BUDGET AMENDMENT PROCEDURES
PROCLAMATION

Trustees proclaim the need for a budget amendment by majority vote. The proclamation must be sent to county superintendent and board of county commissioners.

May be adopted any time after the final budget is adopted

PROCLAMATION

Trustees proclaim the need for a budget amendment by majority vote. The proclamation must be sent to county superintendent and board of county commissioners.

May not be adopted prior to 1st Monday in October

PETITION required only for budget amendment due to an enrollment increase.

(1) Unanticipated enrollment increase

May not be adopted prior to 1st Monday in October

(2) Destruction or impairment of school property

(3) Court judgment for damages against the district

(4) Enactment of legislation after adoption of the current budget

(5) Deferred projects to be funded from receipt of prior year protested taxes, tax audit, or delinquent taxes

(6) Unforeseen need of the district that cannot be postponed until the next school year without dire consequences affecting the safety of students and employees or the educational functions of the district.

PETITION

Approval of Superintendent of Public Instruction is required prior to the adoption of the budget amendment. Trustees petition State Superintendent to adopt a resolution. Petition must be received at OPI by May 31.

State Superintendent approves petition.

ADOPTION OF BUDGET AMENDMENT

Trustees adopt the budget amendment by majority vote. The adopted budget amendment must be:

- signed by chairperson and clerk of the school board
- submitted to the county superintendent and State Superintendent of Public Instruction

Public Notice

Not less than one week before the adoption of the budget amendment, the resolution must be:

- published one time in a newspaper that will give notice to largest number of people of the district
- posted at each school of the district
- delivered to the county superintendent and county clerk

Adopted budget amendment sent to OPI within 30 days after adoption (ARM 10.22.205)

OPI assigns project reporter number and notifies the district in writing.

February 2017 Budget Amendment Procedures Page 1
I. IMPORTANT DATES

After final budget is adopted - Trustees of district may adopt an amendment other than an amendment for unanticipated enrollment increase.

Day After the Fall Enrollment Count (1st Monday in October) - First day trustees may petition the State Superintendent of Public Instruction to adopt a resolution for a budget amendment due to an unanticipated enrollment increase.

May 31 - Last day to petition the State Superintendent of Public Instruction to adopt a resolution for a budget amendment due to an unanticipated enrollment increase.

June 30 - Last day to adopt a budget amendment resolution to the current fiscal year’s budget.

II. STATUTORY CRITERIA

A school district may amend a budget for the following reasons (20-9-161, MCA):

(1) An increase in the enrollment of an elementary or high school district that is beyond what could reasonably have been anticipated at the time of the adoption of the budget for the current school fiscal year whenever, because of the enrollment increase, the district’s budget for any or all of the regularly budgeted funds does not provide sufficient financing to properly maintain and support the district for the entire current school year;

(2) the destruction or impairment of any school property necessary to the maintenance of the school, by fire, flood, storm, riot, insurrection, or act of God, to an extent rendering school property unfit for its present school use;

(3) a judgment for damages against the district issued by a court after the adoption of the budget for the current year;

(4) an enactment of legislation after the adoption of the budget for the current year that imposes an additional financial obligation on the district;

(5) the receipt of:
   (a) a settlement of taxes protested in a prior school fiscal year;
   (b) taxes from a prior school fiscal year as the result of a tax audit by the department of revenue or its agents;
   (c) delinquent taxes from a prior school fiscal year; AND
   (d) a determination by the trustees that it is necessary to expend all or a portion of the taxes received under (5)(a), (5)(b), or (5)(c) for a project or projects that were deferred from a previous budget of the district; or

(6) any other unforeseen need of the district that cannot be postponed until the next school year without dire consequences affecting the safety of the students and district employees or the educational functions of the district.
III. THE PROCLAMATION

When the trustees of a district decide that a budget amendment is necessary,

- they may proclaim the need for the budget amendment by a majority vote.
- The proclamation must include:
  1) the facts constituting the need for a budget amendment (indicate the subsection criteria in 20-9-161 justifying the budget amendment);
  2) the budgeted fund(s) affected by the amendment;
  3) the estimated amount of money required to finance the budget amendment in each effected fund;
  4) the anticipated source(s) of financing the budget amendment (i.e., identify by revenue source(s) or reserves that will fund the budget amendment); and
  5) the time and place the board will meet for the purpose of considering and adopting the budget amendment.

- Copies of the proclamation must be sent to the county superintendent and the board of county commissioners (20-9-162).
- DO NOT send a copy of the proclamation to the Office of Public Instruction.

Subsection (1) of 20-9-161, MCA:

- When the budget amendment is the result of an unanticipated enrollment increased, the maximum amount of the budget amendment for each fund is determined by multiplying the maximum permissible per-pupil expenditure by the enrollment increase. The maximum per-pupil expenditure is calculated by dividing the final budget for the current school fiscal year of each fund affected by the enrollment increase (less any amounts appropriated as capital outlay and any amount appropriated for addition to the operating reserve) by the prior fiscal year enrollment used for the purpose of calculating the current fiscal year ANB. Contact OPI for this information.
- The maximum amount of the budget amendment cannot exceed the lesser of the maximum limitation on the budget amendment or the maximum general fund budget recalculated to reflect the approved enrollment increase.
- For budget amendments, other than amendments due to enrollment increases, the amount of the amendment is limited to the expenditures considered by the trustees to be reasonable and necessary to finance the conditions of the budget amendment.

Subsections (2) through (6) of 20-9-161, MCA:

- The trustees may resolve to adopt a budget amendment without petitioning the State Superintendent of Public Instruction for approval; however, the board must petition the State Superintendent for approval to adopt a resolution for an amendment that is due to an unanticipated enrollment increase.

SEE SAMPLE 1 - PROCLAMATION
IV. THE PETITION

A school board must petition the State Superintendent of Public Instruction for approval to adopt a resolution for a budget amendment only if the amendment is due to an unanticipated enrollment increase.

- The petition to the State Superintendent must include:
  1) **facts** constituting the need for the budget amendment;
  2) budgeted **fund(s)** affected by the budget amendment;
  3) estimated **amount** of money required to finance the budget amendment in each affected fund;
  4) anticipated **source(s) of financing** the budget amendment (i.e., identify, by fund, the revenue source(s) or reserves that will fund the budget amendment);
  5) **signatures** of a majority of the trustees of the district;
  6) any **capital outlay** amount (700 object series) and any amount appropriated for **addition to the operating reserve** in the fund(s) affected by the budget amendment; and
  7) any other information that may be requested by the State Superintendent of Public Instruction.

- Current year **enrollment**, by budget unit and by grade level, will be obtained by OPI from submitted enrollment reports.

- A budget amendment for an enrollment increase may not be petitioned or adopted until the day after the Fall Enrollment count (first Monday in October).

- Petitions must be received by the Office of Public Instruction on or before **May 31** of the school fiscal year to which the amendment applies.

- The Office of Public Instruction will recalculate the district’s **maximum general fund budget** to reflect the enrollment increase upon receipt of a petition for approval of a budget amendment for an unanticipated enrollment increase. A district may not adopt a budget amendment in an amount that will cause the district to exceed its maximum general fund budget as recalculated by OPI.

- The **maximum amount of the budget amendment** cannot exceed the lesser of the maximum limitation on the budget amendment or the maximum general fund budget recalculated to reflect the approved enrollment increase.

- If the petition is approved by the State Superintendent of Public Instruction, the trustees may **proceed** with the steps required for adoption of a budget amendment.

- Approval of the petition may not be construed as approval of any subsequent application for **increased state aid** on account of the budget amendment.

*SEE SAMPLE 2 - PETITION*
V. PUBLIC NOTICE

A copy of the budget amendment proclamation must be:
1) published one time in a newspaper that will give notice to the largest number of people of the district;
2) posted at each school of the district; and
3) delivered to the county superintendent and the county commissioners.

- Steps 1 through 3 above must be completed not less than one week before the date specified in the proclamation for consideration and adoption of the amendment (e.g., minimum amount of time required is eight days). In the case of a budget amendment for an unanticipated enrollment increase, the petition approval from OPI must be received by the district prior to publishing the Public Notice.

VI. THE RESOLUTION

The Trustees may resolve to adopt the budget amendment by a majority vote of the trustees present at the meeting.
- The meeting of the trustees to consider and adopt a budget amendment must be open to the public. Any taxpayer in the district has the right to appear and be heard.
- A budget amendment for an unanticipated enrollment increase may not be petitioned or adopted until after the fall enrollment count (first Monday in October). A petition must be adopted before May 31 and the resolution must be adopted by June 30.
- A budget amendment for any reason other than an unanticipated enrollment increase may be adopted any time after the final budget is adopted but must be adopted before June 30.
- The budget amendment resolution must include the following:
  1) the facts constituting the need for a budget amendment;
  2) the budgeted fund(s) affected by the budget amendment;
  3) the estimated amount of the budget amendment;
  4) the anticipated source(s) of financing; and
- The adopted budget amendment resolution must:
  1) be signed by the board chairperson and the district clerk;
  2) state the date the board adopted the budget amendment;
  3) be sent to the county superintendent; and
  4) be sent to the State Superintendent of Public Instruction.

⇒ A copy of each new transportation contract or amended bus route form, approved by the county transportation committee and related to an amendment in the transportation fund, must be submitted to OPI with the resolution; and
  5) list the line item details of the proposed expenditures (20-9-165(3) MCA).

SEE SAMPLE 3 - RESOLUTION
VII. BUDGET AMENDMENT EXPENDITURES

- Expenditures related to the budget amendment must be accounted for separately using a project reporter code number assigned by OPI upon receipt of the budget amendment resolution.
- Line item detail of the budget amendment expenditures must support the purpose for which the amendment was adopted.
- Whenever it appears the amount budgeted for a particular line item (i.e., program/function/object) is in excess of the amount needed, the trustees may transfer the excess to another line item within the same fund. Transfers MAY NOT be made between different funds of the same district, between a district’s final budget and a budget amendment, or between budget amendments.

SEE SAMPLE 3 - RESOLUTION

VIII. ADDITIONAL DIRECT STATE FINANCIAL AID (DSA)

If a budget amendment is adopted as a result of an unanticipated enrollment increase:

- The district may be eligible for additional Direct State Aid provided the percentage of the enrollment increase over the prior school fiscal year enrollment used for the purpose of calculating ANB for the current school fiscal year is greater than the lesser of 40 students or 4%.
- The only enrollment counts in the current fiscal year that may be used in calculating the enrollment increase will be the October enrollment count or the February enrollment count as reported to OPI. The October enrollment count will be used to determine the enrollment increase for budget amendment petitions received between the first Monday in October and the first Monday in February. Budget amendment petitions received after the February enrollment count date will use the February count even if the October was higher. (ARM 10.22.204 (1)(c)
- The Office of Public Instruction will determine the maximum allowable increase in ANB for the purpose of recalculating the BASIC entitlement and total per-ANB entitlement for the current year. The increase is equal to the current school fiscal year enrollment minus the sum of:
  a) The enrollment used to calculate the budgeted ANB for the current fiscal year; and
  b) The lesser of 40 students or 4% of the enrollment used to calculate the budgeted ANB for the current fiscal year.

IX. EMERGENCY TAX LEVY

- When a budget amendment is adopted under 20-9-161(2) (i.e., because of “the destruction or impairment of any school property necessary to the maintenance of the school, by fire, flood, storm, riot, insurrection, or act of God, to an extent rendering school property unfit for its present school use;”) and a district does not have sufficient funds, including insurance proceeds and reserves, to finance the amendment, the district may levy a tax in the ensuing school fiscal year to fund expenditures authorized by the amendment. The amount may not exceed the unfunded amount of the amendment.
At a (state regular or special) meeting of the board of trustees of School District No.,____________County, Montana, held__, at ___ p.m. at the____________________________________ (location), the following resolution was introduced:

WHEREAS, the trustees of School District No.,____________County, Montana, have made a determination that as a result of (state the reason), the district’s budget for the______fund(s) does not provide sufficient financing to properly maintain and support the district for the entire current school fiscal year; and

WHEREAS, the trustees have determined that an amendment to the (state elementary or high school)______fund budget in the amount of $__________is necessary under the provision of Section 20-9-161 [choose one subsection (1) through (6)], MCA; for the purpose of ___(state the purpose for the budget amendment) and

WHEREAS, the anticipated source of financing the budget amendment expenditures shall be the __________ fund reserve/additional state assistance/other (list only the applicable sources);

THEREFORE BE IT RESOLVED that the Board of Trustees of School District No.,____________County, Montana, proclaims a need for an amendment to the (state elementary or high school)______fund budget for fiscal year _____ in the amount of $__________under Section 20-9-161 [choose one subsection (1) through (6)], MCA, for the purpose identified above, and;

BE IT FURTHER RESOLVED that the Board of Trustees of School District No.,____________County, Montana, will meet at ___ p.m. at ______________________ (location) on _________(date) for the purpose of considering and adopting the budget amendment.
SAMPLE 2

(Reason: Subsection (1)-Unanticipated enrollment increase only) PETITION

Ms. Elsie Arntzen
State Superintendent
Office of Public Instruction
P.O. Box 202501
Helena, MT 59620-2501

Dear Ms. Arntzen:

RE: Petition for Permission to Adopt a Resolution for a Budget Amendment

In accordance with Section 20-9-163, MCA, the Board of Trustees of ___________________________ School District No. ___________ _______________ County, Montana, hereby petition for permission to adopt a resolution for a budget amendment under the provisions of Section 20-9-161(1), MCA.

As a result of an unanticipated enrollment increase, the district’s budget for the ___________ fund(s) does not provide sufficient financing to properly maintain and support the district for the entire current school fiscal year. Therefore, the trustees have proclaimed a need for a budget amendment.

The district’s current year enrollment count is on file with the Office of Public Instruction and was completed in accordance with the provisions of Section 20-9-311, MCA, and A.R.M. 10.20.102.

The budget amendment in the amount of $ ___________ will affect the (state elementary or high school) ___________ fund budget for fiscal year ___________. The anticipated source of financing that will be utilized to fund the budget amendment is the ___________ fund reserve/additional state assistance/other (list only the applicable sources).

Pursuant to A.R.M. 10.22.204(1)(a), the following amounts were appropriated within the current year final budgets of each fund affected by the enrollment increase:

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Transportation Fund</th>
<th>_______ Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>capital outlay (700 object series)$ ___________</td>
<td>$ ___________</td>
<td>$ ___________</td>
</tr>
<tr>
<td>addition to operating reserve $ ___________</td>
<td>$ ___________</td>
<td>$ ___________</td>
</tr>
</tbody>
</table>

Sincerely,

The ___________ (indicate #) members of the Board of Trustees of ___________________________ School District No. ___________ _______________ County, Montana.

Print Chairperson’s Name
______________________________
Signature of Chairperson
______________________________
Date

Print Trustee’s Name
______________________________
Signature of Trustee
______________________________
Date

Print Trustee’s Name
______________________________
Signature of Trustee
______________________________
Date

Print Trustee’s Name
______________________________
Signature of Trustee
______________________________
Date

Print Trustee’s Name
______________________________
Signature of Trustee
______________________________
Date

Print Trustee’s Name
______________________________
Signature of Trustee
______________________________
Date
SAMPLE 3
(Reason: Subsection (1)-Unanticipated enrollment increase only) RESOLUTION

BUDGET AMENDMENT RESOLUTION
SCHOOL DISTRICT
COUNTY

At a (state regular or special) meeting of the board of trustees of School District No.___.__________________________County, Montana, held__________________(date), at ____ p.m. at the__________________________(location), the following resolution was introduced:

WHEREAS, the trustees of School District No.___, ________________________ County, Montana, have made a determination that as a result of an unanticipated enrollment increase, the district’s budget for the______________fund(s) does not provide sufficient financing to properly maintain and support the district for the entire current school year; and

WHEREAS, the trustees have determined that an amendment to the (state elementary or high) __________fund budget in the amount of $_________ is necessary under the provision of Section 20-9-161 (1), MCA; for the purpose of ________________________________ (state the purpose for the budget amendment) and

WHEREAS, the anticipated source of financing the budget amendment expenditures shall be the_______________ fund reserve/additional state assistance/other (list only applicable sources);

THEREFORE BE IT RESOLVED that the Board of Trustees of School District No.___, ________________________County, Montana, proclaims a need for an amendment to the (state elementary or high school) __________fund budget for fiscal year_____ in the amount of $_________ under Section 20-9-161 (1), MCA, for the purpose identified above, and;

BE IT FURTHER RESOLVED that the Board of Trustees of School District No.___, ________________________ County, Montana, will meet at _____ p.m. at ________________________ (location) on _________________(date), for the purpose of considering and adopting the budget amendment.

Print Chairperson’s Name __________________________ Signature of Chairperson __________________________ Date ____________
Print District Clerk’s Name __________________________ Signature of District Clerk __________________________ Date ____________

DATE BUDGET AMENDMENT WAS ADOPTED: ________________, 20_____

List budget amendment expenditure line items and amounts:
BUDGET AMENDMENT RESOLUTION

SCHOOL DISTRICT
COUNTY

At a (state regular or special) meeting of the board of trustees of School District No.________, __________County, Montana, held____________________, at _____ p.m. at the____________________(location), the following resolution was introduced:

WHEREAS, the trustees of School District No.________, __________County, Montana, have made a determination that as a result of ____________________________ (state the reasons), the district’s budget for the______ fund(s) does not provide sufficient financing to properly maintain and support the district for the entire current school year; and

WHEREAS, the trustees have determined that an amendment to the (state elementary or high school)______fund budget in the amount of $__________ is necessary under the provision of Section 20-9-161[choose one subsection (2) through (6)], MCA; for the purpose of ____________________________ (state the purpose for the budget amendment) and

WHEREAS, the anticipated source of financing the budget amendment expenditures shall be the______ fund reserve/additional state assistance/other (list only applicable sources);

THEREFORE BE IT RESOLVED that the Board of Trustees of School District No.________, __________County, Montana, proclaims a need for an amendment to the (state elementary or high school)______fund budget for fiscal year _______ in the amount of $__________ under Section 20-9-161 [choose one subsection (2) through (6)], MCA, for the purpose identified above; and

BE IT FURTHER RESOLVED that the Board of Trustees of School District No.________, __________County, Montana, will meet at _____ p.m. at ______________________ (location) on______________(date), for the purpose of considering and adopting the budget amendment.

List all budget amendment expenditure line items and amounts: