



HB 630 (2021) Additional Financial Support Payments for Increases to BASE Budget Limits FY 2023

12/26/2022

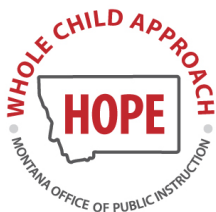
The 2021 Legislature through HB 630 amended statute to suspend the funding of enrollment increases through the Anticipated Enrollment Increase (20-9-314, MCA) and Unanticipated Enrollment Increase (20-9-166, MCA) processes. However, the legislature provided for additional payments to schools for enrollment 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:

- 1. 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.)
- 2. ESSER II targeted support:** If the first source does not cover the entire increase, allocated ESSER II funds are to be distributed by the OPI for additional targeted support to these districts. In FY2023 there are no funds available for the targeted assistance payment.
- 3. Additional funding (State - BASE Limit Increase Payment):** If both sources do not cover the entire increase, the OPI will fund the remainder from state BASE Aid as directed in HB 630 (2021).

Section 20-9-166(2)(e), MCA states that "a district receiving additional financial support shall deposit the money in the district's Miscellaneous Programs Fund (15) and use it to address costs associated with the enrollment increase.

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 district budget amendment is not required for any of the three sources of funds however amending the district's E-grants budget will be necessary for **Existing ESSER allocations** identified in the section above.



Additional information in reference to the three funding sources described above:

1. The OPI suggests that districts track expenditures for the “additional financial support” paid for through the 10% of ESSER II & III funding described above as **Existing ESSER allocations**, use separate project reporter codes in the district’s accounting system.

2. **ESSER II targeted support** accounting codes (also see: [Consolidated Guidance Document](#)):

<u>Revenue Source:</u>	<u>Expenditure:</u>
15 Miscellaneous Programs Fund	15 Miscellaneous Programs Fund
7750 CRRSA-State School Emergency Relief Fund	Program Code 778 Targeted Support

3. **Additional funding (State - BASE Limit Increase Payment)** accounting codes:

<u>Revenue Source:</u>	<u>Expenditure:</u>
15 Miscellaneous Programs Fund	15 Miscellaneous Programs Fund
3780 State - BASE Limit Increase Payment	Program Code 378

The OPI is releasing a report of data which provides the additional payment as described in HB 630 (2021) and has posted [this file](#) on our website. A brief description of this 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 2022 & FY 2023. 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 FY2023 and the adjusted values using the 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 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 amount of supplemental funding the district should receive from state BASE Aid funds.

Contact: Paul Taylor ptaylor2@mt.gov, 444-1257.