

2017 LEGISLATIVE SESSION

School Finance Division
Revised July 2017



Putting Montana Students First **A+**

BILL SUMMARY

- ✓ HB 2 - General Appropriations Act
- ✓ HB 37 – Revise MT Indian Language preservation program
- ✓ HB 76 – Amend laws related to remittance of tax increment
- ✓ HB 83 – Generally revise election laws
- ✓ HB 103 – Generally revise election laws- administrative cleanup
- ✓ HB 113 – Allow Indian language immersion program funds to be used as matching funds
- ✓ HB 119 – Revise quality educator loan assistance program
- ✓ HB 191 – Provide Inflationary Increase for ANB Funding
- ✓ HB 287 – Revise absentee ballot list confirmation laws
- ✓ HB 355 – Revise laws related to school district transportation
- ✓ HB 390 - Generally revise school funding laws
- ✓ HB 396 – Revise laws related to tax increment financing
- ✓ HB 405 – Generally revise laws applicable to local government
- ✓ HB 647 - Generally revise education funding, implement general appropriations bill
- ✓ HJ 1 – Request study of funding for education programs for special needs students
- ✓ SB 5 – Revise INTERCAP loan program
- ✓ SB 46 – Revise laws on forest reserve money kept in state treasury
- ✓ SB 95 - Authorize necessary measures to implement House Bill 2
- ✓ SB 103 – Clarify education laws related to minimum aggregate hours and proficiency
- ✓ SB 115 – Revising stipends for national board certified teachers
- ✓ SB 121 – Provide that volunteer positions are not reportable to TRS
- ✓ SB 124 – Extend school district bond term
- ✓ SB 139 - Revise k-12 school district expansion laws
- ✓ SB 151 - Create local government committee
- ✓ SB 163 - Revise election judge qualifications
- ✓ SB 227 – Revise state school transportation reimbursement laws
- ✓ SB 260 - Create school facilities sub trust within coal tax trust fund
- ✓ SB 261- Generally revise state fiscal laws
- ✓ SB 307 – Revise K-12 school funding laws to address facilities
- ✓ SB 352 – Referendum on prohibition of ballot collection by certain individuals
- ✓ SB 372 – Revise local government audit, financial reports

HB 2 - GENERAL APPROPRIATIONS ACT

School Clerk to Do List – Be aware of the increased rates.

This is the state's budget bill. This bill provided an increase of 1.44% in FY 2018 (no increase in FY 2019) to Special Education and a 0.50% increase in FY 2018 and 1.86% increase in FY 2019 to the At Risk Payment.

- Transportation appropriation reduced by \$500,000 (will not change the state entitlement amounts).
- School facilities payment – did appropriate \$8.586 million; however, this is contingent upon revenues and riverbed leases are still in escrow pending lawsuit with the state.
- Guarantee account revenues are estimated at \$40.174 million in FY 2018 and \$41.685 million in FY2019. The fund continues to decline (may increase with more revenue streams implemented the 2017 Session).

HB 37 – REVISE MT INDIAN LANGUAGE PRESERVATION PROGRAM

This bill extends the Montana Indian language preservation program, 20-9-537, MCA, to the end of FY 2019. The bill includes sung language into the provisions of the program. The bill also appropriates \$1.0 million of state general fund for the biennium to be paid to the State-Tribal Economic Development Commission in order to support the program.

School Clerk to Do List – When applying for grants, the funding provided by the commission can be included when calculating a federal match requirement.

HB 76 – AMEND LAWS RELATED TO REMITTANCE OF TAX INCREMENT

HB 76 requires remittances of unused tax increment to be made proportionally to all affected taxing jurisdictions. The allocation is based upon the ratio of each taxing jurisdiction's mills to the total mills in the tax increment district.

School Clerk to Do List –

- Know if you are in a TIF district and if your TIF district participates in a remittance agreement.
- The school districts in a TIF remittance agreement include: Anaconda Public Schools, Bozeman Public Schools, Butte High School, Ramsay Elementary, and Whitefish Public Schools.
- School clerks will need to contact the TIF Boards for more information and should have a copy of the TIF agreements.

HB 83 – GENERALLY REVISE ELECTION

School Clerk to Do List –Contact the county election administrator to ensure that the district is included in the county’s notice of close of regular registration.

Update the district’s election notice to include where and how late registrants may obtain a ballot.

Frequently asked questions (FAQs):

- Who is responsible for the notice of late registration? Late registration is the responsibility of the county election administrator. Prior to the passage of HB 83 (2017) the notice of late registration was done by the school district, often resulting in multiple notices in the same county, and, for jointly located districts, multiple notices in multiple counties. Passage of this law affirms that the entire late registration process is the responsibility of the county election administrator, including publication of the late registration notice.
- What is required to be included in the district’s notice of election? The notice of election must include the date of election, polling location(s), the hours the polls will be open, each proposition to be considered, the number of trustee positions and the length of each term, where and how absentee ballots may be obtained, and where and how late registrants may obtain a ballot (new).

HB 103 – GENERALLY REVISE ELECTION LAWS- ADMINISTRATIVE CLEANUP

School Clerk to Do List – – If running a poll election the school election administrator must publish a notice between two (2) and ten (10) days before the election stating where and how absentee ballot will be counted. If the district runs their election notice on the 10th day prior to the election, these two notices may be combined. All election judges are required to be trained using materials supplied by the Secretary of State. The district no longer has authority to train judges using their own materials.

Frequently asked questions (FAQs):

- Can I include the new requirement to publish notice of where and how absentee ballots will be counted with the regular school election notice? Yes, but only if the school election notice is published on the 10th day before the election, and that notice is published in a newspaper of general circulation.
- Am I required to publish a notice of where and how absentee ballots will be counted in a newspaper if there isn't one in the district? The district has the option to publish the notice in a newspaper of general circulation within the county, or broadcast the notice on a local radio or television station.

Is the district allowed to use their own election judges? Yes, the district may use their own election judges. However, except for emergency circumstances, those judges must be trained using materials supplied by the Secretary of State's office.

HB 113 – ALLOW INDIAN LANGUAGE IMMERSION PROGRAM FUNDS TO BE USED AS MATCHING FUNDS

This bill allows state funds to be used as matching funds for federal or private grants for Indian language immersion programs.

School Clerk to Do List – When applying for grants, any funding provided by the state can be included when calculating a federal match requirement.

HB 119 – REVISE QUALITY EDUCATOR LOAN ASSISTANCE PROGRAM

School Clerk to Do List – Applications and payments are the responsibility of the Board of Regents.

- The Board of Public Education is required to publish a list of critical educator shortage areas. If your school district is designated a critical educator shortage, the quality educators in your district may be eligible for up to 3 years of a loan repayment.
- Critical shortage areas are also listed on the OPI webpage at <http://opi.mt.gov/pdf/Cert/16NovCriticalQualityEducatorShortages.pdf>
- If more information is needed, please visit <https://mus.edu/borpol/bor900/bor900.asp> and see Policy and Procedures Manual 940.14 in the Board of Regents policy manual.

HB 191 – PROVIDE INFLATIONARY INCREASE FOR ANB FUNDING

School Clerk to Do List – Be aware of change in rates. HB 191 provides inflationary increases of 0.5 percent for FY 2018 and 1.87 percent for FY 2019 to the funding components of school district general fund budgets.

- The increases are applied to the basic and per-ANB entitlements, the quality educator payment, the Indian Education for All payment, the at-risk student payment, the American Indian achievement gap payment, and the data for achievement payment.
- (Note: The inflationary increase for the at-risk student payment is not included in HB 191; rather it is a line item appropriation in HB 2.)

HB 287 – REVISE ABSENTEE BALLOT LIST CONFIRMATION LAWS

School Clerk to Do List – No action required

HB 355 – REVISE LAWS RELATED TO SCHOOL DISTRICT TRANSPORTATION

School Clerk to Do List – Be aware: The payment dates for this new school bus will not begin until the changes of this bill are incorporated into the Bus Standards.

- This will require establishing a workgroup with at minimum two meetings, Administrative Rule (ARM) updates, and approval from the Board of Public Education.
- Expected implementation date is 7/1/2018.
- Please check back at <http://www.OPI.mt.gov> for vehicle standards to ensure compliance with allowable vehicle specifications.
- When the Bus Standards are updated to reflect these changes, schools will be notified via the e-mail notification system.

HB 390 - GENERALLY REVISE SCHOOL FUNDING LAWS

School Clerk to Do List – Carefully project enrollment increases.

- Any local funding associated with non-materialized ANB will automatically be calculated as an overpayment for BASE and Over-BASE budget levies in the ensuing fiscal year.
- Schools will not be able to expend the over-levied local monies.
- In addition, the tech payment, paid in August, will not be issued in FY 2018 and 2019. This payment will begin again in FY 2020 (unless law changes in the next session).

HB 390 - GENERALLY REVISE SCHOOL FUNDING LAWS (CONTINUED)

Frequently asked questions (FAQs):

- How will the over payment be calculated? The anticipated enrollment increase for the ensuing school year will be reviewed by OPI after the first Monday in October. If the actual student count for ANB results in an ANB that is less than the anticipated ANB used for BASE funding program and entitlement calculations, any budget adopted in excess of the revised maximum budget (calculated using the revised ANB) will be reduced. Any mill amounts levied by the district which resulted in an increase, the difference between the adjusted and actual enrollment must be re-appropriated for reducing BASE budget and over-BASE levies in the ensuing fiscal year.
- If I have non-materialized ANB, how will I know what cannot be expended in the current fiscal year? OPI will send the school district a notification letter in December notifying the school of the state entitlement amounts OPI will collect and the local levy amounts required for the overpayment.
- Where will I see the overpayment in the next fiscal year? In the general fund budget
- Are there any changes I need to make in the TFS or Budget submissions? No, OPI School Finance staff will make the change.

HB 396 – REVISE LAWS RELATED TO TAX INCREMENT FINANCING

The bill requires that prior to adopting or modifying an urban renewal plan or a comprehensive development plan, the local governing body of a TIF district is required to provide both notice and an opportunity for a public meeting to any affected county or school district.

School Clerk to Do List – If your school district is part of a TIF district, be aware if the TIF board makes changes to the financing plan, the TIF district is required to notify the school of the impact.

HB 405 – GENERALLY REVISE LAWS APPLICABLE TO LOCAL GOVERNMENT

School Clerk to Do List – This is a change in county election officials. No change to schools.

HB 647 - GENERALLY REVISE EDUCATION FUNDING, IMPLEMENT GENERAL APPROPRIATIONS BILL

School Clerk to Do List –Two entitlement payments are eliminated

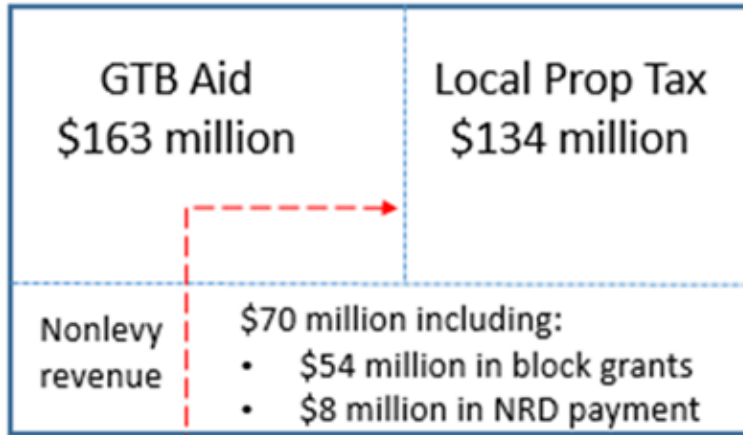
1. The school general fund block grants (statewide total reduction of \$54 M, but also increases the GTB payment by approximately \$25.7 M)
2. The K-12 Natural Resources Development (NRD) Fund payments (statewide reduction of \$9.2 M but also an increase in GTB payments by approximately \$4.8 M).

- The elimination of these two revenue streams can do two things:
 - 1.If your district is eligible for GTB, the amount your school receives may increase.
 - 2.The revenue for the balance of the shortage is shifted to the local property tax payers.
- This reduction does **not** affect the school general fund budget limits.

HB 647 - GENERALLY REVISE EDUCATION FUNDING, IMPLEMENT GENERAL APPROPRIATIONS BILL (CONT)

- In FY 2019, the GTB ratio will increase, which will alleviate some of the tax shift burden from local property tax payers.
- In addition, in FY 2019 the state major maintenance aid funding (the new K-12 Facilities Natural Resources Development payment) will begin and a total of up to \$7.8 M (if revenues are sustained see SB 261) may be available.
- This bill creates a coal-fired generating unit closure mitigation block grant. OPI has identified one school system (Colstrip School District) qualifying for the block grant generating a block grant of \$1,693,275 annually. This revenue will be deposited into the schools general fund under revenue code 3449.
- The oil and gas section of law is amended to direct oil and natural gas production taxes that exceed 130% of a districts maximum general fund budget to the state guarantee account. The Negotiated Rule Making Committee will no longer be required. In FY 2017, the committee awarded \$189,637.18.

2017 (GTB 193%)

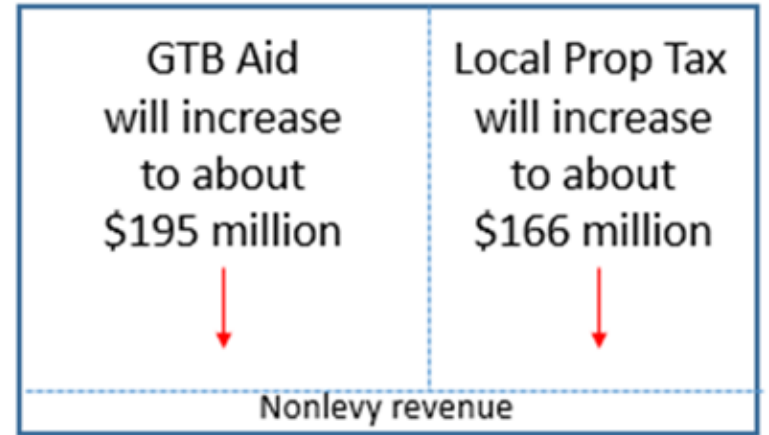


The elimination of block grants and the NRD payment in 2018 decreases nonlevy revenue significantly and results in increases in both GTB and local property taxes (BASE mills).

The share of GTB and local taxes varies from district to district based on local property tax wealth. Wealthier districts receive less or no GTB Aid; poorer districts receive more.

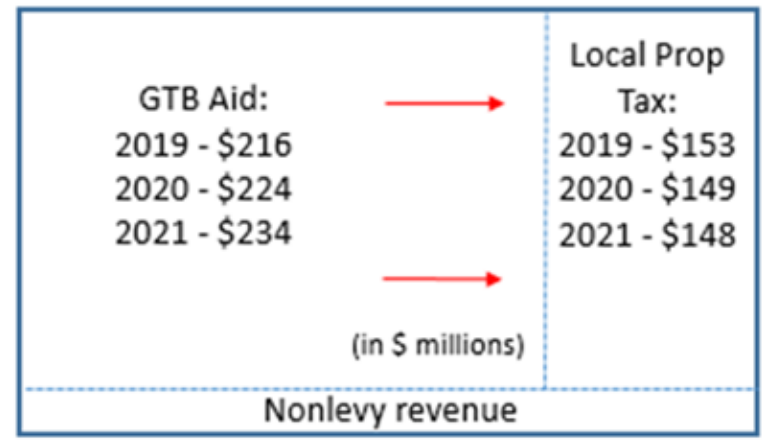
But as the state funding that previously went to districts as block grants is redistributed by increasing the GTB multiplier over the next few years, GTB aid will increase and local property taxes (BASE mills) will generally decrease. More districts will be eligible for more GTB aid. However, some wealthy districts will still not be eligible for GTB aid and will pay more in BASE taxes than before. This is the result of distributing more state aid through equalizing GTB aid.

2018 (GTB 193%)



2019 (GTB 216%)

2020 (GTB 224%), 2021... (GTB 232%)



Data as per model 05-02-17K-12ModelMaster
Note—statewide local taxes are not expected to return to 2017 level due to projected ANB increases and inflationary adjustments to entitlement amounts

HJ 1 – REQUEST STUDY OF FUNDING FOR EDUCATION PROGRAMS FOR SPECIAL NEEDS STUDENTS

School Clerk to Do List – No action necessary. If a school wishes to be involved in this resolution, staff should contact the Montana Legislative Fiscal Division or committee staff.

SB 5 – REVISE INTERCAP LOAN PROGRAM

School Clerk to Do List – INTERCAP loans can now be used to finance storage buildings for vehicles and equipment and modular classrooms.

- The loan repayment term can be extended up to 15 years (instead of 5).
- If clerks have questions, they should contact the Board of Investments – Louise Welch or Julie Flynn.

SB 46 – REVISE LAWS ON FOREST RESERVE MONEY KEPT IN STATE TREASURY

School Clerk to Do List – No change.

Department of Administration already transfers funds within 5 days; therefore, no change should be observed.

SB 95 - AUTHORIZE NECESSARY MEASURES TO IMPLEMENT HOUSE BILL 2

School Clerk to Do List – If your school district is located in a county with 20% or more of state school trust land, your district will receive \$100,000 in the school general fund revenue for this state lands block grant.

(Note: This payment applies only to Scobey School District.) These funds will be deposited into the schools general fund budget using fund code 3448.

SB 103 – CLARIFY EDUCATION LAWS RELATED TO MINIMUM AGGREGATE HOURS AND PROFICIENCY

School Clerk to Do List –

- The OPI Superintendents Office has issued guidance to help schools with implementation.
- The important items to keep in mind: the school district must have a school board approved assessment method to measure proficiency.
- In order for the school to receive credit for the full ANB, the students enrolled in courses that do not meet the required aggregate hours must test proficient as defined by the school board.
- Proper documentation must be kept for auditor review so the school district does not have DSA reduced by two times the hourly rate for the hours not met.

SB 115 – REVISING STIPENDS FOR NATIONAL BOARD CERTIFIED TEACHERS

School Clerk to Do List –

- If the school district has teachers who meet this requirement and are approved for the stipend, the OPI will pay the school district the approved stipend amount.
- Stipends paid under 20-4-134, MCA, are not required to have paid retirement benefits. However, if a school district chooses to supplement the payment amount and provide more to a teacher than the state has paid, the school district will need to work with retirement to determine if retirement benefits should be paid on the supplemental portion of the stipend.
- Also, the stipends paid are exclusive; a teacher is not eligible to receive both stipends.

The OPI publishes a list of high poverty area schools in April.

SB 121 – PROVIDE THAT VOLUNTEER POSITIONS ARE NOT REPORTABLE TO TRS

School Clerk to Do List – If a school district was reporting on a volunteer position, the reporting requirement is no longer necessary if the conditions listed in the law are met. If there are questions it is best to contact the Teachers Retirement System staff.

SB 124 – EXTEND SCHOOL DISTRICT BOND TERM

School Clerk to Do List – If financing a bond for 30 years is desirable to a school district, the district must research to find a bond rate lower or equal to a 20 year bond (if sold in the US). This will create more interest debt long term.

SB 139 - REVISE K-12 SCHOOL DISTRICT EXPANSION LAWS

School Clerk to Do List – If you are one of the three eligible schools who can expand into a K-12 district, please contact OPI early so the technical details can be worked out in time for the changes needed.

SB 151 - CREATE LOCAL GOVERNMENT COMMITTEE

School Clerk to Do List – This bill does not apply to school district elections.

SB 163 - REVISE ELECTION JUDGE QUALIFICATIONS

School Clerk to Do List –

This bill does not apply to school district elections.

Frequently asked questions (FAQs):

- Are school districts allowed to use judges that do not reside within the boundaries of the school district? SB 163 (2017) does not change the requirements for school election judges, as outlined in 20-20-109, MCA. Judges for school district elections must be qualified registered electors of the school district in which they serve.

SB 227 – REVISE STATE SCHOOL TRANSPORTATION REIMBURSEMENT LAWS

This bill revises the current language of “not to exceed 180 days” with “to transport eligible transporters...to or from school to participate in the minimum aggregate hours of instruction...”

School Clerk to Do List – If your school is going to have a bus schedule requiring more than 180 days of transportation, please notify OPI School Finance staff.

- The Pupil Transportation system will only allow a reimbursement of 180 days and will need to be programmed to allow for additional days.
- At this point, OPI is unaware of any schools who would require additional transportation days.

SB 260 - CREATE SCHOOL FACILITIES SUB TRUST WITHIN COAL TAX TRUST FUND

School Clerk to Do List – The interest received on this fund will be used to help fund the school major maintenance aid (SB 307).

- If this fund were to fully fund the state's major maintenance aid payment allowed in SB 307, then the additional revenues can be transferred to help fund the states facility reimbursement (GTB debt service).

SB 261- GENERALLY REVISE STATE FISCAL LAWS

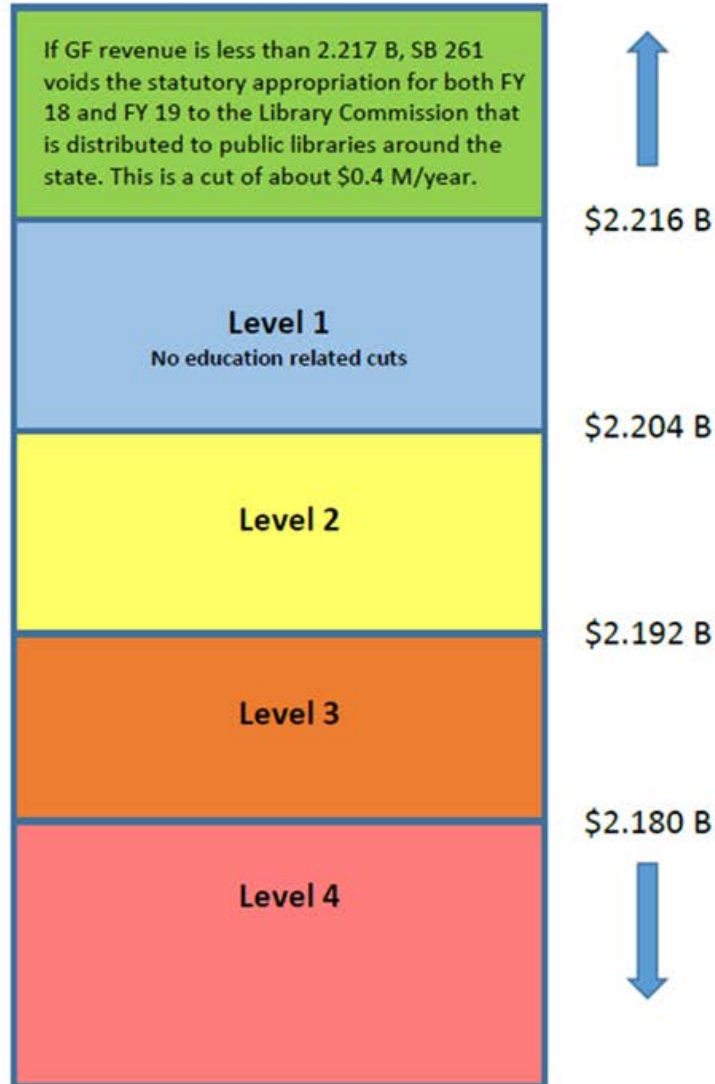
School Clerk to Do List – There are two levels that will affect schools.

- The budget limits for schools will **not** be changed. The general fund budgets will still include the appropriation/budget limits included in HB 2 and HB 191. This includes the full entitlement amount for the Data for Achievement and the full Special Education and At Risk payment amounts originally appropriated in HB 2.
- The combined block grant and new NRD entitlements do not affect the budget limits.
- OPI will post **preliminary** affects to schools on the school finance webpage.

SB 261 and Budget Reductions Related to Education—FY 2017 Revenue Triggers

prepared for the Education Interim Committee, June 2017, by Pad McCracken, LSD Research Analyst

FY 2017 GF Revenue as of 8/15/2017



The budget cuts for the triggers are cumulative

- If GF revenue is less than \$2.204 B (Level 2), almost all HB 2 GF appropriations will be reduced by 0.5% for BOTH FY 18 and FY 19, including the following (some K-12 Local Education Activities are exempted):
- OPI State Level Activities including
 - Audiological Services; NBCT stipends; MT Digital Academy
 - K-12 Local Education Activities including
 - Advancing Ag Ed
 - In-State Treatment
 - Secondary Vo-ed (CTE)
 - Adult Basic Ed
 - Gifted and Talented
 - At-Risk Student Payment*
 - Special Ed*
 - School Food
- Additionally these "across-the-board cuts" will reduce all GF line item appropriations to BPE, MSDB, MAC, MSL, MHS, and MUS/OCHE
- If GF revenue is less than \$2.192 B (Level 3), HB 2 appropriations will be modified for BOTH FY 18 and FY 19:
- Montana State Library (reduced by \$0.67 million/year)
 - Montana Historical Society (reduced by \$0.61 million/year)
- If GF revenue is less than \$2.180 B (Level 4), the following HB 2 appropriations will be modified for BOTH FY 18 and FY 19:
- Secondary Vo-ed (reduced by \$0.5 M/year to \$1.5 M/year)
 - Data-for achievement payment* is suspended (about \$3 M/year)
 - Combined fund block grants (roughly halved; \$2.8 M/year)
 - Natural resource development K-12 school facilities payment (delayed until 2020; would've provided \$5.8 M in state major maintenance aid in FY 19)
- Level 4 also voids the FY 18 appropriation for the state pay plan (EXEC, JUD, LEG, and MUS) and reduces the appropriation in FY 19.

* School district general fund components

SB 261- GENERALLY REVISE STATE FISCAL LAWS

Level 2 – An overall 0.50% reduction including (could be implemented in FY 2018 or FY 2019):

- Reduction of 0.50% At-Risk Payment – Statewide reduction of \$26,953 in FY 2018 and \$27,457 in FY 2019. This reduction will **not** change school budget limits. Schools will have a revenue shortage and should expect a 0.50% revenue shortfall in this payment. This **cannot** be made up with levying more in property taxes.
- Reduction of 0.50% in Special Education (only if reduction is triggered in FY 2018) – Statewide reduction of \$217,547 in FY 2018. Reduces revenue received by schools. This **cannot** be made up with levying more in property taxes.
- Note: If this trigger is met, the OPI will reduce the June payment issued to schools by the 0.50%. As soon as OPI is aware of the trigger, school district staff will receive official OPI notification with the expected payment reduction amounts for the June payment.

SB 261- GENERALLY REVISE STATE FISCAL LAWS

Level 4 – This is the highest level of reduction and includes (could be implemented in FY 2018 or FY 2019):

- Elimination of the Data for Achievement payment – Statewide reduction of \$3,109,347 in FY 2018 and \$3,180,038 in FY 2019. This reduction will not change school budget limits. Schools will have a revenue shortage equal to the Data for Achievement payment and should expect no revenue for this payment if this level of reduction is achieved. This revenue shortfall **cannot** be made up with levying more in property taxes.
- Reduction of School Combined General Fund Block Grants by 47.68% – Statewide reduction of \$2,800,000 in FY 2018 and can be implemented in FY 2019 if triggered later (this is only a one-time reduction). This reduction will not change school budget limits. This revenue reduction **cannot** be made up with levying more in property taxes.
- Elimination of the general fund portion (\$5.8 million) new Natural Resources Development K-12 Facilities Payment (in FY 2019 only). This payment is related to SB 307 and if this level is achieved, the state major maintenance aid portion will be reduced. The possible funding stream is limited to the coal trust interest and is estimated at possibly \$2 million. This payment offsets the portion levied (up to the allowable amounts in the School Major Maintenance Aid amount) on behalf of schools and **can** be made up with levying more property taxes.
- Note: If this trigger is met, the OPI will not issue the Data for Achievement payment or the general fund portion of the Natural Resources Development K-12 Facilities Payment in FY 2019 (general fund is \$5.8 million). The school combined block grants will be reduced by approximately 47% in the November and May payment.

SB 307 – REVISE K-12 SCHOOL FUNDING LAWS TO ADDRESS FACILITIES

- Creates a new mechanism for funding major maintenance and building improvement expenditures for public schools
- SB 307 defines a calculation to determine the annual amount a district can budget as the school major maintenance amount. This calculation is the sum of \$15,000 per district plus the product of \$100 multiplied times the district's budgeted ANB for the prior fiscal year.
- Local effort revenues for the school major maintenance amount may consist of permissive levies not to exceed 10 mills, deposits, and transfers from lawfully available revenue sources. Schools are obligated to notice their electorate of this permissive levy and the purpose for which the levy is established as well as notice increases to levies in all other permissively levied funds.
- SB 307 creates sub funds within the building reserve fund for the following purposes:
 - Voted building reserve levies to raise money for future construction, equipping, or enlarging of school buildings or for the purchase of land needed for school purposes.
 - Permissive levy not to exceed 10 mills in a fiscal year for school facility maintenance and repair and allows for deposits and transfers to the sub-fund, and limit these to the defined school facility maintenance amount per SB 307.
 - Voted transition levies
 - Transfer of funds to the building reserve fund for school safety and security.
- Schools must update the School Facilities Condition Inventory and make the items listed in the School Facilities Condition Inventory the first priority for the major maintenance aid account expenditures.
- Amends 20-9-236, MCA which currently allows transfers between funds for improvements to school safety and security until June 30, 2019. SB 307 eliminates the sunset date and requires the transfers must be returned to the originating fund within two full school fiscal years after the funds were transferred, if not encumbered for expenditures in compliance with the law.
- Repeals the current Quality Schools Facility Grant program in 90-6-8, MCA, administered by the Department of Commerce in two parts to allow for possible grants to be awarded in the current 2017 legislative session.

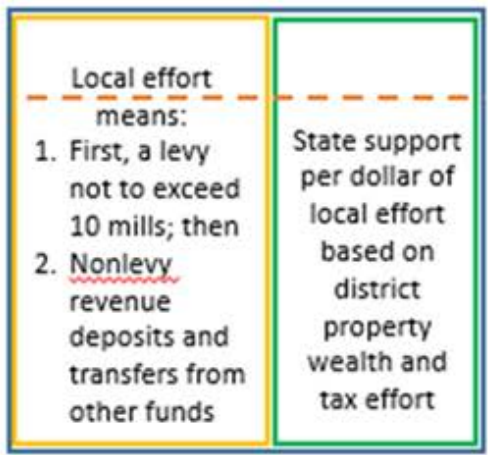
SB 307 – REVISE K-12 SCHOOL FUNDING LAWS TO ADDRESS FACILITIES

School Clerk to Do List –

- 1) By June 1st, noticed change in mill levy (tuition, adult education, building reserve, transportation, and bus depreciation funds) amounts to public. (March 31st in future years)
- 2) Establish levy amounts in FY 2018 budget – not to exceed \$15,000 per district + \$100 x ANB.
- 3) Maximum amount allowed to mill is 10.00 mills.
- 4) Priority of Repairs of MMA, Report from DOA located at http://opi.mt.gov/Finance-Grants/Index.html?gpm=1_5.
 - I. Facilities inventory report from DOA - must repair "safety, damage/wear out, codes and standards" first
 - II. Updates to inventory report
 - III. Efficiency projects - energy, building, etc.
- 5) OPI – Data sheets released in May next year; OPI must have estimated State MMA amounts
- 6) Actual MMA payment issued in May (contingent upon available appropriation)
- 7) Must report the actual non-levy revenue budgeted in the permissive fund that was actually collected (as reported on TFS Report); if not materialized state aid amount will be recalculated and adjusted if necessary
- 8) Must update inventory report - first update must be 7/1/2019 (FY 2020) with certification of completion to OPI 10/31/2019, then every 5 years

SB 307 School Major Maintenance Program: Calculating "the Box" and determining ratio of state support*

School districts are given the authority to raise up to \$15K + \$100/ANB annually—this amount or "box" is intended to be filled by both local effort and state support.



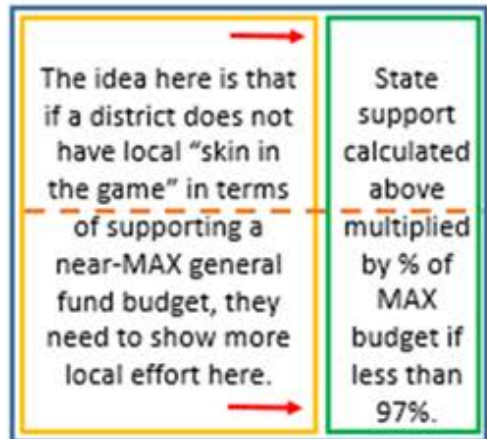
A district can determine to fill its "box" to any level (see dotted orange line) with the ratio of local effort to state support remaining the same—to get the "green" the district must put in the "yellow".

* State support is subject to appropriation and proration depending on available revenue. There is no appropriation in FY 18, so districts will be on their own to fill up their box.

First, determine the ratio of local effort to state support based on district wealth.

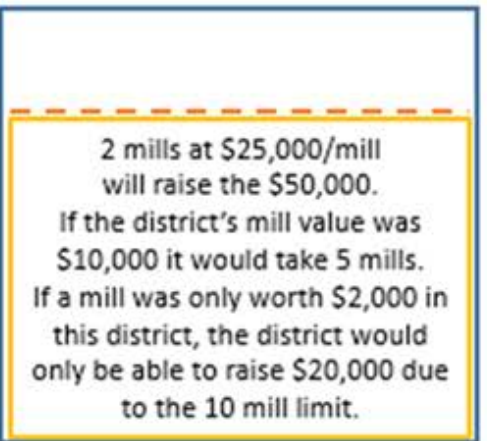


Then, if a district's adopted general fund budget is less than 97% of its MAX budget, the area of state support is decreased and more local effort is required.



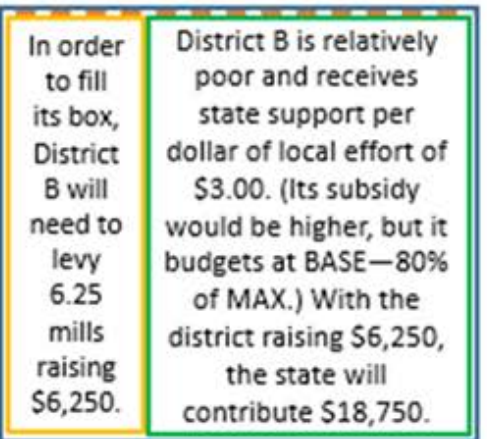
Example 1

District A has 500 ANB, so its box is \$65,000 (\$15K + (500 x \$100)). The district would like to raise \$50,000 to replace a boiler but knows there will not be any state support for the year. District A's mill value is \$25,000, so it will levy 2 mills to raise the money.



Example 2

District B has 100 ANB, so its box is \$25,000 (\$15K + (100 x \$100)). The district would like to raise \$50,000 to replace a boiler over the next two years and anticipates full state support each year. District B's mill value is \$1,000, so it will levy 6.25 mills to raise the money.



SB 352 – REFERENDUM ON PROHIBITION OF BALLOT COLLECTION BY CERTAIN INDIVIDUALS

The bill prohibits the collection of another individual's ballot unless the collector is an election official, a postal worker, a caregiver, a family member, a household member, or an acquaintance.

School Clerk to Do List – This bill has no immediate effect on school elections.

SB 372 – REVISE LOCAL GOVERNMENT AUDIT, FINANCIAL REPORTS

School Clerk to Do List – The 2017 Legislature revised the audit threshold by moving it up from the current \$500,000 of revenues to \$750,000 of revenues.

- The amendment doesn't refer to \$750,000 directly – instead it refers to USC and OMB references (the Uniform Grant Guidance expenditure threshold), which is currently \$750,000.
- SB372 has an effective date of July 1, 2017. DOA legal counsel, after reviewing legislative history and sponsor intent, has determined that this will be applied as “for any annual financial report that is due on or after July 1, 2017” – essentially, all FY2017 annual reports.

MISCELLANEOUS UPDATES

Staff updates:

- Steve Hamel no longer works at OPI. The Financial Specialist position is posted.
- A new auditor position has been authorized for the division. Dan Moody started July 3rd with the School Finance Division. We are happy to have him aboard.

Other updates:

- ESSA update!! The federal government has approved a one year extension of school code per pupil expenditure reporting. Please volunteer for the workgroup. We need more participation.
- Login requirements have changed. 90 day suspension after inactivity, cannot use last 6 passwords, temporary 8 hour lock-out after 6 invalid password attempts. Use the forgot password feature.

QUESTIONS OR COMMENTS?

Thank you for your time.

Contact me for additional questions or comments.

Kara Sperle, School Finance Administrator

ksperle2@mt.gov

406-444-3249