



Forward Thinking, High Achieving.

School Funding & Budget 101

Budget & Levy Committee
January 22, 2026

Terminology and Concepts

Why do we use separate funds?

- to account separately for resources affected by different types of spending restrictions
- because financial reporting standards require it

Fund accounting

- Each fund has a self-balancing set of accounts (debits = credits) to keep the cash flow, revenues, expenditures and equity separate from the other funds.
- It is desirable to have as few funds as legal and sound administrative requirements make possible.

Terminology and Concepts

“Budget Authority” vs. “Cash”

BUDGET AUTHORITY

Budget amounts are **estimates** of what you **intend to receive** in revenue and what you **intend to spend** to operate the school for the year.

20-9-133, MCA:

- Trustees must formally approve (adopt) an expenditure budget in order to spend money during the fiscal year (July 1 – June 30).
- Total expenditures made (or liabilities incurred) during the year must be within the approved budget.

CASH

The **actual** amount of money you have on hand to spend

Real Life:

Not everyone pays their tax bill on time or they pay under protest

Revenue isn't available in the same year in which it is spent

Stuff happens:

unanticipated events =
unanticipated expenditures

Terminology and Concepts

20-9-201, MCA Fund Definitions

BUDGETED FUNDS

- Trustees must adopt a budget to spend money
- Local property tax levies are a common revenue source



Voted Levy – hold an election to obtain voter approval

“Permissive” (non-voted) Levy - voter approval not required

NON-BUDGETED FUNDS

- No budget is needed to spend money
- Expenditures are limited to cash available in the fund (20-9-210, MCA)
- No tax revenue

Budgeted Funds

FUND #	FUND NAME	Permissive or Voted Levy?
01	General	Voted and permissive
10	Transportation	Permissive
11	Bus Depreciation	Permissive
13	Tuition	Permissive
14	Retirement	Permissive (countywide levy)
17	Adult Education	Permissive
28	Technology	Voted
29	Flexibility	Permissive (TL FY23 – FY26)
50	Debt Service	Voted and permissive (SIDs)
61	Building Reserve	Voted and permissive

Non-Budgeted Funds

FUND #	FUND NAME
12	Food Service
15	Miscellaneous Programs
18	Traffic Education
21	Compensated Absences
60	Building
73	Data Processing Internal Service Fund (ISF)
74	Warehouse ISF
76	Print Shop ISF
78	Self Insurance
82	Interlocal Agreement
84	Student Activity

Budgeted Funds

FUND NAME	FUNDING SOURCE	PURPOSE	EXAMPLES
General (01) Funding formula determines spending limits and funding sources	-State entitlements -Guaranteed tax base aid -Local property tax levy -Tuition payments from other districts for non-resident students attending at MCPS	General operation & maintenance of the district not financed by other funds	-Salaries -Health insurance -Workers comp ins -Substitute salaries -Utilities -General liability ins -Supplies -Textbooks/materials
Transportation (10)	-Local property tax levy -State reimbursement -County reimbursement	Costs for transporting students to and from home and school	-Beach contract -Routing software -Some salaries
Tuition (13)	-Local property tax levy	-Charge for MCPS resident students who attend in other districts -Excess costs for students with IEPs	-Tuition payments to other districts -SPED salaries/ins -Detention center charges

Budgeted Funds, cont.

FUND NAME	FUNDING SOURCE	PURPOSE	EXAMPLES
Retirement (14)	-County reimbursement (permissive countywide levy)	Employer contributions for social security and medicare taxes (FICA), unemployment ins, and retirement (TRS & PERS)	-FICA -TRS -PERS -unemployment ins
Adult Education (17)	-Local property tax levy for adult education and Advanced Opportunity local match -Class fees	Instruction (reading, writing, math and other skills) for persons age 16 years or older and not regularly enrolled in public school	-Salaries -Utilities -Supplies -Books
Technology (28)	-Voter approved levies Elementary \$850,000 High School \$750,000	Purchase and maintain technology equipment and provide technical training	-Computers -AV equipment -Software -Some salaries

Budgeted Funds, cont.

FUND NAME	FUNDING SOURCE	PURPOSE	EXAMPLES
Flexibility (29)	-Transformational Learning (TL) grant -Local levy match for TL in FY25 and FY26 -Advanced Opportunity grant (AOG)	-TL: flexible system of pupil-centered learning designed to fully develop the educational potential of each person -AOG: advancement of each qualifying pupil's opportunity for postsecondary career or educational success	- TL: professional development, software, curriculum - AOG: out-of-pocket costs for dual credit tuition, ACT & SAT exam fees, fees associated with work-based learning, out-of-school enrichment
Debt Service (50) 2016 & 2017 bond issues (20 year)	-Voter approved levy for bond debt service -State Debt Service Facilities Acquisition Reimbursement -Permissive levy to pay SIDs	To repay bond proceeds used for facilities projects	-Principal -Interest -SIDs

Budgeted Funds, cont.

FUND NAME	FUNDING SOURCE	PURPOSE	EXAMPLES
Building Reserve (61) -State Major Maintenance Aid (SMMA) -Facilities projects -Student and staff safety & security	-State SMMA payment -SMMA local permissive levy -Facilities voted levies passed May 2023 Elem: \$700k (FY24-FY28) HS: \$700k (FY24–FY30) -Safety voted levy passed May 2024 Elem: \$1.5M annually	For building or construction projects or school and student safety and security	-Boilers -Roofs -Flooring -Plumbing -Electrical -ADA -New classrooms -Furniture -Equipment -SROs/CROs -Safety support personnel -Security improvements

Non-Budgeted Funds

FUND NAME	FUNDING SOURCE	PURPOSE	EXAMPLES
School Food Service (12)	-Student and adult lunch charges -Federal reimbursement	School lunch program	-Salaries -Health insurance -Workers comp ins -Food inventory -Equipment -Utilities
Miscellaneous Programs (15)	-Local donations, facilities & building rent -State grants -Federal grants and reimbursements	Specific to grant and federal programs Note: salaries, benefits <i>and retirement costs</i> paid from federal grants	-Salaries -Health ins -Professional development -Equipment; computers -Educational services
Building (60)	-Bond proceeds	For building and construction projects	
Self Insurance (78)	Contributions from other funds (employer) Contributions from employees (payroll)	Accounts for district's self-funded medical and dental plans	Insurance claims Consultant and TPA fees

2025-2026 Elementary Final Budget

ELEMENTARY	BUDGET	LEVY AMOUNT
01 General	\$ 47,511,182	\$ 13,299,399
10 Transportation	\$ 6,981,614	\$ 6,184,971
11 Bus Depreciation	\$ 8,376	\$ 8,376
13 Tuition	\$ 2,200,268	\$ 2,200,268
14 Retirement	\$ 7,339,430	
17 Adult Education	\$ 513,686	\$ 379,134
28 Technology	\$ 1,432,193	\$ 850,000
29 Flexibility	\$ 915,013	\$ 268,313
50 Debt Service	\$ 6,423,000	\$ 5,470,293
61 Building Reserve	\$ 4,328,335	\$ 2,453,295
TOTALS	\$ 77,653,097	\$ 31,114,049

2025-2026 High School Final Budget

HIGH SCHOOL	BUDGET	LEVY AMOUNT
01 General	\$ 38,969,439	\$ 11,513,182
10 Transportation	\$ 3,404,473	\$ 2,612,015
11 Bus Depreciation	\$ 16,826	\$ 16,826
13 Tuition	\$ 1,207,403	\$ 1,207,403
14 Retirement	\$ 5,616,861	
17 Adult Education	\$ 2,490,562	\$ 1,307,028
28 Technology	\$ 1,579,797	\$ 750,000
29 Flexibility	\$ 1,610,104	\$ 394,782
50 Debt Service	\$ 5,091,000	\$ 4,194,264
61 Building Reserve	\$ 3,388,524	\$ 931,969
TOTALS	\$ 63,374,989	\$ 22,927,469

General Fund Overview

Expenditure Budget Limits

Funding Sources

General Fund - Budget Elements

- *Basic Entitlement
 - *Per-ANB Entitlement
 - *Special Education Allowable Cost Payment
 - Quality Educator Payment
 - At-Risk Student Payment
 - *Indian Education for All Payment
 - American Indian Achievement Gap Pmt
 - *Data for Achievement Payment
-
- * ANB impact

General Fund - ANB

AVERAGE NUMBER BELONGING (ANB)

FALL
ENROLLMENT

(1ST Monday in
October)

Part-time Students =
 $\frac{1}{4}$, $\frac{1}{2}$, or $\frac{3}{4}$

SPRING
ENROLLMENT

(1st Monday in
February)

Part-time Students =
 $\frac{1}{4}$, $\frac{1}{2}$, or $\frac{3}{4}$


$$\begin{aligned} &\text{Total of 2 counts} \\ &\text{divided by 2} \\ &\times \frac{180 + \text{PIR Days}^*}{180} \\ &= \text{ANB} \end{aligned}$$

*PIR Days are “pupil instruction related” days
for teacher in-service training and
recordkeeping

Example:

Oct count = 150

Feb count = 166

$$\frac{(150 + 166)}{2}$$

$$= 158$$

$$\times \frac{187}{180}$$

$$= 165 \text{ ANB}$$

Student Count for ANB

To be included, students must:

- Have an active enrollment on the count date
- Have aggregate hours marked (F, T, H, or Q)
- Have a Service Type of P: Primary or S: Partial (Secondary)
- Grades Kindergarten through 12th
- Classroom-based Early Targeted Intervention Participants
- Students between the age of 5 and 19 (age as of September 10 of the current school year)

Student Count for ANB, cont'd

- Special education students [grades PK - 12] receiving regular education services
- Homebound students qualifying under ARM 10.20.102
- Students 19-years and older (age as of Sept 10th of the current school year)
- Students participating in the Indian Language Immersion Program (ILIP)
- Students attending Job Corps (see Job Corps section)
- Students attending MT Youth ChalleNGe Academy
- Eligible students taking classes thru the MT Digital Academy or other remote learning platforms
- Part-time students or students attending school for any portion of the school day
- Students attending from out-of-district
- Students attending an offsite instructional setting within the district
- Students who participated in the Jumpstart program during the summer preceding the 25-26 school year
- Students (including private & homeschool students) who participated in qualifying extracurricular activities in the prior school year
- EARLY Graduates (Spring Only)

General Fund – Budget Limit ANB

Use the ANB that generates the greatest maximum general fund budget:

- **Current Year ANB (CY ANB)**
 - ANB for the budget unit for the ensuing school year (FY2027 ANB is based on FY2026 enrollment counts)
- **3-Year Average ANB**
 - Add current year ANB to the current year ANB for the previous two school fiscal years and divide by 3 (FY2027 ANB is the average of FY2027, FY2026 and FY2025)

General Fund – Budget Limit ANB

ELEMENTARY	Current Year ANB			3-year Avg ANB	Budget ANB
	*EL–6	7–8	Total		
2023	4,282	1,226	5,508	5,582	5,582
2024	4,265	1,202	5,467	5,469	5,469
2025	4,219	1,146	5,365	5,448	5,448
2026	4,328	1,158	5,486	5,509	5,509
2027 (projected)	4,269	1,169	5,438	5,465	5,465

*Early Literacy (EL) in FY26
PK-SPED in FY27

General Fund – Budget Limit ANB

HIGH SCHOOL	Current Year ANB	3-year Avg ANB	Budget ANB
2023	3,944	3,780	3,944
2024	4,028	3,894	4,028
2025	4,068	4,014	4,068
2026	4,011	4,095	4,095
2027 (projected)	3,967	4,045	4,045

Basic Entitlement Rates



Entitlements	FY2025	FY2026 *	FY2027 *
Elementary Basic	\$ 58,963	\$ 60,732	\$ 62,554
For every 25 Elem ANB over 250	\$ 2,949	\$ 3,037	\$ 3,128
Middle School Basic	\$ 117,928	\$ 121,466	\$ 125,110
For every 45 MS ANB over 450	\$ 5,896	\$ 6,073	\$ 6,255
High School Basic	\$ 353,787	\$ 364,401	\$ 375,333
For every 80 HS ANB over 800	\$ 17,960	\$ 18,221	\$ 18,768

****HB15 increased FY2025 rates by inflation of 3% for FY2026 and FY2027.***

Per-ANB Entitlement Rates



Entitlements	FY2025	FY2026 *	FY2027*
Elementary per-ANB	\$ 6,307	\$6,496	\$ 6,691
High School per-ANB	\$ 8,075	\$ 8,317	\$ 8,567

**HB15 increased FY2025 rates by inflation of 3% for FY2026 and FY2027.*

Each ANB after the first ANB is decreased by a reduction factor (decrement) per ANB:

- Elementary ANB decrement is **\$.20** per ANB
- High school & 7th - 8th accredited ANB decrement is **\$.50** per ANB

Per-ANB Entitlement Calculations

Elementary: \$.20 decrement for first 1,000 ANB

$$[\$6,691 \times \text{Elem ANB}] - [.20 \times (\text{Elem ANB}/2) \times (\text{Elem ANB} - 1)]$$

$$\text{For each ANB over 1000: } (\$6,491.20 \times \text{ANB}) + \$6,591,100$$

7th & 8th accredited: \$.50 decrement for first 800 ANB

$$[\$8,567 \times 7^{\text{th}} \& 8^{\text{th}} \text{ ANB}] - [.50 \times (7\&8 \text{ ANB}/2) \times (7\&8 \text{ ANB} - 1)]$$

$$\text{For each ANB over 800: } (\$8,167.50 \times 7\&8 \text{ ANB}) + \$6,693,800$$

High School: \$.50 decrement for first 800 ANB

$$[\$8,567 \text{ HS ANB}] - [.50 \times (\text{HS ANB}/2) \times (\text{HS ANB} - 1)]$$

$$\text{For each ANB over 800: } (\$8,167.50 \times \text{ANB}) + \$6,693,800$$

Special Education Allowable Costs



	FY2025	FY2026*	FY2027*
ISB & RSBG block grant rate (CY ANB)	\$ 302.55	\$ 311.63	\$ 320.98
<i>*HB15 increased FY2025 rates by inflation of 3% for FY2026 and FY2027.</i>			

20-9-321(4)(a) MCA: Special Education Allocation (\$49M for 2027) will be distributed as follows:

- 52.5% through instructional block grants (ISB)
- 17.5% through related services block grants (RSBG)
- 25% to reimbursement of local districts (disproportionate costs)
- 5% to special education cooperatives and joint boards for admin and travel

Funding Components



	FY2025	FY2026*	FY2027*
Quality Educator	\$3,673	\$3,783	\$3,896
At-Risk Student	\$6,213,340	\$6,399,740	\$6,591,732
Indian Education for All (per ANB)	\$24.63	\$25.37	\$ 26.13
Am Indian Student Achievement Gap	\$242	\$249	\$256
Data for Achievement (per ANB)	\$23.58	\$24.29	\$25.02

***HB15 increased FY2025 rates by inflation of 3% for FY2026 and FY2027.**

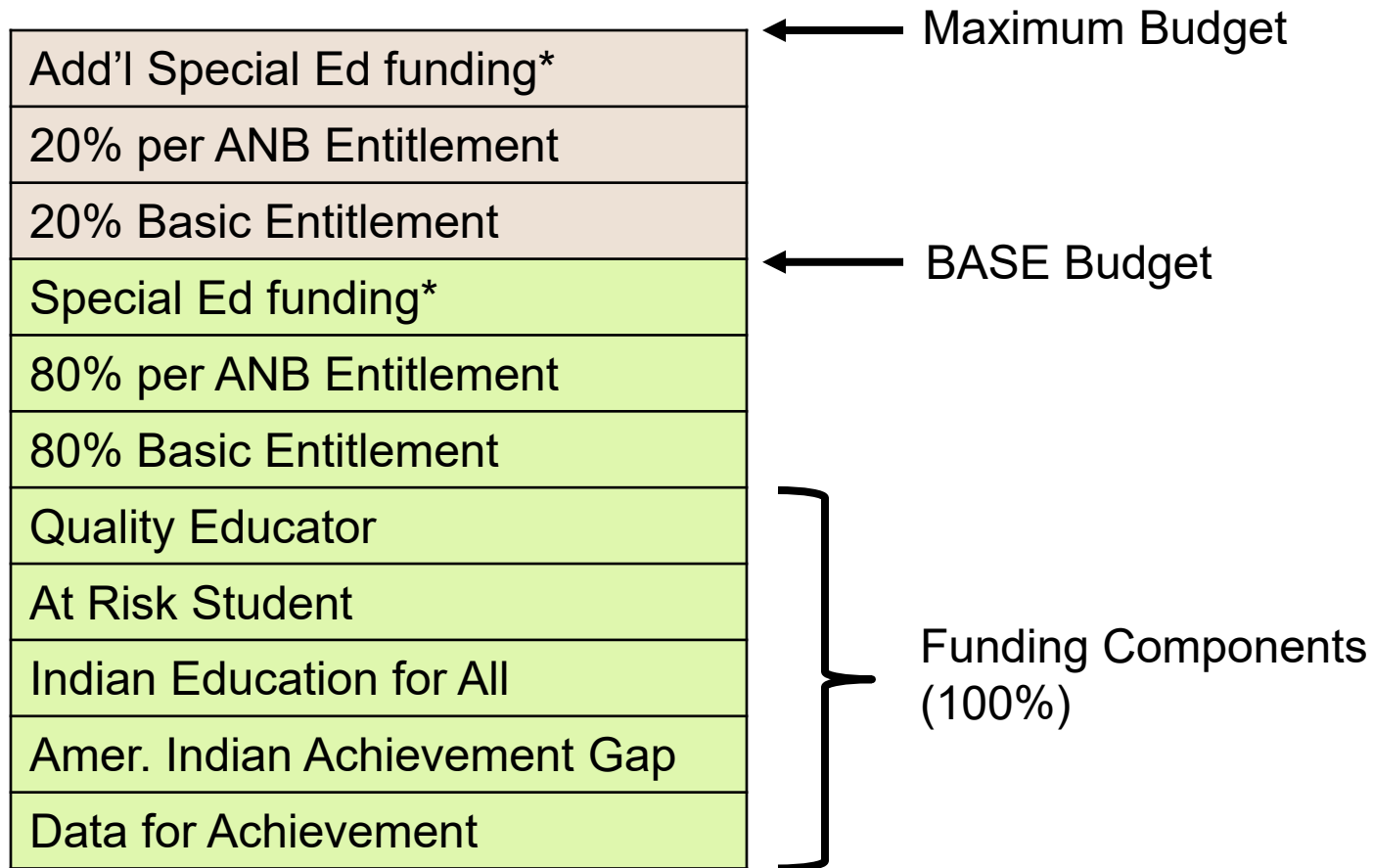
Funding Components

- Quality Educator (QEC)
 - OPI pays to school districts and special education cooperatives
 - Paid for each full-time equivalent (FTE) licensed educator and for other licensed professionals employed by the district or cooperative
 - STARS Act – additional QEC payment if starting teacher pay is at least:
 - QEC rate X 11 (\$42,856 for FY27), **and**
 - 64% of average teacher pay (gradually growing to 70% by FY30)
 - also gave a QEC for the District Clerk 😊
- At-Risk Student (ARC)
 - Annual appropriation is distributed school districts based on Title I allocations

Funding Components (continued)

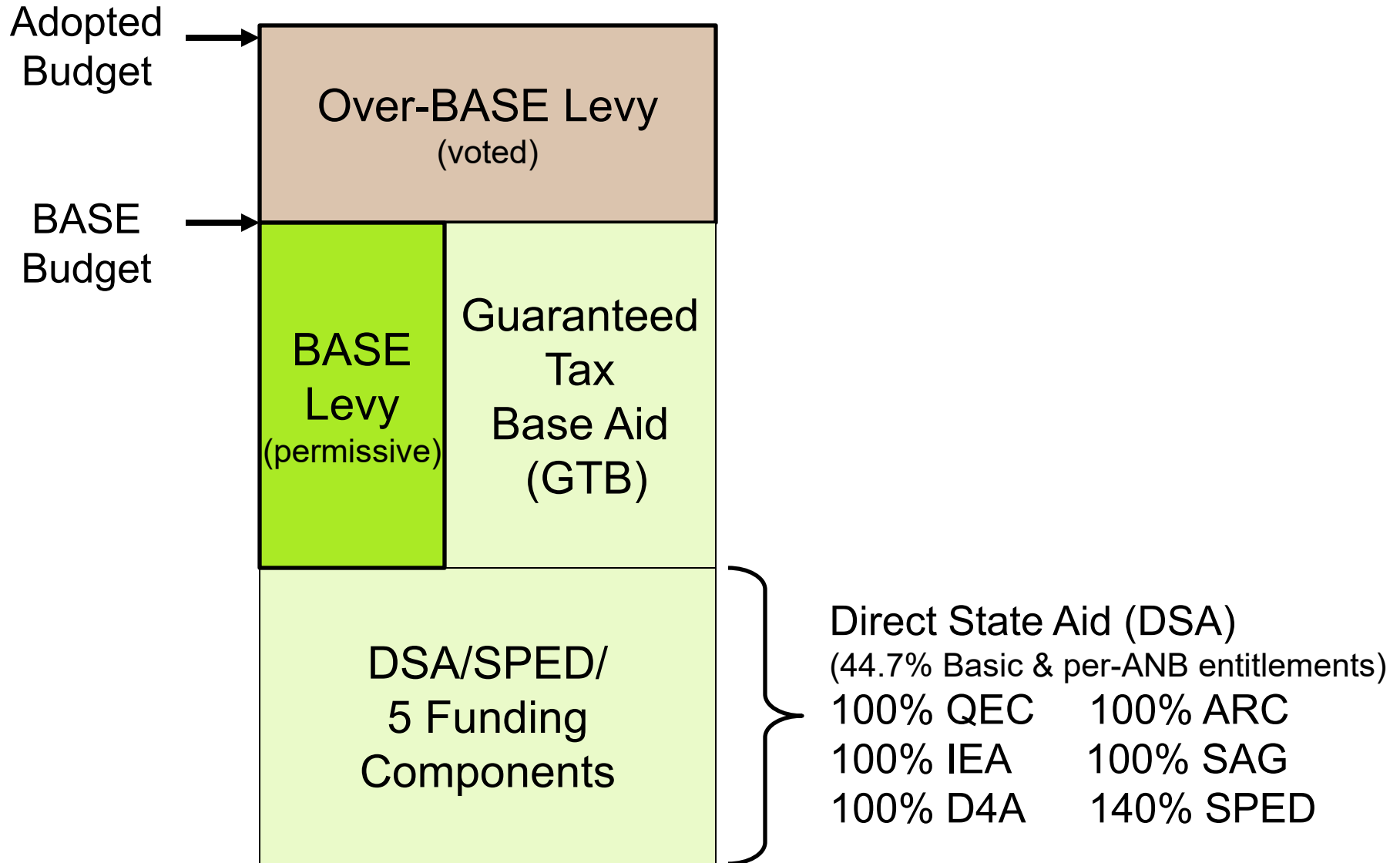
- Indian Education for All (IEFA)
 - Paid *per ANB* (\$100 minimum)
 - For providing curriculum for the recognition of American Indian cultural heritage
- American Indian Student Achievement Gap (SAG)
 - Paid per each American Indian student enrolled as reported on the October enrollment count
 - For closing the educational achievement gap that exists between American Indian students and non-Indian students
- Data for Achievement (D4A)
 - Paid *per ANB*
 - For access fees or other costs for statewide data system, including data entry and staff training

Putting it all together

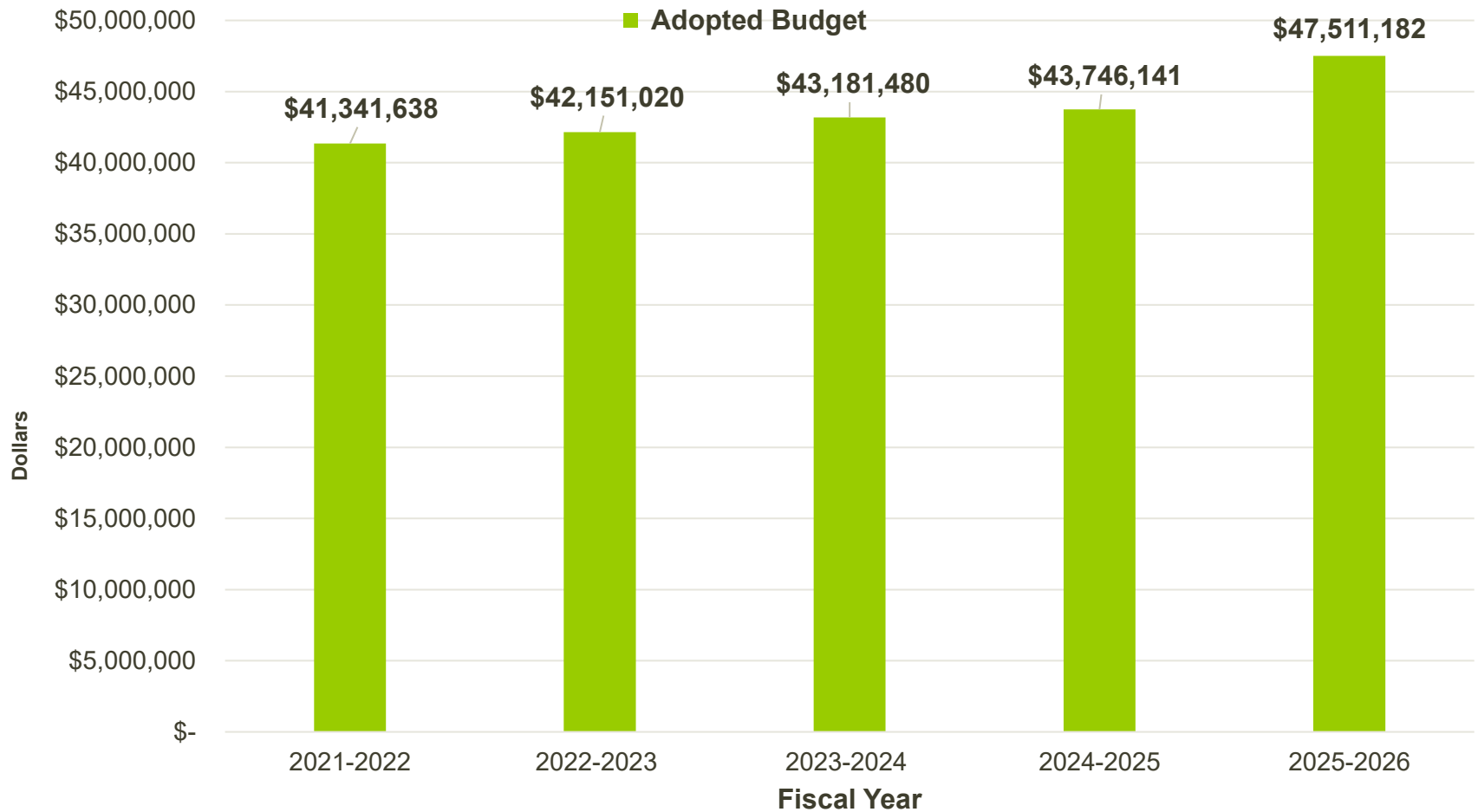


*Special Education Allowable Cost: up to 200% maximum; 140% in the BASE budget

Funding the BASE Budget

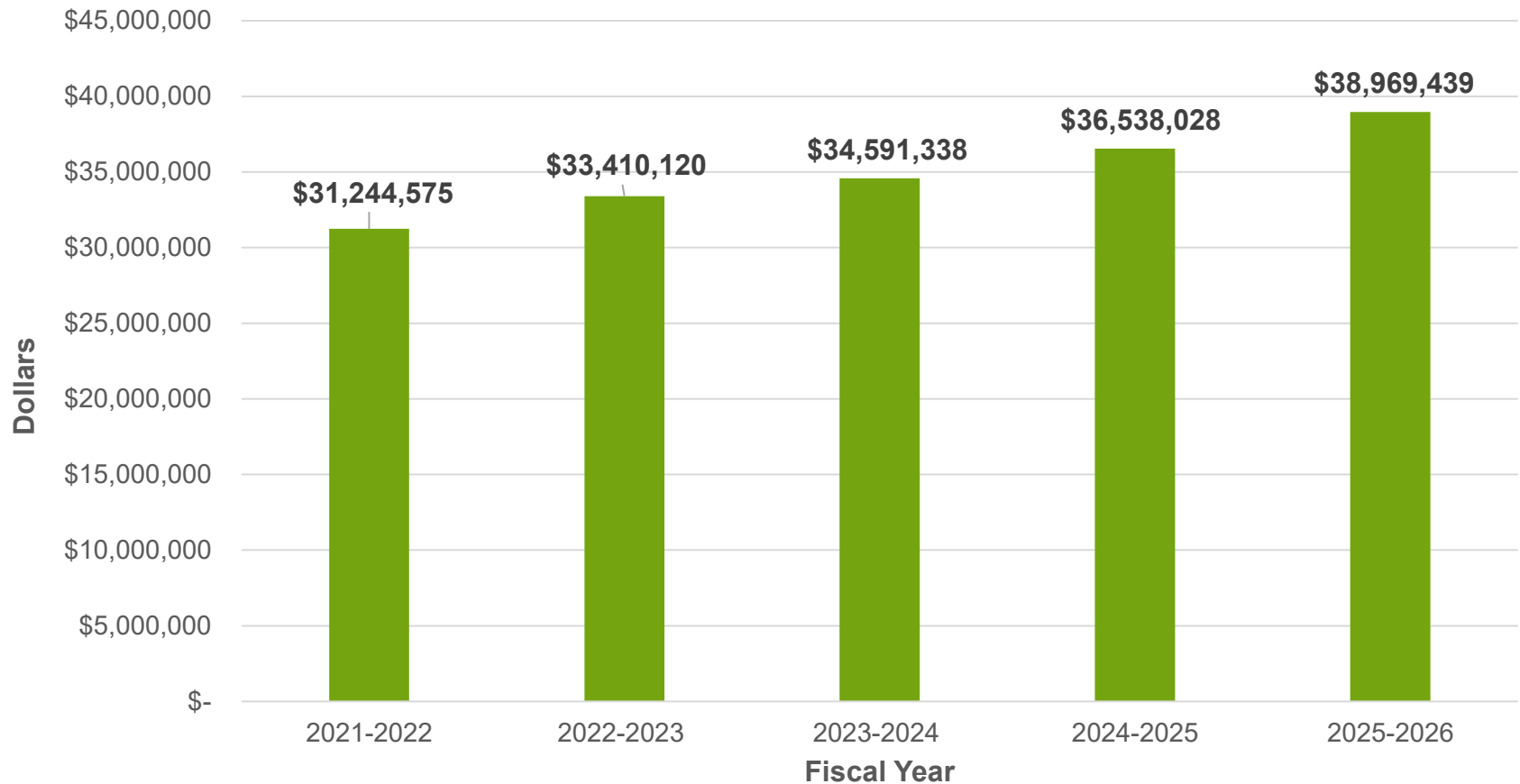


Elementary General Fund FY22 - FY26



High School General Fund FY22 - FY26

■ Adopted Budget



FY2027 General Fund projections

Missoula Elem FY27 projected

Add'l Special Ed funding*	\$ 9,425,275 (over-BASE)
20% per ANB Entitlement	
20% Basic Entitlement	
Special Ed funding*	\$ 38,698,886
80% per ANB Entitlement	
80% Basic Entitlement	
Quality Educator	
At Risk Student	
Indian Education for All	
Amer. Indian Achievmnt Gap	
Data for Achievement	

← Maximum Budget
\$48,124,181

← BASE Budget

Missoula Elem FY27 projected

Add'l Special Ed funding*	\$ 9,425,275
20% per ANB Entitlement	- 9,204,511
20% Basic Entitlement	\$ 220,764
Special Ed funding*	\$ 38,698,886
80% per ANB Entitlement	
80% Basic Entitlement	
Quality Educator	
At Risk Student	
Indian Education for All	
Amer. Indian Achievmnt Gap	
Data for Achievement	

← Maximum Budget
\$48,124,181

← BASE Budget

May 2026 levy election
GF levy = \$220,764

Missoula High School FY27 projected

Add'l Special Ed funding*	\$ 7,539,504 (over-BASE)
20% per ANB Entitlement	
20% Basic Entitlement	
Special Ed funding*	\$ 32,050,226
80% per ANB Entitlement	
80% Basic Entitlement	
Quality Educator	
At Risk Student	
Indian Education for All	
Amer. Indian Achievmnt Gap	
Data for Achievement	

← Maximum Budget
\$39,589,730

← BASE Budget

Missoula High School FY27 projected

Add'l Special Ed funding*	\$ 7,539,504
20% per ANB Entitlement	- 7,265,237
20% Basic Entitlement	\$ 274,267
Special Ed funding*	\$ 32,050,226
80% per ANB Entitlement	
80% Basic Entitlement	
Quality Educator	
At Risk Student	
Indian Education for All	
Amer. Indian Achievmnt Gap	
Data for Achievement	

← Maximum Budget
\$39,589,730

← BASE Budget

May 2026 levy election
GF levy = \$274,267

FY27 General Fund projections

ELEMENTARY	FY2026	FY2027 (projected)	Increase (decrease)
Budget ANB (3-year avg)	5,509	5,465	(44)
BASE Budget	\$ 38,066,452	\$ 38,698,886	\$ 632,434
Highest Budget Allowed	\$ 47,511,182	\$ 48,124,161	\$ 612,979
Adopted Budget	\$ 47,511,182	\$ 48,124,161	\$ 612,979
Over-BASE budget	\$ 9,204,511	\$ 9,425,275	\$ 220,763



Voters must
approve

FY27 General Fund projections

HIGH SCHOOL	FY2026	FY2027 (projected)	Increase (decrease)
Budget ANB (3-year avg)	4,095	4,045	(50)
BASE Budget	\$ 31,557,113	\$ 32,050,226	\$ 493,113
Highest Budget Allowed	\$ 38,969,439	\$ 39,589,730	\$ 620,291
Adopted Budget	\$ 38,969,439	\$ 39,589,730	\$ 620,291
Over-BASE budget	\$ 7,265,237	\$ 7,539,504	\$ 274,267



Voters must
approve

Legislation affecting school funding

HB252 – STARS Act

- Teacher Incentive Program (QEC X 2)
- Full funding of Advanced Opportunity Program
- Establishes Future Ready Payment
- Amends maximum budget calculation

HB483 – State and county funding for pupil transportation

- Increased rates
- Changed state/county share from 50/50 to 75/25

State Major Maintenance Aid (SMMA)

- \$40,000 X (\$115 X Budget ANB)
- District local levy and state SMMA payment