



HB 630 (2021) Additional Financial Support Payments for Increases to BASE Budget Limits FY 2022

The 2021 Legislature through HB 630 amended statute to suspend the funding of enrollment increases through the Anticipated Enrollment increase (20-9-314, MCA) and Unanticipated Enrollment Increase (20-9-166, MCA) processes. However, the legislature provided for additional payments to schools for enrollment increases during FY2022 & FY2023. The following is a description of the modified process.

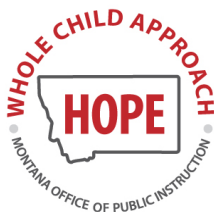
The amount of “additional financial support” the district qualifies for must be calculated by the OPI as the difference between the district's BASE Budget Limit for that fiscal year and the amount of the district's BASE Budget Limit if the district's budget limitation ANB for that fiscal year was calculated using the district's actual October enrollment count in the current school year in place of the average of the preceding year's October and February enrollment count. The total increase in calculated BASE Budget Limit is the additional financial support amount to be funded and is to be provided from three sources in the following order:

- **Existing ESSER allocations:** The district will use up to ten percent of its ESSER II and ESSER III allocations for both the base allocation based upon previous Title I and the supplemental allocation based upon the number of quality educators (after adjustment for the 20% reservation for learning loss for ESSER III.)
- **ESSER II targeted support:** If the first source does not cover the entire increase, \$1.2M of ESSER II funds are to be distributed by the OPI for additional targeted support to these districts.
- **Additional funding:** If both sources do not cover the entire increase, the OPI will fund the remainder from either supplemental federal funds set aside for this purpose or if necessary, from the state BASE Aid appropriation as directed in HB 630 (2021).

Districts receiving additional financial support shall deposit the money in the district's Miscellaneous Programs Fund (15), including any additional BASE Aid funds, and use it to address costs associated with the enrollment increases. Any ESSER funds used for this purpose do not carry the requirement that expenditures be used “to prevent, prepare for, or respond to” COVID-19 as that link was made in HB 630 with a declaration that these funds will be used in this manner due to the impact of COVID-19 upon the state finances. A budget amendment is not required for any of the three sources of funds.

The OPI has calculated the **PRELIMINARY** additional financial support amount from the most recent fall enrollment collection for all school districts. By rule, districts have through December 31 (ARM 10.20.102(4)) to make necessary enrollment updates. The OPI will not finalize the allocation of supplemental funds until all updates are processed. The OPI will then publish the final additional financial support amount and the breakdown by the three funding sources listed above.

Accounting codes related to any “additional financial support” payment will be established before the distribution is created.



The OPI suggests that districts track expenditures for the “additional financial support” paid for through the 10% of ESSER II & III funding using separate project reporter codes in the district’s accounting system.

The OPI is releasing a **PRELIMINARY** report of data which provides estimated values for the additional payment as described in HB 630 (2021) and posted [this file on our website](#). A brief description of this **PRELIMINARY** file is as follows:

- Columns A:F General district identifying information.
- Column G This column identifies which districts experienced an enrollment increase between the October student count for FY 2021 & FY 2022. Only districts with a “Y” in this column qualify for “additional financial support.”
- Column H:M These columns contain the initial budget limitation ANB and BASE budget limits for FY2022 and the adjusted values using the **PRELIMINARY** fall student count for ANB counts. The final two columns in this group are measured increases of both budget limitation ANB and BASE budget limit. The increased BASE budget limit in column M is the amount of additional financial support available to the district.
- Columns N:S These columns contain the ESSER allocations associated with the requirements of HB 630 (2021). Column S is 10% of the totaled value.
- Column T This is the **PRELIMINARY** estimated amount of associated ESSER funds that may be used for general operations purposes from the Basic and Supplemental allocations of ESSER II & III. Amending the district’s E-grants budget will be necessary.
- Column U This is the **PRELIMINARY** estimated amount of associated ESSER II Targeted Support funds that may be used for general operations purposes. Prior accounting guidance directs the receipt of these funds to the district’s Miscellaneous Programs Fund (15) under revenue source code 7750 and expended using program code 778. This amount will be added to your E-grants budget for ESSER II in a funding stream labeled “School District Targeted.”
- Column V This is the **PRELIMINARY** estimated amount of supplemental funding the district should receive from either state fund from or additional ARP funds. Associated accounting codes will be provided once the source of funds and report are finalized. Funds distributed should be deposited to the Miscellaneous Programs Fund (15).

For questions, please contact Jeff Kirksey, Jeffrey.Kirksey@mt.gov, 444-0783.