

# Overview of Basic School Budgeting

January 2019



"The superintendent is saving money by training driver's ed students in school buses."

# FUNDS



# School Funding 101

## General Fund

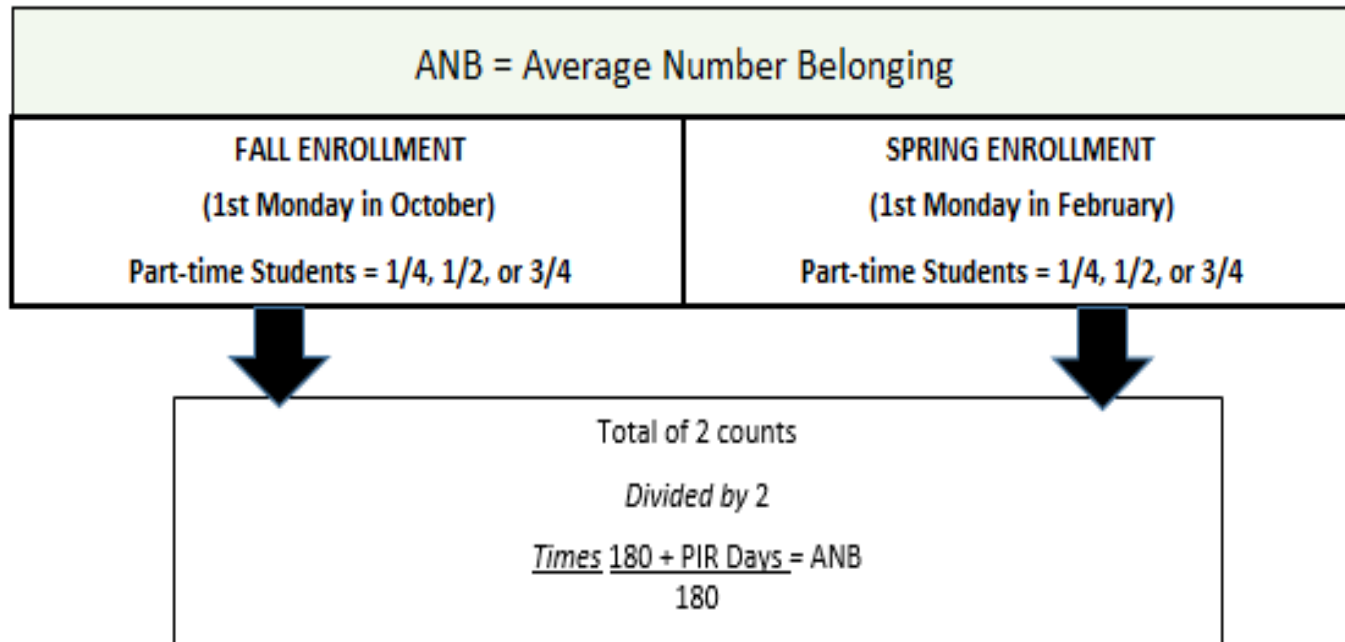
- Base Budget
  - 80%
- Maximum Budget
  - 100%
- Enrollment determines budget
- Taxable Value – impacts taxes



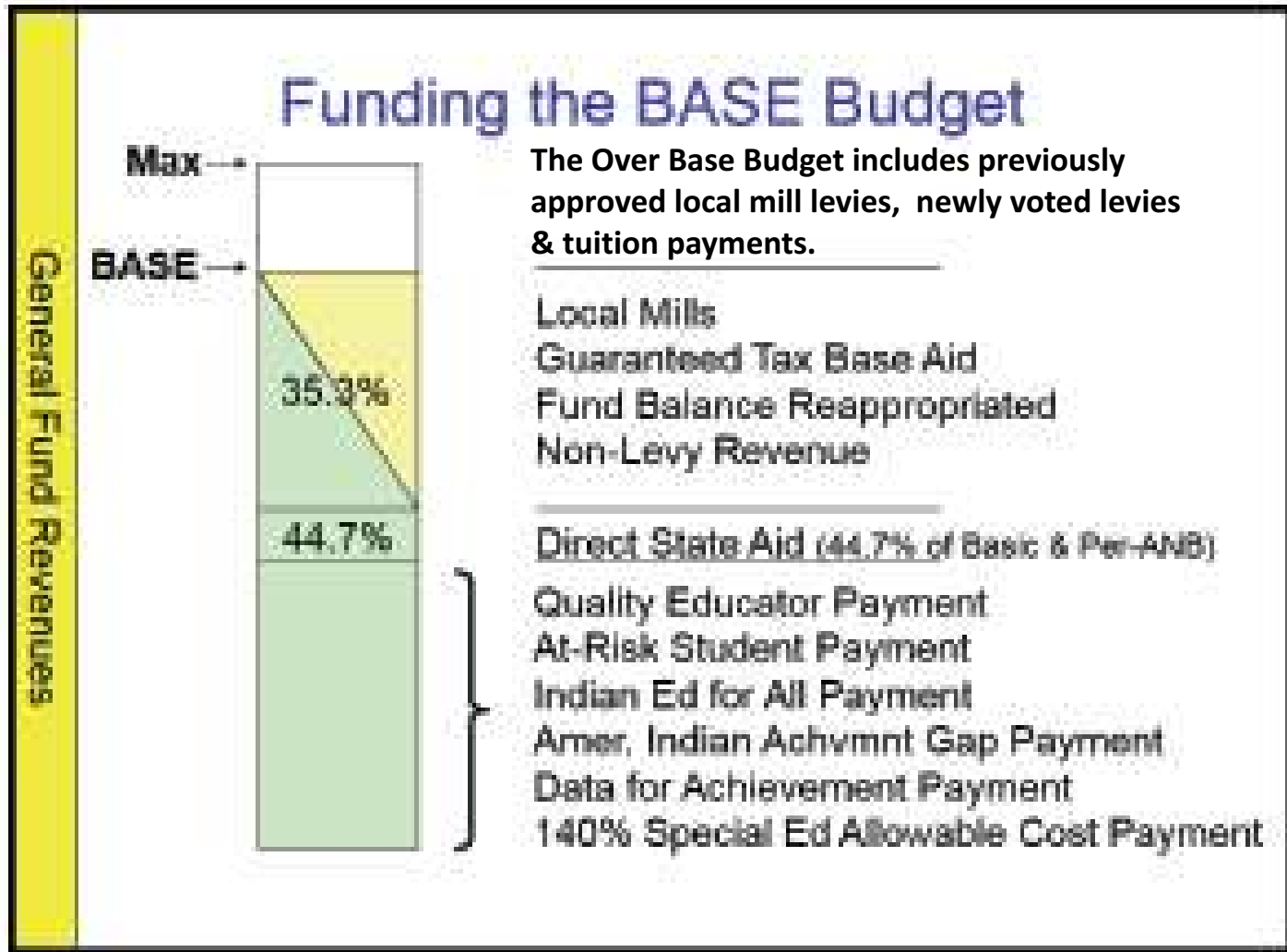
# Enrollment



# ANB



# Basic Structure of the General Fund



# Basic Entitlement Rates



| Entitlements                   | FY2019     | FY2020 *<br>(HB159) | FY2021 *<br>(HB159) |
|--------------------------------|------------|---------------------|---------------------|
| Elementary Basic               | \$ 52,105  | \$ 52,579           | \$ 53,541           |
| For every 25 Elem ANB over 250 | \$ 2,606   | \$ 2,630            | \$ 2,678            |
| Middle School Basic            | \$ 104,212 | \$ 105,160          | \$ 107,084          |
| For every 45 MS ANB over 450   | \$ 5,211   | \$ 5,258            | \$ 5,354            |
| High School Basic              | \$ 312,636 | \$ 315,481          | \$ 321,254          |
| For every 80 HS ANB over 800   | \$ 15,632  | \$ 15,774           | \$ 16,063           |

\*HB159 increased FY2019 by inflation of .91% for FY2020 and 1.83% in FY2021.



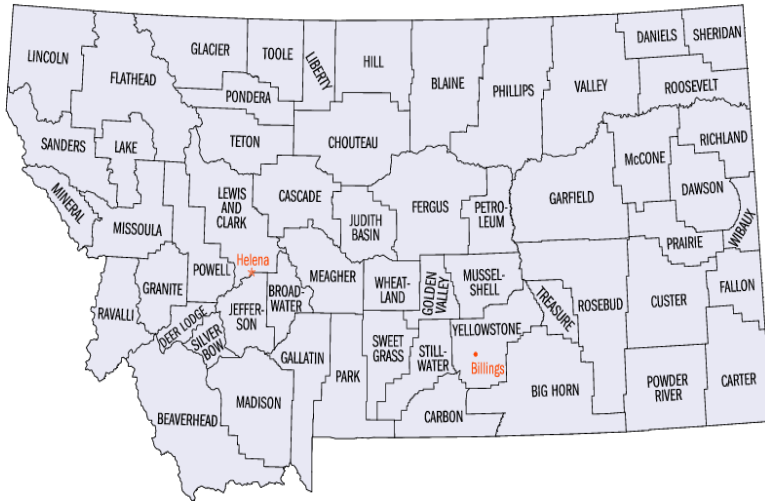
# Per-ANB Entitlement Rates



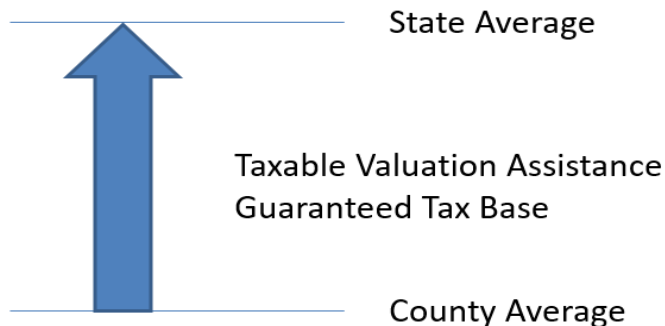
| Entitlements        | FY2019   | FY2020 *<br>(HB159) | FY2021 *<br>(HB159) |
|---------------------|----------|---------------------|---------------------|
| Elementary per-ANB  | \$ 5,573 | \$5,624             | \$ 5,727            |
| High School per-ANB | \$ 7,136 | \$ 7,201            | \$ 7,333            |

\*HB159 increased per-ANB entitlements by .91% in FY2020 and 1.83% in FY2021.

# Guaranteed Tax Base



- Taxable Valuation of each county
- Average for the State
- State Assistance for Counties below the average





# State Payment Categories

- Direct State Aid — Student Related



- Special Education

- Quality Educator

- Indian Education for All

- American Indian Achievement Gap

- Guaranteed Tax Base (if applicable)

- At Risk

- Non-levy Revenue

- Basic Entitlement – (School Building)

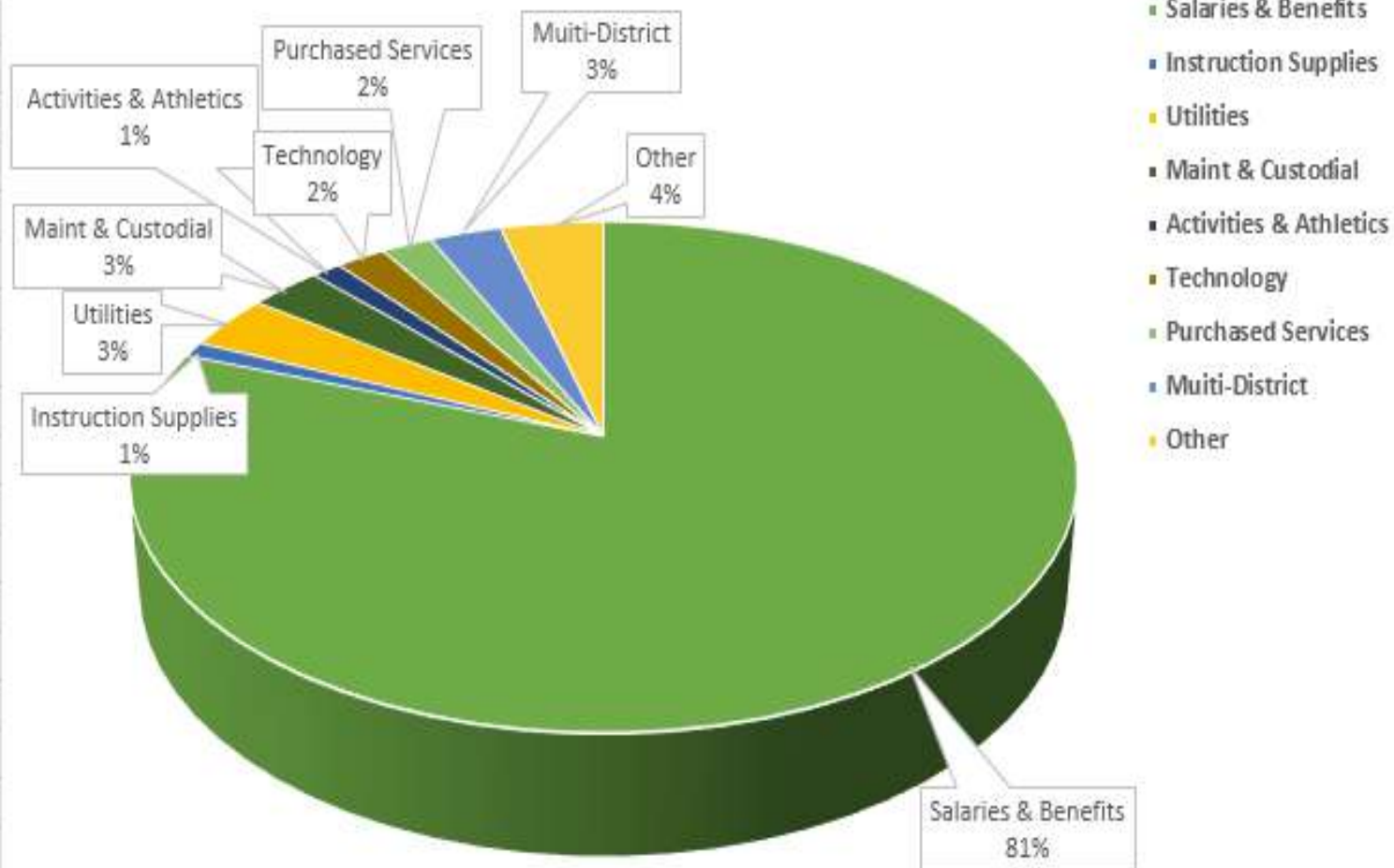
| Enter LE   |       | LE Name     | County      | Version FY20_1<br>5/14/19                               | This spreadsheet is provided to assist school districts with calculations for FY20 budget projections. Please note that the data needed to calculate exact budget limits is not yet available, and as such, the amounts generated on this spreadsheet should not be considered certifiable information from the Office of Public Instruction. |               |              |                        |
|--|-------|-------------|-------------|---|---|---------------|--------------|------------------------|
| Elem LE:   | 0970  | Laurel Elem | Yellowstone |   |   |               |              |                        |
| HS LE:   | 0971  | Laurel HS   | Yellowstone |   |   |               |              |                        |
| K12 LE:  |       |             |             |   |   |               |              |                        |
|  |       |             |             | <b>Post-Session</b>                                     |   | <b>Elem</b>   | <b>HS</b>    | <b>K12</b>             |
| <b>FY19 ANB FY20 ANB Est FY21 3-Yr Ave ANB</b>   |       |             |             | Disproportionate Cost Reimbursement                     |   | 120,046.36    | 70,432.38    |                        |
| E1   | 1,145 | 1,126       | 1,079       | 1,117   | FY20 Weighted GTB Subsidy Per Mill  | 42,201.00     | 46,197.00    |                        |
| E2   | -     | -           | -           | -   | FY19 Full-Time Equivalent Educators   | 96.63         | 46.08        | Enter LE# in Inputs!C5 |
| E3   | -     | -           | -           | -   | FY19 Title I Allocation   | 290,807.00    | 76,955.00    | Enter LE# in Inputs!C5 |
| E4   | -     | -           | -           | -   | American Indian Students  | 53.00         | 25.00        | Enter LE# in Inputs!C5 |
| E5   | -     | -           | -           | -   | FY19 Adopted Budget (See PAR tab)   | 9,585,242.03  | 5,166,869.50 | Enter LE# in Inputs!C5 |
|  |       |             |             | Highest Levy OB Auth Or Imposed Between FY15 & FY19     |   | 1,421,163.74  | 816,490.24   | 0.00                   |
| <b>FY19 ANB FY20 ANB Est FY21 3-Yr Ave ANB</b>   |       |             |             | 2020 Taxable Value                                      |   | 50,504,649    | 49,662,402   |                        |
| M1   | 343   | 377         | 363         | 361   | Total Unreserved Fund Balance Reappropriated  | 0.00          | 0.00         | 0.00                   |
| M2   | -     | -           | -           | -   | Prior Year Excess Reserves Funding Over-BASE  | 0.00          | 0.00         | 0.00                   |
| Elem budget driven by 3-year average ANB   |       |             |             | Prior Year Non-Materialized Over-Levied Amt BASE        |   | 0.00          | 0.00         | 0.00                   |
|  |       |             |             | Prior Year Non-Materialized Over-Levied Amt Over-BASE   |   | 0.00          | 0.00         | 0.00                   |
| <b>FY19 ANB FY20 ANB Est FY21 3-Yr Ave ANB</b>   |       |             |             | Number of Prior Yr BASE Mills Levied (Optional)         |   | 0.00          | 0.00         |                        |
| H1   | 650   | 660         | 667         | 659   | Number of Prior Yr Over-BASE Mills Levied (Optional)  | 0.00          | 0.00         | 0.00                   |
| H2   | -     | -           | -           | -   | <b>Non-Levy Revenues (See Non-Levy Revenue Tab)</b>   |               |              |                        |
| HS budget driven by current year ANB   |       |             |             | Actual General Fund Receipts (See Non-Levy Rev Tab)     |   | 0.00          | 0.00         | 0.00                   |
| If you have had an anticipated enrollment increase approved by the OPI in FY19 place a "X" in the blue cell  |       |             |             | Anticipated (estimated) (See Non-Levy Rev Tab)          |   | 0.00          | 0.00         | 0.00                   |
| Elem <input type="text"/> HS or K12 <input type="text"/>   |       |             |             | Other (estimated) (See Non-Levy Rev Tab)                |   | 0.00          | 0.00         | 0.00                   |
| If your LE(s) receives oil & gas revenue enter the total anticipated amount that you estimate you will be reporting on the TFS (sum all funds) in the cell(s) below. This is not your budget estimate for non-levy revenues. |       |             |             | Tuition to Fund Over-BASE (See Non-Levy Rev Tab)        |   | 15,000.00     | 40,000.00    | 0.00                   |
|  |       |             |             | Oil&Gas to Fund Over-BASE (See Non-Levy Rev Tab)        |   | 0.00          | 0.00         | 0.00                   |
|  |       |             |             | <b>Budget Summary</b>                                   |   |               |              |                        |
|  |       |             |             | BASE (Minimum) Budget:                                  |   | 8,323,710.27  | 4,566,469.19 | 0.00                   |
|  |       |             |             | Maximum Budget:   |   | 10,398,579.57 | 5,709,846.93 | 0.00                   |
|  |       |             |             | Highest Budget Without a Vote:                          |   | 9,759,874.01  | 5,422,959.43 | 0.00                   |
|  |       |             |             | Highest Budget With a Vote:                             |   | 10,398,579.57 | 5,709,846.93 | 0.00                   |
|  |       |             |             | PROPOSED ADOPTED BUDGET:                                |   | 9,759,874.01  | 5,422,959.43 | 0.00                   |
|  |       |             |             | Funded by Other Funds (See Impact of Tax Increase Tab)  |   | 0.00          | 0.00         | 0.00                   |
|  |       |             |             | Increase in Over-BASE levy (requires to voter approval) |   | 0.00          | 0.00         | 0.00                   |
|  |       |             |             | <b>General Fund Mill Summary</b>                        |   |               |              |                        |
|  |       |             |             | District Non-Isolated Mills:                            |   | 0.00          |              |                        |
|  |       |             |             | BASE Mills - Elementary:                                |   | 36.58         |              | Enter TV in Cell U16   |
|  |       |             |             | BASE Mills - High School:                               |   |               | 19.64        | Enter TV in Cell U16   |
|  |       |             |             | New Over-BASE Mills Needed to Vote for This Budget      |   | 0.00          | 0.00         | Enter Bud in Cell U33  |
|  |       |             |             | Total Over-BASE Mills:                                  |   | 28.14         | 16.44        | Enter Bud in Cell U33  |
|  |       |             |             | Total General Fund Mills:                               |   | 64.72         | 36.08        | Enter TV in Cell U16   |
|  |       |             |             |   |   | Today's Date  |              | 12/2/2019 11:30        |
|  |       |             |             | Inc w/o vote  |   | 174,631.98    | 256,089.93   | 430,721.91             |
|  |       |             |             | Max. vote amt   |   | 638,705.56    | 286,887.50   | 925,593.06             |
|  |       |             |             | % of cap  |   | 93.858%       | 94.976%      |                        |

# Special Education Funding

| SPECIAL EDUCATION FUNDING                                 |               |  |               |
|---|---------------|--|---------------|
| Is the district a member of a Special Ed Co-op?           | NO            |  | NO            |
| Instructional Block Grant Rate Per ANB                    | 151.53        |  | 151.53        |
| Related Services Block Grant Rate Per ANB                 | 50.51         |  | 50.51         |
| Reimbursement for Disproportionate Costs (See Data Sheet) | 120,046.36    |  | 70,432.38     |
| Instructional Block Grant Entitlement                     | 218,506.26    |  | 101,070.51    |
| Related Services Block Grant Entitlement (Not in a Co-op) | 72,835.42     |  | 33,690.17     |
| Special Education Allowable Cost Payment                  | 411,388.04    |  | 205,193.06    |
| Prorated Cooperative Cost Payment (Co-op Members Only)    | 0.00          |  | 0.00          |
| FY20 Weighted GTB Subsidy Per Mill for FY                 | 42,201.00     |  | 46,197.00     |
| FY20 Taxable Value  | 50,504,649.00 |  | 49,662,402.00 |

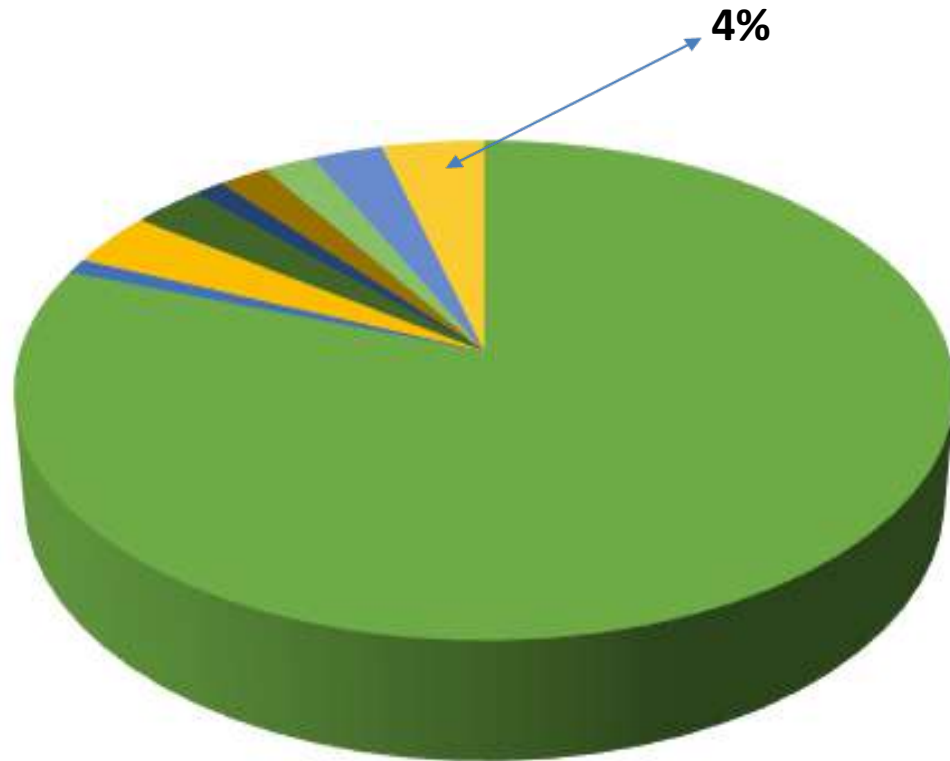
## Combined General Funds 2018-19

### \$14,752,112



# Other 4% \$604,931

**Administration**~ elections, audit,  
postage, advertising,  
**Insurance**~ liability  
**Sp Ed Co-op** ~  
**Food Service** ~  
**Reappropriation** ~  
**Profession Development**



# Moving Parts

- Student Enrollment
- Taxable Valuation/Mill Value
- State Support
- Guaranteed Tax Base
- Annual Increases (Inflation + Increases)
- Health Insurance Costs & Negotiated Agreements
- Local Levies
- Legislative Adjustments to the Funding Formula including non payment of revenues and triggers
- Protested taxes



# Budget Considerations

## ❖ Salaries

- ❖ Negotiated Increase – 2% as per negotiated agreement
- ❖ Steps and lane changes – lanes for 2019-20, \$21,278

## ❖ Health Insurance

- ❖ Increases - \$645 as per negotiated agreement

## ❖ Utilities

## ❖ Positions – increase or decrease number

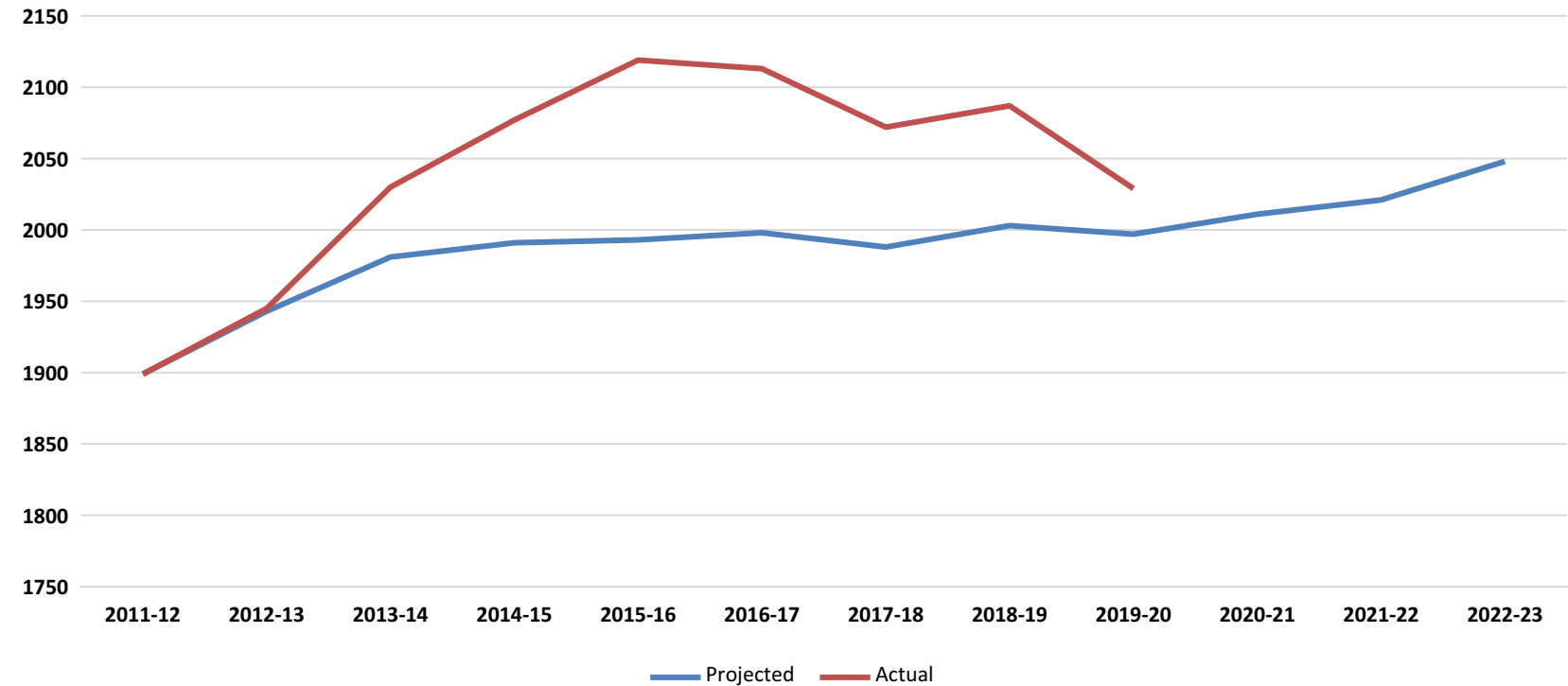
## ❖ Technology – minimal resources

## ❖ Zero-based Budgeting Process



# Enrollment

Actual vs Projected 2011-23



|           | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Projected | 1899    | 1943    | 1981    | 1991    | 1993    | 1998    | 1988    | 2003    | 1997    | 2011    | 2021    | 2048    |
| Actual    | 1899    | 1945    | 2030    | 2077    | 2119    | 2113    | 2072    | 2087    | 2029    |         |         |         |



# Actual ANB Enrollment

| Elementary                                  |                    |
|---|--------------------|
| School Year ANB Used for Budgeting Purposes | K-8 ANB Enrollment |
| <b>2018-19</b>                              | <b>1503</b>        |
| <b>2017-18</b>                              | <b>1,519</b>       |
| <b>2016/17</b>                              | <b>1,504</b>       |
| <b>2015/16</b>                              | <b>1,474</b>       |
| <b>2014/15</b>                              | <b>1,445</b>       |
| <b>2013/14</b>                              | <b>1,385</b>       |
| <b>2012/13</b>                              | <b>1,318</b>       |
| <b>2011/12</b>                              | <b>1,319</b>       |
| <b>2010/11</b>                              | <b>1,346</b>       |
| <b>2009/10</b>                              | <b>1.332</b>       |
| <b>2008/09</b>                              | <b>1,335</b>       |
| <b>2007/08</b>                              | <b>1,291</b>       |

| High School                                 |                     |
|---|---------------------|
| School Year ANB Used for Budgeting Purposes | 9-12 ANB Enrollment |
| <b>2018-19</b>                              | <b>660</b>          |
| <b>2017-18</b>                              | <b>673</b>          |
| <b>2016/17</b>                              | <b>678</b>          |
| <b>2015/16</b>                              | <b>674</b>          |
| <b>2014/15</b>                              | <b>669</b>          |
| <b>2013/14</b>                              | <b>629</b>          |
| <b>2012/13</b>                              | <b>649</b>          |
| <b>2011/12</b>                              | <b>628</b>          |
| <b>2010/11</b>                              | <b>631</b>          |
| <b>2009/10</b>                              | <b>653</b>          |
| <b>2008/09</b>                              | <b>626</b>          |
| <b>2007/08</b>                              | <b>596</b>          |

# Market and Taxable Valuations

| LAUREL ELEMENTARY DISTRICT |                 |                        |
|----------------------------|-----------------|------------------------|
|                            | Taxable Market  | Taxable                |
| Fiscal Year                | Valuation       | Valuation <sup>1</sup> |
| 2019-20                    | \$2,363,822,945 | \$50,504,649           |
| 2018-19                    | \$2,050,266,085 | \$43,122,201           |
| 2017-18                    | \$2,169,654,467 | \$48,207,165           |
| 2016/17                    | \$2,088,632,510 | \$46,449,667           |
| 2015/16                    | \$2,047,733,958 | \$43,999,386           |
| 2014/15                    | \$1,542,979,017 | \$41,672,703           |
| 2013/14                    | \$1,329,180,227 | \$34,435,424           |
| 2012/13                    | \$1,269,228,645 | \$33,002,786           |
| 2011/12                    | \$1,180,866,228 | \$30,239,968           |
| 2010/11                    | \$1,197,269,237 | \$28,688,467           |
| 2009/10                    | \$1,165,655,049 | \$28,418,940           |
| 2008/09                    | \$1,003,219,785 | \$29,057,705           |
| 2007/08                    | \$754,942,322   | \$22,624,922           |
| 2006/07                    | \$671,330,955   | \$20,479,213           |

| LAUREL HIGH SCHOOL DISTRICT |                 |                        |
|-----------------------------|-----------------|------------------------|
|                             | Market          | Taxable                |
| Fiscal Year                 | Valuation       | Valuation <sup>1</sup> |
| 2019-20                     | \$2,313,883,855 | \$49,662,402           |
| 2018-19                     | \$2,003,463,855 | \$42,340,330           |
| 2017-18                     | \$2,123,594,790 | \$47,448,309           |
| 2016/17                     | \$2,042,572,833 | \$45,690,811           |
| 2015/16                     | \$2,008,371,303 | \$43,348,021           |
| 2014/15                     | \$1,502,524,345 | \$40,989,133           |
| 2013/14                     | \$1,310,752,332 | \$34,838,208           |
| 2012/13                     | \$1,250,800,740 | \$32,447,255           |
| 2011/12                     | \$1,162,996,927 | \$29,690,056           |
| 2010/11                     | \$1,180,540,349 | \$28,686,008           |
| 2009/10                     | \$1,149,878,153 | \$28,333,039           |
| 2008/09                     | \$987,740,022   | \$28,551,360           |
| 2007/08                     | \$740,462,171   | \$22,145,449           |
| 2006/07                     | \$658,247,098   | \$20,030,429           |

# Tax Levies

| Taxing Entity               | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Laurel Elementary District  | 125.10  | 115.11  | 102.79  | 109.27  | 106.80  | 112.30  | 122.66  | 95.25   |
| Laurel High School District | 89.11   | 74.39   | 65.08   | 66.52   | 64.93   | 68.23   | 73.84   | 54.47   |
| Both Districts Total        | 214.21  | 189.50  | 167.87  | 175.79  | 171.73  | 180.53  | 196.50  | 149.72  |
| Difference                  |         | -24.71  | -21.63  | +7.92   | -4.06   | +8.8    | +15.97  | -46.78  |



"Oops! My mistake. That was the yearly budget estimate, not the monthly estimate."

# Understanding Montana School Finance and School District Budgets

MONTANA OFFICE OF PUBLIC INSTRUCTION  
SCHOOL FINANCE DIVISION

JUNE 2018

For more information, contact  
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Montana Office of Public Instruction  
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[\*OPI School Finance Webpage\*](#)



