SENATE EDUCATION
EXHIBIT NO. 1
DATE 3-14-07
BILL NO. HB 678

Amendments to House Bill No. 678
3rd Reading Copy

Requested by Representative Michael Lange

For the Senate Education and Cultural Resources Committee

Prepared by Greg Petesch
March 14, 2007 (9:18am)

1. Title, lines 6 through 8.
Following: "AID";" on line 6
Strike: remainder of line 6 through "BUDGET;" on line 8

2. Title, lines 9 and 10.
Strike: "PROVIDING" on line 9 through "ELIMINATING" on line 10
Insert: "REDUCING"

3. Title, line 11.
Strike: "20-3-106, 20-3-324, 20-6-702, 20-7-102, 20-9-104, 20-9-141,"
Strike: "20-9-308,"

4. Title, lines 12 and 13.
Strike: "20-9-351," on line 12
Following: "~~20-9-360,~~" on line 12
Strike: "20-9-366, 20-9-367, 20-9-368, 20-9-369, 20-9-515,"
Strike: "20-10-144" on line 12
Insert: "20-9-630"
Following: "MCA;" on line 12
Strike: remainder of line 12 through "MCA;" on line 13
Following: "PROVIDING"
Insert: "AN"
Following: "EFFECTIVE"
Strike: "DATES"
Insert: "DATE"
Following: "AND"
Insert: "AN"
Strike: "DATES"
Insert: "DATE"

5. Page 1, line 17 through page 11, line 4.
Strike: sections 1 through 7 in their entirety
Renumber: subsequent sections

6. Page 11, line 11.
Strike: "80%" in both places
Insert: "66%" in both places

7. Page 11, line 16.
Following: line 15
Insert: "(b) guaranteed tax base aid for an eligible district for any amount up to 14% of the basic entitlement, up to 14% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;"
Renumber: subsequent subsections

8. Page 11, line 23.
Strike: "100%"
Insert: "140%"

9. Page 11, line 27.
Following: line 26
Insert: "(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369."
Renumber: subsequent subsections

10. Page 12, line 14.
Strike: "80%" in both places
Insert: "66%" in both places

11. Page 13, line 22 through page 16, line 19.
Strike: section 9 in its entirety
Renumber: subsequent sections

12. Page 24, line 30 through page 25, line 6.
Strike: section 11 in its entirety
Renumber: subsequent sections

13. Page 25, line 25 through page 31, line 11.
Strike: sections 12 through 19 in their entirety
Insert: **"Section 3.** Section 20-9-630, MCA, is amended to read:

"20-9-630. School district block grants. (1) (a) The office of public instruction shall provide a block grant to each school district based on the revenue received by each district in fiscal year 2001 from vehicle taxes and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999.

(b) Block grants must be calculated using the electronic reporting system that is used by the office of public instruction and school districts. The electronic reporting system must be used to allocate the block grant amount into each district's budget as an anticipated revenue source by fund.

(c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block grant for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall use 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002.

(d) Beginning on July 1, 2007, the amounts calculated pursuant to this subsection (1) and adjusted for inflation pursuant to subsection (3) must be reduced to 40% of the amount received by a district in fiscal year 2007.

~~(2) If the fiscal year 2003 appropriation provided in section 248(1), Chapter 574, Laws of 2001, is insufficient to fund the school district block grants in fiscal year 2003 at the fiscal year 2002 level, the office of public instruction shall prorate the block grants to meet the remaining appropriation. School districts shall anticipate the prorated block grant amounts provided by the office of public instruction in their budgets for fiscal year 2003.~~

~~(3)~~(2) Each year, 70% of each district's block grant must be distributed in November and 30% of each district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed.

~~(4)~~(3) (a) The block grant for the district general fund is equal to 40% of the ~~average~~ amount received in fiscal ~~years 2002 and 2003~~ year 2007 by the district general fund from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year ~~2004~~ 2009 and in each succeeding fiscal year.

(b) The block grant for the district transportation fund is equal to ~~one-half~~ 40% of the ~~average~~ amount received in fiscal ~~years 2002 and 2003~~ year 2007 by the district transportation fund from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year ~~2004~~ 2009 and in each succeeding fiscal year.

(c) (i) The combined fund block grant is equal to 40% of the ~~average~~ amount received in fiscal ~~years 2002 and 2003~~ year 2007 by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult education funds from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year ~~2004~~ 2009 and in each succeeding fiscal year.

(ii) The school district may deposit the combined fund block grant into any budgeted fund of the district."

{*Internal References to 20-9-630:*
20-9-141 *20-10-144*}"

Renumber: subsequent sections

14. Page 31, lines 13 through 15.

Strike: "**dates**" on line 13
Insert: "**date**"
Following: "**dates.**" on line 13
Strike: remainder of line 13 through "act]" on line 15
Insert: "[This act]"

15. Page 31, line 17 through line 21.
Strike: "**Retroactive applicability -- applicability**" on line 17
Insert: "**Applicability**"
Following: "**applicability.**" on line 17
Strike: remainder of line 17 through "apply" on line 21
Insert: "[This act] applies"

- END -