



MONTANA

Description of the Formula

BASE Aid program based on number of pupil units plus an additional guaranteed tax base program. Under the BASE Aid program, the state pays 44.7% of basic and per-student entitlements; 100% of additional funding components for quality educators, at-risk students, Indian education for all, data for achievement ,and closing the American Indian student achievement gap; 100% of the state special education block grants for schools; and a subsidy payment to equalize tax base differences and support districts in funding an additional 35.3% of the basic entitlement and per-student entitlement and 40% of special education block grants.

In FY 2014-2015, the basic entitlements for elementary, middle school and high school districts were \$40,000, \$80,000 and \$290,000, respectively. For elementary districts with an Average Number Belong (ANB) greater than 250, an additional basic entitlement of \$2,000 is paid for each additional 25 ANB above 250. For middle school districts with an ANB greater than 450, an additional basic entitlement of \$4,000 is paid for each additional 45 ANB above 450. For high school districts with an ANB greater than 800, an additional basic entitlement of \$12,000 is paid for each additional 80 ANB above 800. The per-student entitlements were approximately \$5,226 for elementary students and \$6,691 for high school students or students in accredited 7-8 grade programs. A \$0.20 reduction is applied for each additional elementary student, up to 1000 students. A \$0.50 reduction is applied to each additional high school student or 7-8 grade student, up to 800 students. Required local effort at the county level is 55 mills for K-12 programs.

Required effort at the state level is 40 mills for K-12 programs. The BASE, or minimum required budget, includes 80% of the entitlements, 140% of special education funding, and 100% of the 4 additional funding components. Beginning in FY 2015, the 2013 Legislature provided a new revenue source, the Natural Resource and Development K-12 (NRD) Funding payment. The NRD funding payment is distributed to each school district based on the ratio that each district's direct state aid bears to the statewide direct state aid for all schools.

The legislature appropriated \$3 million for FY 2015. In subsequent years, the minimum NRD funding payment is to be calculated by the OPI as the amount needed to prevent a statewide

increase in BASE budget levies associated with inflationary increases in the basic and per-ANB entitlements. The total NRD funding payment is limited to the greater of 50% of the FY 2012 oil and natural gas production taxes deposited into the state general fund or 50% of the oil and natural gas production taxes deposited into the state general fund in the two years prior plus any excess interest and income appropriated by the legislature to be distributed through the NRD funding payment.

District-Based Components

Density/Scarcity of Small Schools

There is no specific mechanism for funding small schools or adjusting for sparseness. The basic entitlement is applied at the same rate to budgets for any size of district, so smaller schools receive proportionally more relevant to their size.

Grade Level Differences

See "Description of Formula."

Declining Enrollment or Growth

Funding is based on a district's prior year enrollment or average of the prior three years' enrollment, whichever produces the greatest amount of support.

Capital Outlay and/or Debt Service

Bonded indebtedness may not exceed 50% of taxable property value of the district. District may issue bonds for limited purposes after an election. State facilities acquisition program assists districts in repaying bonds by providing subsidies to districts having lower than statewide average taxable valuation per pupil. The 2013 Legislature appropriated \$ 12,418,642 for the 2015 biennium for grants to school districts for school facility projects, emergency school facility projects, and for planning facility projects under the Quality Schools Facilities Program. The purpose of the program is to distribute grants to public school districts to assist schools in addressing major deferred maintenance, repairing or replacing existing building components that are inoperable or difficult to service or that lack minimum integrity. Preference is given to school facility projects involving repairs to existing facilities over project involving construction of new facilities.

Transportation

The state and county share in funding "on-schedule costs" that are based on bus routes and mileage contracts with parents. Additional funding is provided through fund balance re-appropriated, non-levy revenues and a local levy.

Pupil Weights for District/School Size

In the BASE Aid program, general fund entitlements are reduced \$0.20 for each additional elementary student, up to 1000 students and \$0.50 for each additional high school student or 7-8 grade student, up to 800 students. For elementary and high school districts with more students, additional pupils are funded at the same rate as the 1000th or 800th pupils, respectively. For elementary districts with an Average Number Belong (ANB) greater than 250, an additional

basic entitlement of \$2,000 is paid for each additional 25 ANB above 250. For middle school districts with an ANB greater than 450, an additional basic entitlement of \$4,000 is paid for each additional 45 ANB above 450. For high school districts with an ANB greater than 800, an additional basic entitlement of \$12,000 is paid for each additional 80 ANB above 800.

Charter Schools

Does not apply.

Student-Based Components

Special Education

Included in the BASE aid program (see Description of Formula). Block grants are based on number of pupil units and require a \$1 for \$3 local match. Additional reimbursement (40% for unusually high special education costs are provided to eligible districts).

Pupil Weights for Special Education Programs Categories

Does not apply. State special education funding per enrolled pupil is allocated to districts using block grants.

Low Income / Comp Ed / At-Risk

An at-risk student payment is provided to schools for students who are affected by environmental conditions that negatively impact the student's education performance or threaten a student's likelihood of promotion or graduation. The at-risk student payment is distributed to public school districts in the same manner as Title I funding. Payments are prorated to districts based upon the available appropriation. District's deposit the at-risk student payment into the general fund.

English Language Learner/Bilingual Education

The state does not fund a bilingual education program.

Gifted and Talented Education

Legislature provided \$250,000 for a state grant distribution to school districts for Gifted and Talented programs in 2013-15.

Career and Technical Education

No response

Preschool Education

No response

Other

No response

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases

"Maximum" general fund budget limit is 100% of basic and per student entitlements plus 140% of state special education block grants and 100% of state funding components for quality educators, at-risk students, Indian Education for All, data for achievement, and closing the American Indian student achievement gap. Districts are allowed to exceed the "maximum" level in cases where the prior year budget exceeds the "maximum" level, and a vote is usually required to approve the over-maximum amount of the budget. If budget does not exceed the "maximum" level, districts must obtain voter approval only for levy increases needed to fund the optional portion of the BASE (minimum required general fund budget).

Property Assessment Ratios Used/Legal Standards For Property Assessment

Assessed valuation of major revenue sources: realty and mobile homes, 2.47%; rural electric and rural telephone cooperatives, 3%; public utilities, 6%; metal mines, 3%.

Measure of Local Ability To Support Schools

For facilities funding, property value per pupil. For general fund, property value compared to the BASE funding needs of the district.

School District Budget and Tax Rate Procedures/Sources of Local Revenue

Each elementary, high school, and K-12 district is fiscally independent. Voter approval (simple majority of voters is generally required for an increase of taxes for the non-mandatory portion of the budget. Voter approval is generally required to support a budget that exceeds the general fund budget caps. Local revenues for districts are comprised of property taxes, several non-levy sources derived from and distributed based on district tax levies, and revenues from natural resources including gas and oil production.

State Support for Nonpublic Schools

Does not apply.