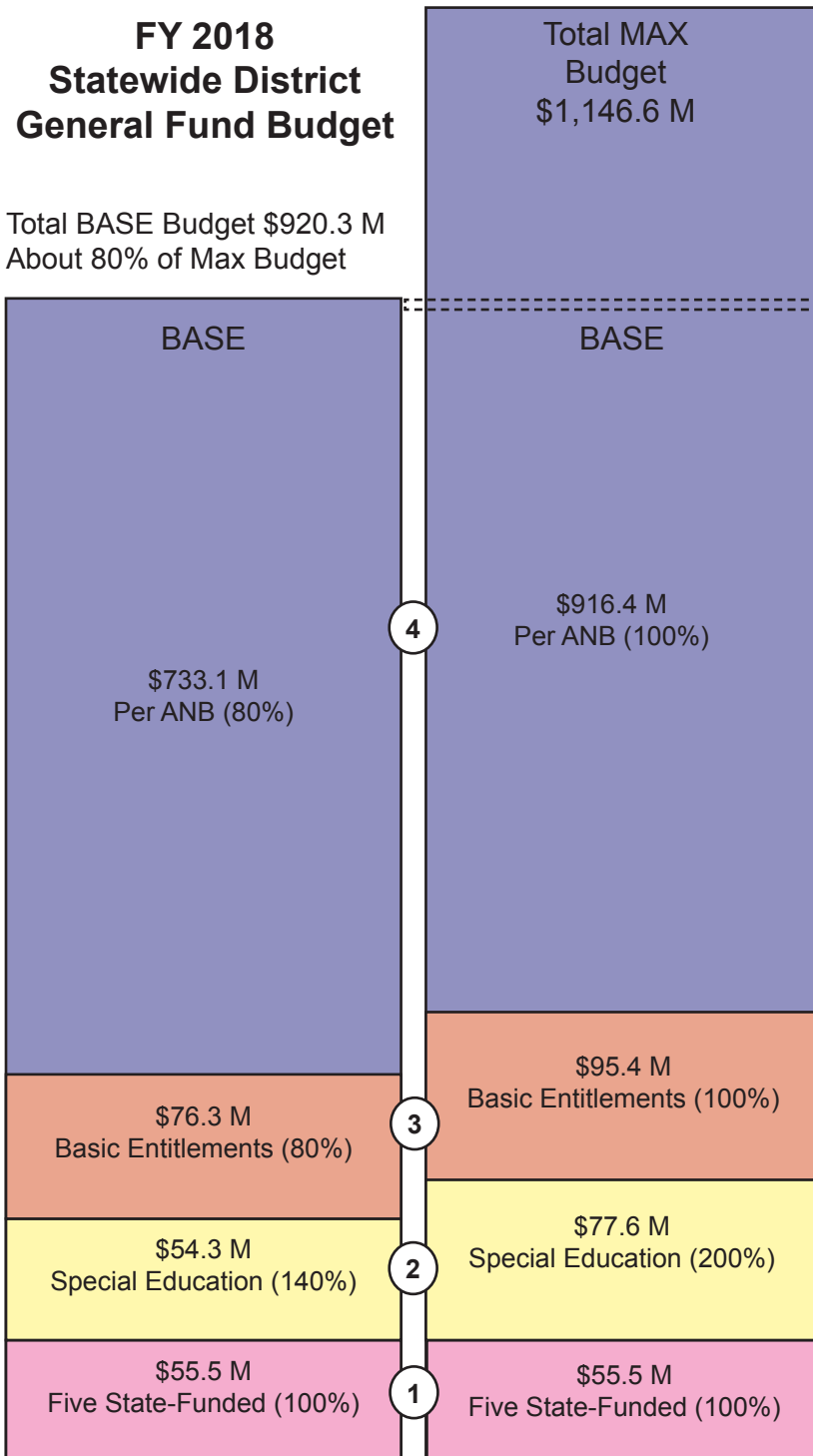
# K-12 Funding Basics - District General Fund

School district general fund budget limits are established based on percentages of various funding building blocks.

Building blocks	BASE Budget Limit	MAX Budget Limit
Per ANB Entitlement	80%	100%
Basic Entitlement	80%	100%
Special Ed Payment	140%	200%
Five State-Funded Components	100%	100%

## FY 2018 Statewide District General Fund Budget

Total BASE Budget \$920.3 M  
About 80% of Max Budget



### District General Fund

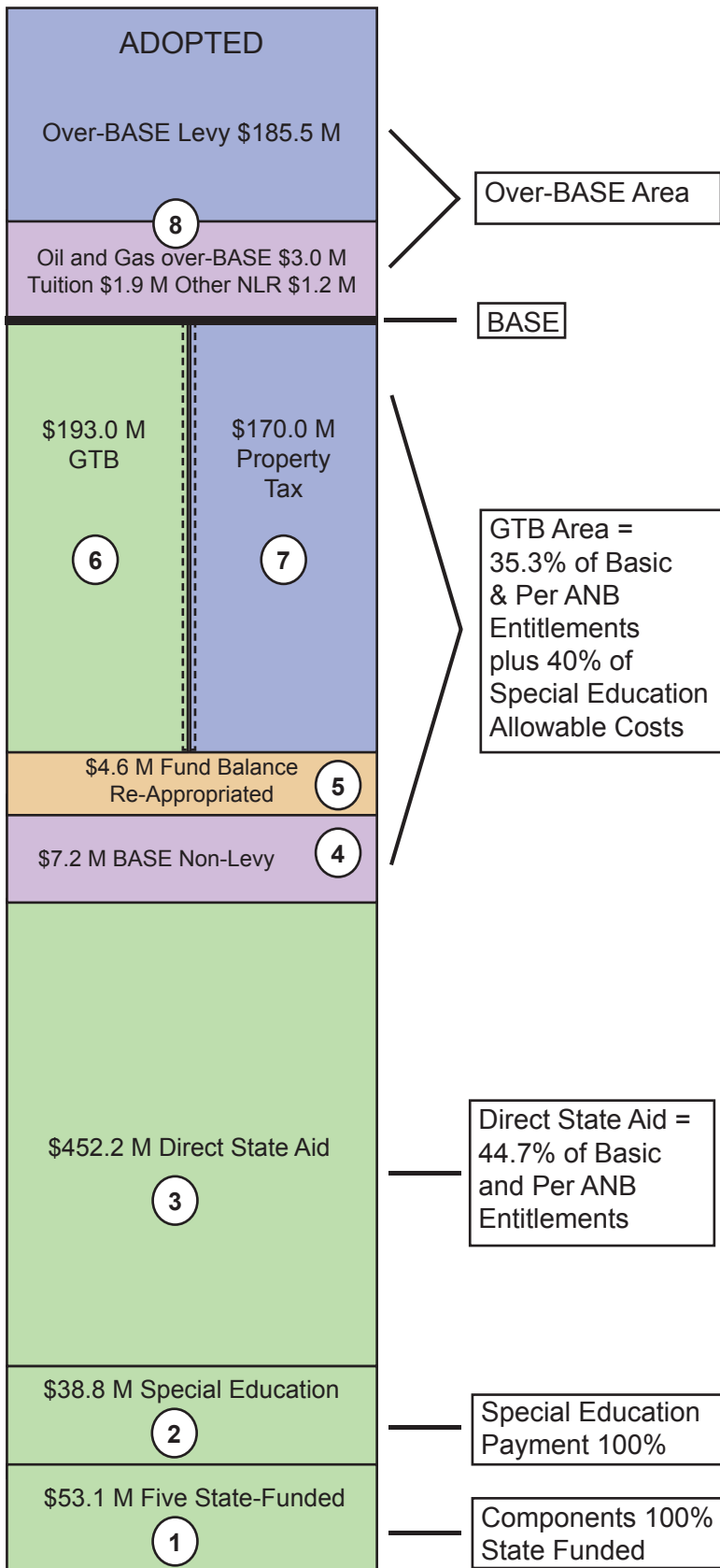
The largest school district fund is the general fund. Statewide districts adopted general fund budgets of \$1.1 billion and received \$750 million in state support.

- 4 **Per ANB Entitlement**- Average Number Belonging - A per-ANB dollar amount based on the average count of students attending a district in October and February of the previous school year.
- 3 **Basic Entitlement** - A set amount per district based on whether it is an elementary school district, middle school district, or high school district. Districts with higher enrollment are eligible for additional basic entitlement "increments."
- 2 **Special Education Payment** - an amount per ANB regardless of the count of special education students. Portions of the special education appropriation go to cooperatives and to reimbursements for high-cost students.
- 1 **Five State-Funded Components**
  1. Quality Educator Payment - A per-FTE payment for teachers and other licensed professionals
  2. At Risk Payment - A payment to schools to address at-risk students; or students who are affected by an environment that negatively impacts performance and threatens the likelihood of promotion or graduation
  3. Indian Education For All Payment - A per-ANB payment to fund the constitutionally required education regarding the cultural heritage of the American Indians.
  4. American Indian Achievement Gap Payment - A per-American Indian student payment for the purpose of closing the performance gap that exists between American Indian students and non-Indian students
  5. Data for Achievement - A per-ANB payment used by school districts to pay for costs associated with student data systems

**FY 2018**

**Adopted budget \$1,112.9 M  
About 97% of Max Budget**

**School district general fund adopted budgets are funded  
with a blend of state and local revenues.**



- 8** Any Over-BASE area of a district's adopted budget is funded by available nonlevy revenues, tuition payments, and/or an Over-BASE levy approved by voters.
- 7** • BASE Property Taxes - Local property tax revenues
- 6** • GTB - Guaranteed Tax Base Aid - A state subsidy for mill levies used to equalize property wealth across the state. GTB aid provides a subsidy per mill to eligible districts
- 5** • Fund Balance Re-appropriated - Any excess district general fund from the previous year
- 4** • BASE Non-levy Revenue - Items such as interest earnings, facility rental income, summer school, oil and gas revenues, coal gross proceeds
- 3** Direct State Aid - received by every district and is equal to 44.7 percent of the district's Per-ANB and Basic entitlements
- 2** Special Education Payment - Formula funds provided to local school districts in the form of block grants
- 1** Five State-Funded Components - 100% funded by the state

The GTB Area is funded by:

GTB Area = 35.3% of Basic & Per ANB Entitlements plus 40% of Special Education Allowable Costs

Direct State Aid = 44.7% of Basic and Per ANB Entitlements

Special Education Payment 100%

Components 100% State Funded

**Other State Funding**

The legislature is also responsible for setting rates for state participation in teacher's retirement, transportation and debt service. Formulas for those payments can be found in Title 20, Chapter 9 of the Montana Code Annotated.

**Impacts to Local Districts**

The legislature's role is to assure adequate funding for a quality school system. If the legislature needs to adjust the formula, there could be local tax consequences. The main source of local contribution is property taxes.

Local Property Tax	Local Non-Levy
Fund Balance Re-Appropriated	State (BASE Aid)



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