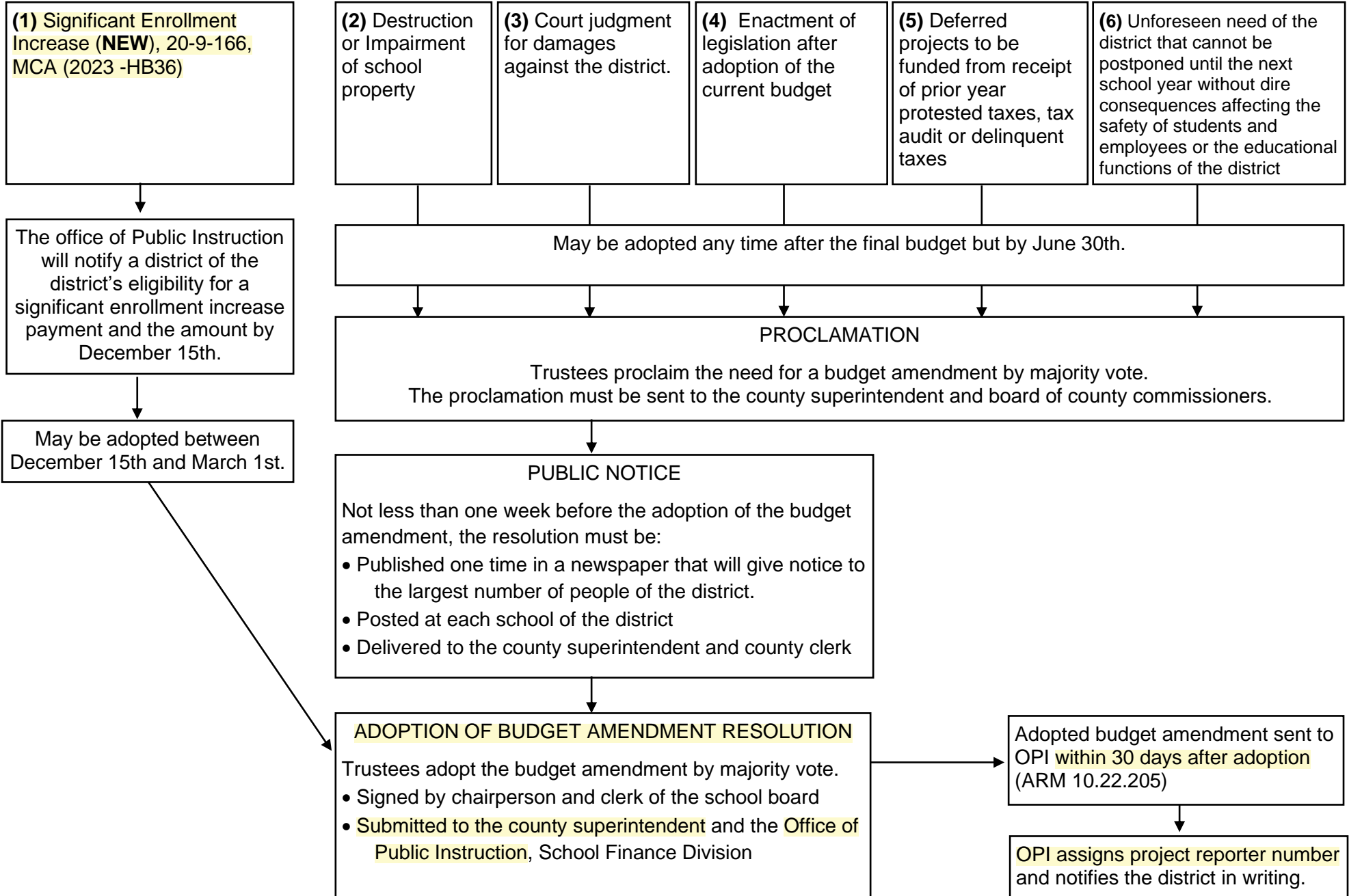


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# BUDGET AMENDMENT GUIDANCE



## BUDGET AMENDMENT PROCEDURES REASONS FOR BUDGET AMENDMENT



## I. IMPORTANT DATES

### (1) Significant Enrollment Increase (reason 1)

**December 1<sup>st</sup>** - Following the October enrollment count, the Office of Public Instruction does the calculation to determine eligible districts for the significant enrollment increase payment (SEI).

**December 15<sup>th</sup>** - The Office of Public Instruction shall notify the eligible districts of their eligibility for a significant enrollment increase payment and the amount.

**December 15<sup>th</sup> - March 1<sup>st</sup>** – The trustees of the eligible districts shall determine at the next scheduled board meeting and no later than March 1<sup>st</sup>, whether to accept the full or a partial amount of the payment. The trustees then must adopt a general fund budget amendment for any accepted amount and provide a copy of the Budget Amendment to the Office of Public Instruction at [opischoolfinance@mt.gov](mailto:opischoolfinance@mt.gov).

### (2) Other Budget Amendments (reasons 2-6)

**After the final budget is adopted** - Trustees of district may adopt an amendment other than an amendment for significant enrollment increase.

**June 30<sup>th</sup>** - Last day to adopt a budget amendment resolution (other than for an SEI) to the current fiscal year's budget.

## II. STATUTORY CRITERIA

A school district may amend a budget for the following reasons (20-9-166 & 20-9-161, MCA):

- (1) a **Significant Enrollment Increase** (NEW) as per 20-9-166, MCA and (2023 HB36)
- (2) the **destruction or impairment of any school property necessary to the maintenance of the school**, by fire, flood, storm, riot, insurrection, or act of God, to an extent rendering school property unfit for its present school use;
- (3) a **judgment for damages against the district** issued by a court after the adoption of the budget for the current year;
- (4) an **enactment of legislation after the adoption of the budget for the current year** that imposes an additional financial obligation on the district;
- (5) the receipt of:
  - (a) a **settlement of taxes protested** in a prior school fiscal year;
  - (b) taxes from a prior school fiscal year as the result of a **tax audit** by the department of revenue or its agents;
  - (c) **delinquent taxes** from a prior school fiscal year; AND
  - (d) a determination by the trustees that it is necessary to expend all or a

portion of the taxes received under (5)(a), (5)(b), or (5)(c) for **a project or projects that were deferred** from a previous budget of the district; or

- (6) **any other unforeseen need of the district that cannot be postponed** until the next school year without dire consequences affecting the safety of the students and district employees or the educational functions of the district.

### III. THE PROCLAMATION

- (1) When the trustees of a district decide that a budget amendment is necessary,
- (a) They may proclaim the need for the budget amendment by a majority vote.
  - (b) The proclamation must include:
    - the facts constituting the need for a budget amendment;
    - the budgeted fund(s) affected by the amendment;
    - the anticipated source(s) of financing;
    - the estimated amount of money required to finance the budget amendment in each affected fund;
    - the time and place the board will meet for the purpose of considering and adopting the budget amendment for the current school year.
  - (c) Copies of the proclamation must be sent to the county superintendent and the board of county commissioners (20-9-162).
  - (d) DO NOT send a copy of the proclamation to the Office of Public Instruction.
- (2) Subsection (1) of 20-9-161, MCA:
- (a) The maximum amount of the budget amendment cannot exceed the lesser of the maximum limitation on the budget amendment or the maximum general fund budget recalculated to reflect the approved enrollment increase.
  - (b) For budget amendments, other than amendments due to significant enrollment increases, the amount of the amendment is limited to the expenditures considered by the trustees to be reasonable and necessary to finance the conditions of the budget amendment.

SEE SAMPLE 1 - PROCLAMATION

### IV. PUBLIC NOTICE OF THE RESOLUTION

- (1) A copy of the budget amendment resolution must be:
- (a) published one time in a newspaper that will give notice to the largest number of people of the district;
  - (b) posted at each school of the district; and
  - (c) delivered to the county superintendent and the county commissioners.
- Steps 1 through 3 above must be completed not less than one week before the date specified in the proclamation for consideration and adoption of the amendment (e.g., minimum amount of time required is eight days).

## V. THE RESOLUTION

- (1) The Trustees may resolve to adopt the budget amendment by a majority vote of the trustees present at the meeting.
  - (a) The meeting of the trustees to consider and adopt a budget amendment must be open to the public. Any taxpayer in the district has the right to appear and be heard.
  - (b) The budget amendment resolution must include the following:
    - the facts constituting the need for a budget amendment;
    - the budgeted fund(s) affected by the amendment;
    - the anticipated source(s) of financing;
    - the estimated amount of money required to finance the budget amendment in each affected fund;
    - the time and place the board will meet for the purpose of considering and adopting the budget amendment for the current school year.
    - expenditure line item details of the proposed expenditures (20-9-165(3), MCA) and amounts listed; and
- The adopted budget amendment resolution must:
  - 1) be signed by the board chairperson and the district clerk;
  - 2) state the date the board adopted the budget amendment;
  - 3) be sent to the county superintendent and the county clerk; and
  - 4) be sent to the Office of Public Instruction at [opischoolfinance@mt.gov](mailto:opischoolfinance@mt.gov).

⇒ A copy of each new transportation contract or amended bus route form, approved by the county transportation committee and related to an amendment in the transportation fund, must be submitted to OPI with the resolution.

*SEE SAMPLE 2 - RESOLUTION*

## VI. BUDGET AMENDMENT EXPENDITURES GUIDANCE

- Expenditures related to the budget amendment must be accounted for separately using a project reporter code number assigned by OPI upon receipt of the budget amendment resolution.
- Line item detail of the budget amendment expenditures must support the purpose for which the amendment was adopted.
- Whenever it appears the amount budgeted for a particular line item (i.e., program/function/object) is in excess of the amount needed, the trustees may transfer the excess to another line item within the same fund. Transfers MAY NOT be made between different funds of the same district, between a district's final budget and a budget amendment, or between budget amendments.

## VII. EMERGENCY TAX LEVY GUIDANCE

- When a budget amendment is adopted under 20-9-161(2) (i.e., because of "the destruction or impairment of any school property necessary to the maintenance of the school, by fire, flood, storm, riot, insurrection, or act of God, to an extent rendering school property unfit for its present school use;") and a district does not have sufficient funds, including insurance proceeds and reserves, to finance the amendment, the district may levy a tax in the ensuing school fiscal year to fund expenditures authorized by the amendment. The amount may not exceed the unfunded amount of the amendment.

**BUDGET AMENDMENT PROCLAMATION  
SCHOOL DISTRICT  
COUNTY**

**SAMPLE 1  
PROCLAMATION**

At a *(state regular or special)* meeting of the board of trustees of School District No.\_\_\_\_\_,\_\_\_\_\_County, Montana, held\_\_\_\_\_, at \_\_\_\_\_p.m. at the\_\_\_\_\_ (location), the following resolution was introduced:

WHEREAS, the trustees of School District No. \_\_\_\_\_County, Montana, have made a determination that as a result of *(state the reason)*, the district's budget for the\_\_\_\_\_fund(s) does not provide sufficient financing to properly maintain and support the district for the entire current school fiscal year; and

WHEREAS, the trustees have determined that an amendment to the *(state elementary or high school)*\_\_\_\_\_fund budget in the amount of \$\_\_\_\_\_is necessary under the provision of Section 20-9-161 *[choose one subsection (1) through (6)]*, MCA; for the purpose of \_\_\_\_\_*(state the purpose for the budget amendment)* and

WHEREAS, the anticipated source of financing the budget amendment expenditures shall be the \_\_\_\_\_ *fund reserve/additional state assistance/other (list only the applicable sources)*;

THEREFORE BE IT RESOLVED that the Board of Trustees of School District No.\_\_\_\_\_,\_\_\_\_\_County, Montana, proclaims a need for an amendment to the *(state elementary or high school)*\_\_\_\_\_fund budget for fiscal year \_\_\_\_\_ in the amount of \$\_\_\_\_\_under Section 20-9-161 *[choose one subsection (1) through (6)]*, MCA, for the purpose identified above, and;

BE IT FURTHER RESOLVED that the Board of Trustees of School District No.\_\_\_\_\_, \_\_\_\_\_County, Montana, will meet at \_\_\_\_\_p.m. at \_\_\_\_\_ (location) on\_\_\_\_\_ (date) for the purpose of considering and adopting the budget amendment.

**SAMPLE 2  
RESOLUTION**

**BUDGET AMENDMENT RESOLUTION  
SCHOOL DISTRICT  
COUNTY**

At a *(state regular or special)* meeting of the board of trustees of School District No.\_\_\_\_\_, \_\_\_\_\_County, Montana, held\_\_\_\_\_, at \_\_\_\_\_p.m. at the \_\_\_\_\_(location), the following resolution was introduced:

WHEREAS, the trustees of School District No.\_\_\_\_\_, \_\_\_\_\_County, Montana, have made a determination that as a result of \_\_\_\_\_*(state the reasons)*, the district's budget for the\_\_\_\_\_fund(s) does not provide sufficient financing to properly maintain and support the district for the entire current school year; and

WHEREAS, the trustees have determined that an amendment to the *(state elementary or high school)*\_\_\_\_\_fund budget in the amount of \$\_\_\_\_\_is necessary under the provision of Section 20-9-161 *[choose one subsection (2) through (6)]*, MCA; for the purpose of \_\_\_\_\_*(state the purpose for the budget amendment)* and

WHEREAS, the anticipated source of financing the budget amendment expenditures shall be the\_\_\_\_\_fund reserve/additional state assistance/other *(list only applicable sources)*;

THEREFORE BE IT RESOLVED that the Board of Trustees of School District No.\_\_\_\_\_, \_\_\_\_\_County, Montana, proclaims a need for an amendment to the *(state elementary or high school)*\_\_\_\_\_fund budget for fiscal year \_\_\_\_\_ in the amount of \$\_\_\_\_\_under Section 20-9-161 *[choose one subsection (1) through (6)]*, MCA, for the purpose identified above.

\_\_\_\_\_  
Print Chairperson's Name

\_\_\_\_\_  
Signature of Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print District Clerk's Name

\_\_\_\_\_  
Signature of District Clerk

\_\_\_\_\_  
Date

DATE BUDGET AMENDMENT WAS ADOPTED:\_\_\_\_\_, 20\_\_\_\_

List all budget amendment expenditure line items and amounts:

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**SAMPLE 3**

**SIGNIFICANT ENROLLMENT INCREASE RESOLUTION**

**BUDGET AMENDMENT RESOLUTION  
SCHOOL DISTRICT  
COUNTY**

At a (*state regular or special*) meeting of the board of trustees of School District No.\_\_\_\_, \_\_\_\_\_County, Montana, held\_\_\_\_\_, at \_\_\_\_\_p.m. at the \_\_\_\_\_(location), the following resolution was introduced:

WHEREAS, the trustees of School District No.\_\_\_\_\_, \_\_\_\_\_County, Montana, have made a determination that as a result of Significant Enrollment Increase, the district's budget for the General fund does not provide sufficient financing to properly maintain and support the district for the entire current school year; and

WHEREAS, the trustees have determined that an amendment to the (*state elementary or high school*)\_\_\_\_\_ General fund budget in the amount of \$\_\_\_\_is necessary under the provision of Section 20-9-161(1), MCA; for the purpose of a Significant Enrollment Increase and

WHEREAS, the anticipated source of financing the budget amendment expenditures shall be the Significant Enrollment Increase Payment;

THEREFORE BE IT RESOLVED that the Board of Trustees of School District No.\_\_\_\_, \_\_\_\_\_County, Montana, proclaims a need for an amendment to the (*state elementary or high school*)\_\_\_\_\_ General fund budget for fiscal year\_\_\_\_\_ in the amount of \$\_\_\_\_\_under Section 20-9-161( 1 ) MCA, for the purpose identified above.

\_\_\_\_\_  
Print Chairperson's Name

\_\_\_\_\_  
Signature of Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print District Clerk's Name

\_\_\_\_\_  
Signature of District Clerk

\_\_\_\_\_  
Date

DATE BUDGET AMENDMENT WAS ADOPTED:\_\_\_\_\_, 20\_\_\_\_