

Email to Superintendent Arntzen on 9-6-17 RE Recommendation for MCA 17-7-140 Program 9 Reductions

Dear Superintendent Arntzen:

Following up on your meeting today regarding the 10% cuts, the partners in the Montana Public Education Center have discussed and want to clarify our recommendation to source the 10% from K-12 public schools from the school district block grants. The MT-PEC Partners asked that I convey this clarification to you as soon as possible.

Upon learning during the meeting in your office that there are approximately 40 school districts out of 400+ who have allocated their combined fund block grants to their respective general funds, we believe that you can avoid harm in these cases as follows:

1. Order that the 10% cuts for K-12 public schools, amounting to \$2.9 million, shall be met through reductions in the \$11,556,539 net appropriation for Reimbursement Block Grants (Restricted/Biennial), line 2(h) on page E-1 of HB 2 (as adjusted by earlier level 4 cuts pursuant to SB 261).
2. That the amount each district's funds will be reduced will be equivalent to the district's scheduled combined fund block grant for FY18.
3. That each school district may elect to have the amount withheld from either its combined fund block grant or its transportation fund block grant, or any combination of the foregoing.

Your staff would have to set up a process by which each school district could choose between reductions in its combined fund or transportation fund block grants, but it would ensure against a school district facing a general fund revenue shortfall that it could not make up.

We have all discussed and jointly arrived at this solution together and wanted to make sure you knew as soon as possible.

Thanks!

Lance Melton, on behalf of the Montana Public Education Center

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