

General Fund- Part 1

Most discussion about Montana school budgets and the budget process concentrates on the General Fund. The General Fund is the primary operating fund of the District.

What is the General Fund?

The general fund budget is used to finance instructional, administrative, facility maintenance, and other operational costs of a district not financed by other funds established for special purposes. In an effort to equalize school funding in Montana, state law requires schools to adopt general fund budgets within an equalized range between the BASE and Maximum.

Funding Sources:

- Direct state aid equal to 44.7% of the district's basic and per-ANB entitlements
- 100% of the total Quality Educator Payment
- 100% of the total At-Risk payment
- 100% of the total Indian Education for all Payment
- 100% of the American Indian Achievement Gap payment
- Special education allowable cost payments from the state
- 100% Data for Achievement Component (New for FY14)
- Non-Levy Revenue and FBR
- GTB
- Voted & non-voted local levies

Common Coding:

Fund:	101 Elementary General Fund 201 High School General Fund
Program:	Varies
Function:	Varies
Object Codes:	All Object Codes
Revenue Source:	Varies

Reserve Limit:

- 10% or \$10,000- whichever is greater (20-9-104(1), MCA)

Voter Approval of Tax Levies:

- Base Levy – Permissive (non-voted)
- Over-Base Levy – Must get voter approval for an increase in the prior year's over-BASE levy.

History of the General Fund at Gallatin Gateway School:

Year	Adopted Budget	Total Reserves	% of Adopted Budget Reserved	Other Revenue	District Property Tax	District Mills	ANB	Taxable Value
16-17	\$1,201,754.20	\$110,692.01	9.21%	\$765,555.28	\$436,198.92	82.32	162	\$5,299,510
15-16	\$1,166,523.92	\$81,091.50	6.95%	\$765,685.02	\$400,838.90	80.76	164	\$4,963,405
14-15	\$1,164,871.42	\$74,494.00	6.40%	\$767,047.01	\$397,823.94	83.71	170	\$4,752,252
13-14	\$1,103,796.97	\$86,124.56	7.80%	\$718,070.70	\$385,726.27	83.64	163	\$4,611,957
12-13	\$1,108,538.06	\$73,448.03	6.63%	\$727,325.64	\$381,212.42	83.41	171	\$4,570,632
11-12	\$1,116,129.43	\$66,897.59	5.99%	\$729,814.34	\$386,315.09	83.16	176	\$4,645,145
10-11	\$1,087,249.24	\$66,383.54	6.11%	\$745,196.09	\$342,053.15	74.08	183	\$4,617,312
09-10	\$1,025,474.10	\$79,544.92	7.76%	\$689,097.67	\$336,376.43	74.24	174	\$4,530,791

When is the final budget prepared?

The board of trustees must adopt a final budget no later than August 25th. Within three days after final approval, the adopted budget is delivered to the county superintendent, to be placed before the county commissioners. 20-9-131, MCA

Does a district have to spend all the money budgeted in a school year?

No law forces a district to spend what is budgeted and raised through the various revenue sources. However, the amount carried over from one fiscal year to another (the fund balance reappropriated) must offset local non-voted revenue, and the amount of fund balance that may be reappropriated is limited to 15% of the maximum general fund budget. Any excess over the limit must be reverted to the state.

What happens if enrollment decreases from the prior year?

Montana laws provide a three-year averaging of enrollment to flatten the effects of enrollment decreases on funding. If ANB decreases from the prior year, the BASE and Maximum budget levels will usually decrease for the year.

Does a district have to lower its budget if enrollment drops?

If the district needs an increase in the prior year over-BASE levy to maintain its prior year budget level and voters do not approve the increase, the district would have to lower its budget. In some cases, districts may be able to use the Flexible Nonvoted Levy to avoid reducing the budget.

What happens if a budget election fails?

If voters do not approve the increase, the school district may adopt a budget that is no greater than its highest budget without a vote. For an equalized district, the over-BASE levy can be no more than the highest over-BASE levy authorized or imposed in the past five years, plus any Flexible Nonvoted Levy authority transferred to the general fund.

General Fund Mill Levy History:

May 1997- May 2016

Election Year	Registered Voters	Number Voted	%	Passed or Failed by	Levy Amount Requested
2016	999	477	48%	passed by 69 votes	\$25,389.00
2015	1099	493	45%	failed by 13 votes	\$23,734.00
2014	1019	446	44%	No District Mill Levy Requested by School Board.	
2013	1113	455	41%	failed by 35 votes	\$36,705.45
2012	1212	371	31%	No District Mill Levy Requested by School Board.	
2011	1233	357	29%	passed by 13 votes	\$64,815.81
2010	1185	338	29%	failed by 25 votes	\$76,388.41
2009	1169	No District Mill Levy Requested by School Board.			
2008	1161	242	21%	failed by 2 votes	\$47,492.18
2007	1175	180	15%	No District Mill Levy Requested by School Board.	
2006	1184	257	22%	passed by 63 votes	\$51,680.10
2005	940	236	25%	failed by 6 votes	\$40,000.00
2004	819	344	42%	passed by 60 votes	\$71,963.05
2003	970	433	45%	failed by 97 votes	\$111,217.52
2002	903	433	48%	failed by 7 votes	\$85,161.55
2001	953	270	28%	failed by 24 votes	\$89,285.59
2000	777	140	18%	passed by 59 votes	\$5,004.00
1999	874	301	34%	passed by 145 votes	\$48,299.26
1998	774	223	28%	failed by 43 votes	\$30,232.72
1997	981	275	28%	passed by 1 vote	\$29,238.73