Let’s Review Things

MASBO Summer Conference 2022

Montana Office of Public Instruction
opi.mt.gov Elsie Arntzen, Superintendent

Before we begin!

Lead levels need to be tested in school drinking water.

[DPHHS School Administrative Rules (mt.gov)]

What's new on the GF Spreadsheet? (Hour 1)

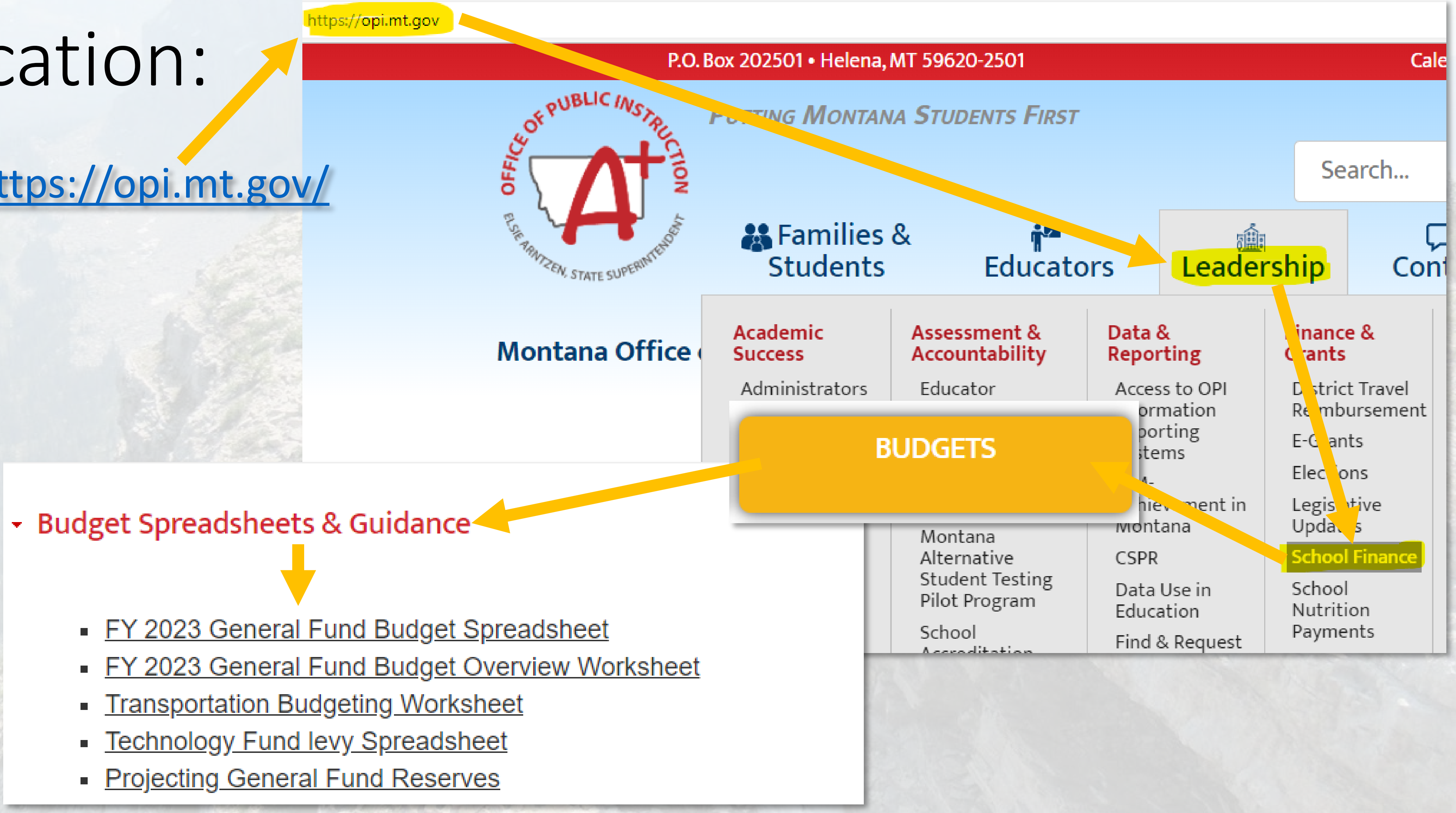
The PAR tab:

- 20-9-326, MCA rates (a reflection back to Anderson HB15)
- Enter your adjusted FTE counts (a review of Jones HB143)
- Rates for SMMA are different (let's discuss Reksten HB192)
- The ANB Calculation will be changed!?! (Anderson HB233 & Regier SB72)

All bills listed refer to the 2021 legislative session

Location:

https://opi.mt.gov/



20-9-326, MCA rates (Anderson HB15)

20-9-306, MCA

2019	2020	2021	2022	2023	2024	2025		1st Yr CPI-U	2nd Yr CPI-U	
							2013 Bien	1.0190	1.0153	
							2015 Bien	1.0089	1.0208	
							2017 Bien	1.0233	1.0179	
							2019 Bien	1.0137	1.0000	
							2021 Bien	1.0091	1.0183	
256.6										
256.6	259.1						2023 Bien	1.0216	1.0191	
256.6	259.1	273.0								
256.6	259.1	273.0	279.3				2025 Bie	1.0270	1.0287	forecast

20-9-326, MCA rates (Anderson HB15) 20-9-306, MCA

20-9-326. Annual inflation-related adjustments to basic entitlements and per-ANB entitlements. (1) In preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112, the superintendent of public instruction shall determine the inflation factor for the basic and per-ANB entitlements, the data-for-achievement payment, the per-ANB amount used to calculate the total special education allocation in 20-9-306, and the general fund payments in 20-9-327 through 20-9-330 in each fiscal year of the ensuing biennium.

Enter your adjusted FTE counts (Jones HB143) 20-9-324, MCA

HB 143 provides additional quality educator component payments for districts that meet legislative goals for competitive base pay of teachers.

These goals are separated for class of school as defined in Title 20, chapter 6.

[2022 District Classification Report]

Enter your adjusted FTE counts (Jones HB143) 20-9-324, MCA

To qualify, class 2 & 3 districts are required to offer a base teacher pay that is equal to at least 10 times as much as the quality educator payment amount provided in 20-9-306(16).

(16) "Total quality educator payment" means the payment resulting from multiplying \$3,385 for fiscal year 2022 and \$3,472 for each succeeding fiscal year

Districts defined as class 1, to qualify, would be required to offer a teacher base pay that is not less than 70% of the teacher average pay in the school district.

Enter your adjusted FTE counts (Jones HB143) 20-9-324, MCA

Section 20-9-306(16), MCA is amended to modify the total quality educator payment for a school district meeting the legislative goal for competitive base pay of teachers to include the number of full-time equivalent teachers that were in the first three years of the teacher's teaching career in the previous year.

Enter your adjusted FTE counts (Jones HB143) 20-9-324, MCA

Example:

-Hire 1 new teacher in FY2023 that is in one of there first 3 years of there teaching career.

-Your district is a class 2 district, and the district steps and lanes starts at $34,800.

-Enter data into TEAMS the requested information for the TEACH Act before December 1.

-The total FTE of the district is 10.

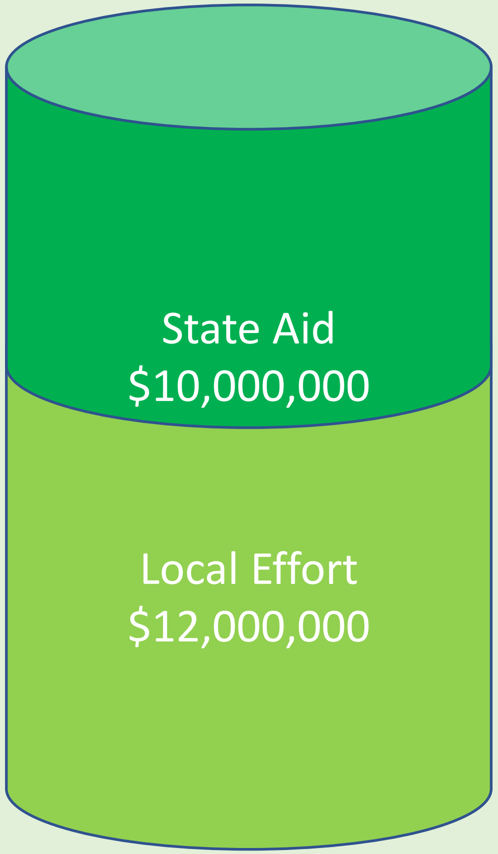
-Assuming a 2.8% increase In FY2024 the QEC entitlement will be:

(10 X $3,566) + 3,566 = $39,226

Rates for SMMA are different (Reksten HB192)

Section 20-9-502, MCA, is modified to increase the “school major maintenance amount” from **$100 to $110** per budget limitation ANB, beginning budget year FY 2023.

The amount of state support per dollar of local effort of the applicable elementary and high school program by adjusting the school major maintenance amount multiplier from **171% to 187%**, beginning budget year FY 2023.



$22,000,000

Rates for SMMA are different (Reksten HB192)

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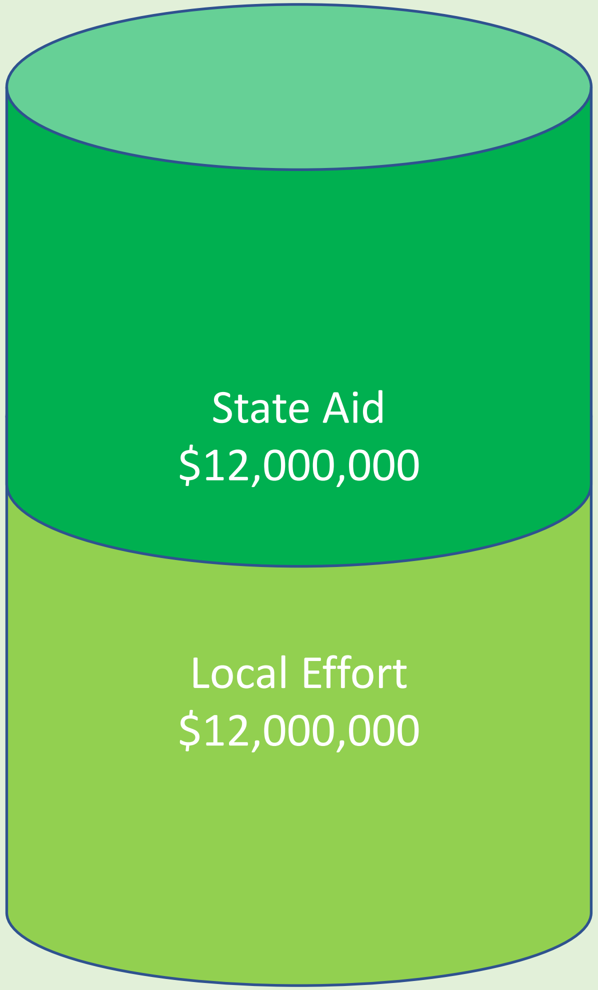


$24,000,000

Rates for SMMA are different (Reksten HB192)

Appropriation Information (20-9-635, MCA)

	Source	Approp.	Request	Revenue	
FY 2022	State GF	7,727,000		5,419,847	Remainder 2,307,153
	Coal SSR	2,273,000		2,273,000	
	Total	10,000,000	7,692,847		
FY 2023	State GF	7,461,000			
	Coal SSR	2,539,000			
	Total	10,000,000			
FY 2024	20-9-635	10,270,000			Approp over $10M adds CPI
FY 2025	20-9-635	10,564,749			Approp over $10M adds CPI

Rates for SMMA are different (Reksten HB192)

What occurred for FY 2022 SMMA

	LE Count	%
Filled Box With Levy Only	3	1%
Over-Levied	42	11%
Maximized	181	45%
Under Filled the Box	32	8%
Not Participating	142	36%

Noticing Permissive Levy Increases (Reksten HB192)

Section 20-9-116, MCA, the requirement to notice a resolution of intent to increase non-voted levies is modified to specify that a resolution for the permissively levied sub-fund of the building reserve fund is to include the following under 20-9-502(3)(a)(i), MCA:

(A) Identify the anticipated improvements or projects for which the proceeds of the levy will be used; and

(B) Estimate a total dollar amount of money to be raised by the levy, and the resulting estimated number of mills to be levied using the district's taxable valuation most recently certified by the department of revenue under 15-10-202.

ANB Calculation (Anderson HB233 & Regier SB72)

1. Revise funding for students with disabilities, Anderson HB233 amends sections 20-1-101 & 20-9-311, MCA

2. Revise school laws related to participation in extracurricular activities, Regier SB72 amends section 20-9-311, MCA

ANB Calculation (Anderson HB233) 20-9-311, MCA

Section 20-9-311, MCA, the calculation of average number belonging (ANB), is modified to include a pupil with disabilities who is over 19 years of age and has not yet reached 21 years of age by September 10 of the school year and who is receiving special education services from a school district pursuant to 20-7-411(4)(a) may be included in the ANB calculations if:

ANB Calculation (Anderson HB233) 20-9-311, MCA

(i) the student has not graduated.

(ii) the student is eligible for special education services and is likely to be eligible for adult services for individuals with developmental disabilities due to the significance of the student's disability.

(iii) the student's individualized education program has identified transition goals that focus on preparation for living and working in the community following high school graduation since age or the student's disability has increased in significance after age 16.

ANB Calculation (Regier SB72) 20-9-311, MCA

Revises the calculation of average number belonging (ANB) to include allowing certain students who participate in extracurricular activities to be included as partial enrollment for ANB calculations.

A district may, for ANB purposes, include in the October and February enrollment counts an individual who during the prior school year met the following criteria:

(i) Resided in the district.

(ii) Was not enrolled in the district or was not enrolled full time.

(iii) Completed an extracurricular activity with a duration of at least 6 weeks.

ANB Calculation (Regier SB72) 20-9-311, MCA

Each completed extracurricular activity may be counted as one-sixteenth enrollment for the individual, but the individual may not be counted as more than one full-time enrollment for ANB purposes. Additionally, each completed extracurricular activity lasting longer than 18 weeks may be counted as one-eighth enrollment. SB 72 defines "extracurricular activity" as the following:

(i) A sport or activity sanctioned by an organization having jurisdiction over interscholastic activities, contests, and tournaments.

(ii) An approved career and technical student organization, pursuant to 20-7-306, MCA.

(iii) A school theater production.

Before we begin!

Lead levels need to be tested in school drinking water.

DPHHS School Administrative Rules (mt.gov)

Other Things (Hour 2)

- My General Fund GTB keeps growing. (Kassmier HB303 & Ler HB663)
- State Technology Aid payment wiggled, why? (Zolnikov HB181)
- Catching up on the SPED allowable cost payment. (Bedey HB46)
- A discussion about the Mill Calculator Tab. Let's make this what you need it to be.
- A reminder that the Miscellaneous Programs Fund (15) spreadsheet still exists.
- A long time ask made especially for Gwyn.

GF GTB (Kassmier HB303 & Ler HB663)

As a general overview, HB 303 increases the class eight business equipment tax exemption from $100,000 to $300,000 provided for in 15-6-138(4), MCA. Additionally, HB 303 provides a reimbursement to school districts by increasing the district general fund guaranteed tax base aid (GTB) multiplier in 20-9-366, MCA from 232% to 236% beginning in FY 2023.

GF GTB (Kassmier HB303 & Ler HB663)

HB 663 amends section 20-9-366, MCA by increasing the district general fund guarantee tax base aid (GTB) multiplier from 232% to 250% beginning in FY 2022 and linking additional increases to revenue generated by marijuana taxes beginning in FY 2024 and beyond by further increasing the GTB multiplier. These subsequential increases are based on a measure that is the difference in marijuana revenue transferred to the state general fund when compared to the same revenue transferred in the prior year.

GF GTB (Kassmier HB303 & Ler HB663)

General Fund GTB multiplier:

FY 2022 = 232%
FY 2023 = 250%
+ 4%
254%

FY 2024 = Add Annually %

GF GTB (Kassmier HB303 & Ler HB663)

(i) for fiscal years 2024 through 2031, if the revenue transferred to the state general fund pursuant to 16-12-111 in the prior fiscal year is at least $1 million more than the revenue transferred in the fiscal year 2 years prior, then:

> (A) multiply the amount of increased revenue transferred to the state general fund pursuant to 16-12-111 in the prior fiscal year above the amount of revenue transferred in the fiscal year 2 years prior by 0.25, divide the resulting product by $500,000, and round to the nearest whole number; and
>
> (B) increase the multiplier for the prior fiscal year by the number derived in subsection (5)(a)(i)(A) as a percentage point increase;

(ii) for fiscal years 2024 through 2031, if the revenue transferred to the state general fund pursuant to in the prior fiscal year is less than $1 million more than the revenue transferred in the fiscal year 2 years prior, then the multiplier is equal to the multiplier used for the prior fiscal year; and

(iii) for fiscal years 2032 and subsequent fiscal years, the multiplier is equal to the multiplier used for fiscal year 2031.

GF GTB (Kassmier HB303 & Ler HB663)

12. General Fund Guaranteed Tax Base Aid (GTB) Ratios And Subsidies

I.	STATEWIDE GTB RATIO:	Elementary	High School
	a. Statewide Taxable Valuation (Tax Year 2021)***	3,429,943,159	3,429,943,159
	b. FY 2022 Statewide GTB Subsidized Budget Area: 35.30% of the Basic Entitlement + 35.30% of the Per ANB Entitlement + 40% of Special Education Allowable Cost Payment (Including Cooperative Costs)	260,884,829.52	140,013,575.30
	c. GTB Ratio: [(a) Divided by (b)] x 254%	33.39	62.22

II.	DISTRICT GTB SUBSIDY:	Elementary	High School
	a. Statewide GTB ratio (from c above)	N/A	62.22
	b. FY 2022 District GTB Subsidized Budget Area: 35.30% of the Basic Entitlement + 35.30% of the Per ANB Entitlement	N/A	967,418.74
	c. 40% of FY 2022 District Special Education Allowable Cost Payment plus District Coop Cost Payment	N/A	27,368.32
	d. District's FY 2023 Guaranteed Tax Base (a) x [b + c]	N/A	61,895,650.87
	e. District Taxable Valuation (Tax Year 2021)***	N/A	23,774,070
	f. If (d) is Greater Than (e), Then: DISTRICT's FY 2023 GTB Subsidy Per BASE Mill [d - e] x 0.001	N/A	38,122.00

State Technology Aid (Zolnikov HB181)

In FY 2022, twenty-five percent of the $1 million statutory appropriation provided in 17-7-502, MCA is to be for providing funds for schools to use as state matching funds for special construction under the federal e-rate broadband program pursuant to 47 CFR 54.505. The remaining seventy-five percent is to be distributed to a district's technology acquisition and depreciation fund under the previously determine methodology described in 20-9-534, MCA.

State Technology Aid (Zolnikov HB181)

The same proportions are to be applied for FY 2023 however, any remaining funds not expended from the 25% portion in FY 2022 are to be distributed with the previously determine methodology described in 20-9-534, MCA in FY 2023. HB 181 terminates June 30, 2023

	FY 2022	FY 2023	FY 2024
Tech Payment (Base)	$750,000	$750,000	$1,000,000
Tech Payment (Remainder)	$0	$250,000	
Total Tech Payment	$750,000	$1,000,000	$1,000,000
E-Rate Broadband	$250,000	$250,000	$0

SPED Allowable Cost Payment. (Bedey HB46)

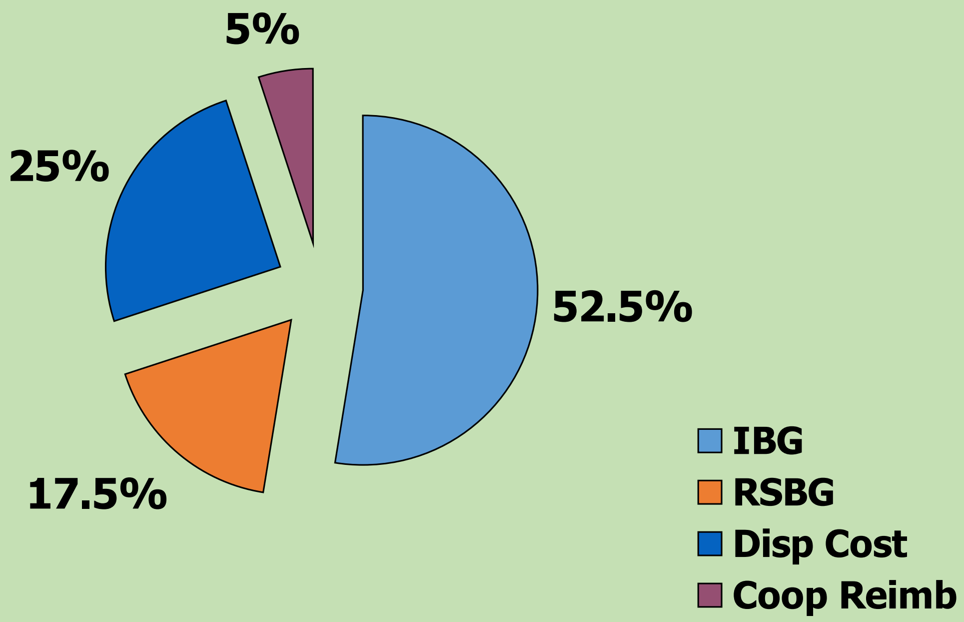
HB 46 amends sections 20-9-306 and 20-9-326, MCA, to include the special education allowable cost payment as a part of the definition of BASE and to describe the calculation for determining the size of the "total special education allocation.“

The “special education allocation” is determined by the amount resulting from multiplying $287.93 for fiscal year 2022 and $286.02 for each succeeding fiscal year by the statewide current year ANB or the amount of the previous year's total special education allocation, whichever is greater. The distribution calculation for determining the special education allowable cost payment to districts is not changed.

SPED Allowable Cost Payment. (Bedey HB46)

Section 20-9-326, MCA is amended to include the special education allocation as part of the annual inflation-related adjustments to basic entitlements and per-ANB entitlements in preparing and submitting an agency budget.

SPED Allowable Cost Payment. (Bedey HB46)



(17) "Total special education allocation" means the state payment distributed pursuant to [20-9-321]() that is the greater of the amount resulting from multiplying $287.93 for fiscal year 2022 and $286.02 for each succeeding fiscal year by the statewide current year ANB or the amount of the previous year's total special education allocation.

SPED Allowable Cost Payment. (Bedey HB46)

	IBG	RSBG	SPED Approp/Allocation
FY2021	152.88	50.96	44,628,655 & 44,702,880
FY2022	156.45	52.15	44,702,880
FY2023	152.47	50.82	44,702,880

Non-Legislative Items

- A discussion about the Mill Calculator Tab. Let's make this what you need it to be.

- A reminder that the Miscellaneous Programs Fund (15) spreadsheet still exists.

- A long time ask made especially for Gwyn.