01 - General Fund Budget

**PURPOSE:** This fund is used for the instructional programs and general operations of the school district. Budget limits are established per §20-9-308, MCA. State law establishes a BASE (minimum budget) and a Maximum General Fund (01) budget limit for each district.

General Fund (01) budget limits are statutorily calculated values.

The "BASE budget" (minimum) is calculated using:

1. 80% of the Basic Entitlement;
2. 80% of the Per-Student Entitlement;
3. 100% of the Quality Educator Payment;
4. 100% of the At-Risk Student Payment;
5. 100% of the Indian Education for All Payment;
6. 100% of the American Indian Achievement Gap Payment;
7. 100% of the Data for Achievement Payment;
8. 100% of the State Special Ed Allowable Cost Payment (special education block grants to the district and reimbursement for disproportionate costs); and
9. 40% times Special Ed Allowable Cost - Payment plus the state special education payments made to the district's Special Ed Cooperative.

The "Maximum budget" is calculated using:

1. 100% of the Basic Entitlement;
2. 100% of the Per-Student Entitlement;
3. 100% of the Quality Educator Payment;
4. 100% of the At-Risk Student Payment;
5. 100% of the Indian Education for All Payment;
6. 100% of the American Indian Achievement Gap Payment;
7. 100% of the Data for Achievement Payment;
8. 100% of the State Special Ed Allowable Cost - Payments (special education block grants to the district and reimbursement for disproportionate costs); and
9. Between 75% and 100% times State Special Ed Allowable Cost - Payments plus the state special education payments to the district's special education cooperative, depending on the ratio of actual special education allowable costs compared to the state special education funding for 2 years prior.

**VOTING REQUIREMENTS:** Voter approval is necessary for a district to increase Over-BASE taxes from the prior year, as referenced in §20-9-308, MCA, and §20-9-353, MCA, unless Non-Voted Levy Authority is transferred to the General Fund (01) from the Transportation Fund (10), Bus Depreciation Reserve Fund (11), Tuition Fund (13), or Adult Education Fund (17).

Voting requirements vary depending on:

- The district's prior year adopted budget compared to the ensuing year BASE budget and Maximum budget;
- The amount of district taxes budgeted to fund the Over-BASE budget for the prior five years; and
- Other revenues available to fund the Over-BASE budget.
BUDGET LIMITS Tab:

1. The district should estimate any non-levy revenues before the adopted budget is entered; non-levy revenues can change the highest budget amounts.

2. 0001 Adopted Budget: Enter the district’s General Fund (01) budget as adopted by the district trustees. The budget must fall between the "BASE Budget" and the "Highest Budget" shown on the Budget Limits tab.

3. 0151 Amount Approved on Ballot by Voters: Enter the amount submitted to and approved by voters, if any. Enter ONLY THE PORTION VOTED, not the entire adopted budget. Revenues paid by the state are calculated and automatically included. If the election failed, do not enter an amount.

4. 0002 Expenditure Budget: This field will equal Line 0001-Adopted Budget unless an amount is entered on Line 0003-Add to Fund Balance.

RESERVES (and Excess Reserves) Tab:

1. This TFS step must be completed before the General Fund (01) Budget entry: The "Fund Balance for Budget (TFS48)" is the amount as reported on the line 48. The district must enter the amount of the fund balance to be reserved. Unless reserved, the remaining fund balance will be reappropriated, subject to 15% limit referred to in §20-9-104, MCA, (TIF Fund Balance is exempt from this rule).

2. Select and enter 0961 Operating Reserve. The General Fund (01) reserve limit is 10% of the ensuing year’s budget or $10,000, whichever is greater. Setting maximum reserves is recommended. The amount reserved cannot exceed “Fund Balance for Budget (TFS48)”. TIF Fund balance may be reserved similarly and is considered as part of the 10% limit. §20-9-104, MCA

   a. (Optional) If “Fund Balance for Budget (TFS48)” exceeds the operating reserve; the district may hold excess reserves in limited cases. To set aside valid excess reserves, select and enter 0963 Reserve for Unused Protested/Delinquent Taxes or 0964 Reserve for Tax Audit Receipts. §20-9-104, MCA

   Note: To reserve excess funds in 0963 Reserve for Unused Protested/Delinquent Taxes and 0964 Reserve for Tax Audit, the 0961 Operating Reserve must be at the maximum allowed by §20-9-104, MCA.

   b. If excess reserves were held on the prior year budget, or if revenues that could potentially be held in excess reserves were reported on the TFS, the screen will display an amount in the Ending Excess Reserves Limit amount.

3. After reserves are entered, 0970 Unreserved Fund Balance displays the amount of fund balance remaining to be reappropriated. That amount will reduce BASE levies and GTB Aid, unless the district specified that a portion of excess reserves from last year’s budget will be used to fund the Over-BASE. As stated above, pursuant to §20-9-104, MCA, the unreserved fund balance reappropriated may not exceed 15% of the ensuing year’s maximum General Fund (01) budget.
REVENUES Tab:

**Revenues**

1. 3110 Direct State Aid: *Prefilled by the OPI.*
2. 3111 Quality Educator: *Prefilled by the OPI.*
3. 3112 At Risk Student: *Prefilled by the OPI.*
4. 3113 Indian Education for All: *Prefilled by the OPI.*
5. 3114 American Indian Achievement Gap: *Prefilled by the OPI.*
6. 3115 State Special Education Allowable Cost Payment to Districts: *Prefilled by the OPI.*
7. 3116 Data for Achievement: *Prefilled by the OPI.*
8. 3120 State Guaranteed Tax Base Aid (as calculated on General Fund (01) Worksheet Line (V-LI): *Prefilled by the OPI.*

**Estimated Funding Sources (Lines 0970-3120)**

- 0970 Unreserved Fund Balance Reappropriated: This amount equals total General Fund (01) Balance for Budget (TFS48), minus 0961 Operating Reserves, minus 0963 Reserve for Protested / Delinquent Taxes, minus 0964 Reserve for Tax Audit Receipts. *MAEFAIRS calculates*

  **Note:** Fund Balance Reappropriated cannot exceed 15% of the ensuing year maximum General Fund (01) budget.

**Actual Non-Levy Revenue**

These revenues are required by law to be anticipated on the budget using the prior year actual receipts. MAEFAIRS automatically records these revenue estimates using actual amounts reported on the TFS.

These revenue codes include:

- 1130 Tax Title/Property Sales
- 1510 Investment Earnings
- 1800 Community Service Activities
- 1900 Other Revenue
- 1910 Rentals-Buildings and Equipment
- 1915 Dormitory Charges
- 1920 Contributions/Donations
- 1940 Textbook Sale/Rental
- 1945 Resale of Supplies/Materials
- 1950 Services to Other Schools
- 1960 Services to Other Governments
- 1981 Summer School Revenues
- 3302 State PLT, FWP
**Anticipated Non-Levy Revenue- BASE**

These are revenues the law requires to be anticipated on the budget using the best information available.

The revenue codes include:

- □ 1123 Coal Gross Proceeds: The OPI prefills this data based on section §15-23-703, MCA from data provided by the Department of Revenue (DOR).

- □ 3460 Montana Oil and Gas Tax: In the General Fund (01) estimate the oil & gas revenue to the BASE using 0171 Oil & Gas Revenues – BASE Budget and estimate the oil & gas revenue to the over-BASE using 0172 Oil & Gas Revenues – Over-BASE Budget.
  - o Pursuant to §20-9-310, MCA, allows a school district to deposit its oil and natural gas production tax revenues in any budgeted fund of the district. If a district allocates an amount to its BASE budget that is less than 12.5 percent of its prior year receipts of oil and natural gas production taxes, the district must levy permissive mills to make up the difference between 12.5 percent of its prior year receipts and the amount allocated to its BASE budget. This portion of the BASE levy will not be matched by guaranteed tax base aid.
  - o Exceptions to limitations on GTB subsidy related to estimating oil and gas revenue to the General Fund (01) BASE budget include:
    - ✓ If the prior year oil and gas receipts deposited to all funds + current year adopted General Fund (01) budget is <=105% of the current year maximum budget.
    - ✓ If the current year maximum budget is <$1 million
    - ✓ If the district has an oil and gas revenue bond (O&G must be applied toward debt service payment first)
    - ✓ If the district had an unusual enrollment increase related to the current budget. If any of these exceptions apply, the GTB subsidy will not be limited by not estimating 12.5% to the BASE budget.

- □ 9100 Other Revenue: Used to anticipate revenue types that do not fit an Anticipated Non-Levy Revenue source as shown on the list.

AND

- □ 9710 Residual Equity Transfers In: Used to anticipate the receipt of a transfer from the closure of another fund; closure of a district; or annexation of a district.

**Other Non-Levy Revenue**

These are revenues the district may anticipate. Due to the ability to hold these receipts as Excess Reserves, these sources are rarely anticipated, and it is not recommended to anticipate them.

Types of revenue the district might want to include:

- □ 1117 Prior Year Taxes
- □ 1118 Tax Audit Receipts
- □ 1190 Penalties and Interest on Taxes

**Anticipated Non-Levy Revenue- Over-BASE**
Estimated tuition receipts can be used to fund the Over-BASE budget area. MAEFAIRS automatically applies these revenue sources to the Over-BASE budget area.

The revenue codes include:

- 0172 Montana Oil and Gas Production revenues estimated to the Over-BASE
- 1310 Tuition from Individuals
- 1320 Tuition from In-State Schools
- 1330 Tuition from Out-of-State Schools
- 3117 State Tuition: for students placed in a group home, foster care, or by a state agency/court.

**Note:** TIF Fund Balance Reappropriated must be accounted for on the budget as Operating Reserves or on the revenue tab as 0174 TIF Applied to BASE Budget or 0175 TIF Applied to the Over-BASE Budget.

**Levies**

- 1110(a) Mandatory Non-Isolated Levy: This levy applies only to elementary districts with fewer than 10 budget limitation ANB (for two or more consecutive years) and do not meet criteria for isolation status. *Prefilled by the OPI.*

- 1110(b) BASE Levy: Calculated by MAEFAIRS as follows:
  
  **BASE Budget Limitation**
  - **Minus:** Estimated state revenues
  - **Minus:** Unreserved Fund Balance Reappropriated to fund BASE
  - **Minus:** Estimated non-levy revenues (except tuition and other revenues estimated to the Over-BASE)
  - **Minus:** Guaranteed Tax Base Aid
  - **Minus:** TIF remittance distributed to fund the BASE
  - **Minus:** BASE over-levy amount

  This should be approximately equal to (Taxable Valuation X .001) X BASE Mills.

- 1110(c) Over-BASE Levy: Calculated by MAEFAIRS as follows:

  **Adopted Over-BASE Budget**
  - **Minus:** Unreserved Fund Balance Reappropriated and Non-Levy Revenue (If any is left after funding BASE, resulting in BASE mills = 0. Limited to 15% of the maximum budget)
  - **Minus:** Excess Reserves used to fund the Over-BASE
  - **Minus:** Tuition (estimated revenue for ensuing year)
  - **Minus:** Flexible Non-Voted Levy Authority
  - **Minus:** TIF remittance distributed to fund the Over-BASE
  - **Minus:** Over-BASE the Over-levy amount
  - **Minus:** Oil & Gas to fund the Over-BASE

- 1110 District Tax Levy: Equals the sum of 1110(a), 1110(b) plus 1110(c). *MAEFAIRS calculates*

- 0004 Total Estimated Revenues to Fund Adopted Budget: *MAEFAIRS calculates*

  Equals the sum of Estimated Funding Sources (Lines 0970-3120)
  - **Plus:** Actual Non-levy Revenue (Lines 1130-3302)
  - **Plus:** Anticipated Non-levy Revenue BASE (Lines 1123-4800),
  - **Plus:** Anticipated Non-levy Revenue the Over-BASE (Lines 1310-3117)
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**Plus:** Other Non-levy Revenue (Lines 1117-9710)
**Plus:** District Tax Levy (Line 1110)

- 0004a Estimated Revenues Exceeding Adopted Budget: *MAEFAIRS calculates*
  
  If the amount of:

  1. 0004 Total Estimated Revenues to Fund the Adopted Budget
     
     EXCEEDS Line 0001: Adopted Budget
     
     AND Line 1110-District Tax Levy equals zero
     
     THEN Line 0004 is reduced to equal Line 0001
     
     AND the excess revenue is reported here

**Note:** If Estimated Funding Sources (Lines 0970-3120) and revenues [Actual Non-Levy Revenue (Lines 1130-3302); Anticipated Non-Levy Revenue BASE (Lines 1123-4800); and Anticipated Non-Levy Revenue Over-BASE (Lines 1310-3117) and Other Non-Levy Revenue (Lines 1117-9710)] do not exceed Line 0001-Adopted Budget, this line will be zero.

### Flexible Non-Voted Levy Authority (FNVLA) Tab:

- Non-voted (permissive) levy authority in the Transportation Fund (10), Bus Depreciation Reserve Fund (11), Tuition Fund (13), and Adult Education Fund (17) may be transferred to the General Fund (01) to increase the Over-BASE budget levy without a vote.
- MAEFAIRS will calculate the accumulated total of non-voted levy authority for each allowable fund.
- MAEFAIRS calculates the Ending Levy Authority Balance for each of the four funds above. This will be the Beginning Levy Authority minus any transfers.
- The Flexible Non-Voted Levy Authority amount is transferred to the Budget Limits tab and increase the Highest Budget Without a Vote if the Highest Budget limit has not been met.

### SUMMARY Tab:

No input required. Verify the number of mills shown here.

**BASE Mills are calculated as follows:**

- **Adopted BASE budget**
- **Minus:** Estimated state revenues
- **Minus:** Unreserved Fund Balance Reappropriated to fund the BASE
  
  (Pursuant to, §20-9-104, MCA, Fund Balance Reappropriated is limited to 15% of the maximum General Fund (01) budget. Any unreserved fund balance in excess of 15% of the maximum General Fund (01) budget must be remitted to the state).
- **Minus:** Estimated non-levy revenues (except tuition)
- **Equals:** Taxes/GTB Needed to fund the BASE Budget
- **Divided by:** District Mill Value plus GTB subsidy per mill, where District Mill Value = Taxable valuation X 0.001
- **Equals:** Number of BASE Mills

**Over-BASE Mills are calculated as follows:**

- **Over-BASE Budget Limitation**
- **Minus:** Unreserved Fund Balance Reappropriated
  
  (Pursuant to §20-9-104, MCA, Fund Balance Reappropriated is limited to 15% of the
maximum General Fund (01) budget. Any unreserved fund balance in excess of 15% of the maximum General Fund (01) budget must be remitted to the state.

**Minus:** Non-levy Revenue (if any is left after funding BASE, resulting in BASE mills = 0)

**Minus:** Excess Reserves used to fund the Over-BASE

**Minus:** Tuition (estimated revenue for ensuing year)

**Minus:** Flexible Non-Voted levy Authority

**Minus:** TIF remittance distributed to fund the Over-BASE

**Minus:** The Over-BASE over-levy amount

**Equals:** Taxes Needed to Fund the Over-BASE budget

**Divided by:** District Mill Value (Taxable valuation X 0.001)

**Equals:** Number of Over-BASE Mills

See the ‘Checklist for Final Budget Report’.