

1 SENATE BILL NO. 500

2 INTRODUCED BY B. GLASER, R. BROWN, BECK, LEWIS

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING; ESTABLISHING A SCHOOL
 5 FLEXIBILITY PROGRAM FOR K-12 PUBLIC SCHOOLS; REQUIRING VOTER APPROVAL FOR A LEVY TO
 6 INCREASE A DISTRICT'S FUNDS TO SUPPORT THE FLEXIBILITY PROGRAM; CREATING RESIDENT
 7 STUDENT FUNDING BONUSES FOR RESIDENT STUDENTS ENROLLED IN THE MONTANA UNIVERSITY
 8 SYSTEM; INCREASING THE BASIC ENTITLEMENTS BY 2.44 PERCENT FOR SCHOOL FISCAL YEAR 2002
 9 AND SUCCEEDING YEARS AND THE PER-ANB ENTITLEMENTS BY ~~1.3~~ 2.43 PERCENT FOR SCHOOL
 10 FISCAL YEAR 2002 AND SUCCEEDING YEARS; ~~ADJUSTING THE TOTAL PER-ANB ENTITLEMENT~~
 11 ~~CALCULATION BY DECREASING THE RATE OF 50 CENTS PER ANB BY 2 1/2 CENTS EACH FISCAL YEAR~~
 12 ~~AND THE RATE OF 20 CENTS PER ANB BY 1 CENT EACH FISCAL YEAR;~~ REQUIRING THAT A SCHOOL
 13 DISTRICT BASE ITS AVERAGE NUMBER BELONGING FOR THE ENSUING SCHOOL FISCAL YEAR ON A
 14 2-YEAR AVERAGE OF THE DISTRICT'S AVERAGE NUMBER BELONGING; AMENDING ~~SECTION~~ SECTIONS
 15 20-9-306 AND 20-9-311, MCA; AND PROVIDING EFFECTIVE DATES, APPLICABILITY DATES, AND A
 16 TERMINATION DATE."

17

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19

20 NEW SECTION. **Section 1. Definitions.** As used in [section 2] and this section, the following
 21 definitions apply:

22 (1) "Average student amount" means the amount calculated by:

23 (a) multiplying the money available in the school flexibility account, provided for in [section 2],
 24 after the payment of the state share of the current year rate decreases under 20-9-306(10)(b) by 16%;
 25 and

26 (b) dividing the amount calculated in subsection (1)(a) by the total statewide ANB in the previous
 27 fiscal year when averaged with the total statewide ANB for the previous 4 fiscal years.

28 (2) "Current student amount" means the amount calculated by:

29 (a) multiplying the money available in the school flexibility account, provided for in [section 2],
 30 after the payment of the state share of the current year rate decreases under 20-9-306(10)(b) by 50%;

1 and

2 (b) dividing the amount calculated in subsection (2)(a) by the total statewide ANB in the previous
3 fiscal year.

4 (3) "District amount" means the amount calculated by:

5 (a) multiplying the money available in the school flexibility account, provided for in [section 2],
6 after the payment of the state share of the current year rate decreases under 20-9-306(10)(b) by 17%;
7 and

8 (b) dividing the amount calculated in subsection (3)(a) by the number of school districts that
9 anticipate having students in the fiscal year in which the funding is distributed.

10 (4) "District K-12 public school funding amount" means the K-12 public schools amount multiplied
11 by the number of K-12 public schools, as defined in 20-6-501, in the school district in the fiscal year in
12 which the funding is distributed.

13 (5) "District student funding amount" means the current student amount multiplied by a district's
14 ANB for the previous fiscal year plus the average student amount multiplied by a district's ANB for the
15 previous fiscal year when averaged with the district's ANB for the 4 previous fiscal years.

16 (6) "K-12 public schools amount" means the amount calculated by:

17 (a) multiplying the money available after the payment of the state share of the current year rate
18 decreases under 20-9-306(10)(b) by 17%; and

19 (b) dividing the amount calculated in subsection (6)(a) by the number of K-12 public schools, as
20 defined in 20-6-501, that anticipate having students in the fiscal year in which the funding is distributed.

21

22 NEW SECTION. Section 2. School flexibility account -- distribution of funds. (1) There is a school
23 flexibility account in the state special revenue fund. The superintendent of public instruction shall use a
24 portion of the money in the school flexibility account to pay for the state share of the cost of the current
25 year rate decreases under 20-9-306(10)(b) and shall allocate the remainder of the money in the account,
26 INCLUDING ANY INTEREST EARNED ON MONEY ALLOCATED TO THE ACCOUNT, to each school district. Each school
27 district's total allocation is the sum of the district amount, the district K-12 public school funding amount,
28 and the district student funding amount.

29 (2) IN ADDITION TO FUNDS ALLOCATED OR APPROPRIATED TO THE SCHOOL FLEXIBILITY ACCOUNT BY THE 2001
30 LEGISLATURE, ALL MONEY SAVED BY THE STATE THROUGH THE UNEXPECTED DECREASE IN STATEWIDE ENROLLMENT FOR

1 SCHOOL FISCAL YEAR 2003 MUST BE DEPOSITED IN THE SCHOOL FLEXIBILITY ACCOUNT AND ALLOCATED PRO RATA TO
2 EACH SCHOOL DISTRICT FOR USE BY THE DISTRICT UNDER [SECTION 3].

3

4 NEW SECTION. Section 3. School flexibility fund -- uses. (1) (a) The trustees of a district shall
5 establish a school flexibility fund for school district expenditures incurred for:

6 (i) technological equipment enhancements and expansions necessary to deliver enhanced
7 educational programs in the classroom;

8 (ii) facility expansion and remodeling to facilitate the delivery of educational programs or the
9 removal and replacement of obsolete facilities;

10 (iii) supplies and materials necessary for the delivery of enhanced educational programs;

11 (iv) training for classroom staff to identify and deliver enhanced educational programs;

12 (v) purchase, lease, or rental of real property that must be used to provide free or reduced price
13 housing for classroom teachers;

14 (vi) salaries and benefits for classroom teachers; or

15 (vii) increases in energy costs caused by an increase in energy rates from the rates paid by the
16 district in fiscal year 2001. Trustees may not use revenue in the school flexibility fund to pay increased
17 energy costs caused by an increase in energy usage.

18 (b) If the district's ANB calculated for the current fiscal year is less than the ANB for the current
19 fiscal year when averaged with the 4 previous fiscal years, the district may use money from the school
20 flexibility fund to phase in over a 5-year period the spending reductions necessary because of the reduction
21 in ANB.

22 (2) The trustees of a district shall fund the school flexibility fund with the money allocated under
23 [section 2] and with the money raised by the levy under [section 4].

24 (3) The financial administration of the school flexibility fund must be in accordance with the
25 financial administration provisions of this title for a nonbudgeted fund.

26

27 NEW SECTION. Section 4. District school flexibility fund levy. (1) In addition to the money
28 allocated in [section 2] for a district's school flexibility fund, the trustees of a school district may submit
29 a proposition to the qualified electors of the district to approve a levy in an amount not to exceed 25%
30 of the district's allocation in [section 2] to fund the school flexibility fund authorized under [section 3]. An

1 election called pursuant to this section must be called and conducted in the manner prescribed by this title
 2 for school elections. The ballot for a proposition must provide "for" and "against" provisions, stating
 3 whether the district is authorized to impose a levy of (state the dollars) dollars and (state the approximate
 4 number of mills) mills to fund the school flexibility fund in the school district. The school flexibility fund
 5 proposition is approved if a majority of those electors voting at the election approve the levy.

6 (2) Money collected from the levy must be deposited in the district's school flexibility fund and
 7 spent in accordance with [section 3].

8

9 NEW SECTION. Section 5. Definitions. As used in [section 6] and this section, the following
 10 definitions apply:

11 ~~———— (1) "Adjusted resident student count" means the actual resident student enrollment at a campus~~
 12 ~~for the current fiscal year multiplied by the public funded cost of education percentage for the campus in~~
 13 ~~the previous fiscal year.~~

14 ~~(2)~~(1) "Campus" means a campus of the Montana university system as described in 20-25-201.

15 ~~(3)~~(2) "Campus entitlement" means the ~~adjusted~~ resident student count for a campus multiplied
 16 by the per resident student funding bonus for the campus.

17 ~~(4)~~(3) "Cost of education" means the total amount of money expended PER FULL-TIME EQUIVALENT
 18 STUDENT by a campus to educate students enrolled at the campus.

19 ~~(5)~~(4) "Per resident student funding bonus" means the amount of the bonus for each resident
 20 student at a campus. The bonus is determined by dividing 90% OF the money available in the resident
 21 student funding bonus account, provided for in [section 6], by the total of the ~~adjusted~~ resident student
 22 count for all campuses.

23 ~~———— (6) "Public funded cost of education percentage" means the percentage of the cost of education~~
 24 ~~at a campus that is not paid for by students. The percentage is determined by dividing the cost of~~
 25 ~~education for the campus minus the portion of the cost of education paid by resident students of the~~
 26 ~~campus by the cost of education for the campus.~~

27 (5) "RESIDENT STUDENT COUNT" MEANS THE ACTUAL FULL-TIME EQUIVALENT RESIDENT STUDENT ENROLLMENT
 28 AT A CAMPUS FOR THE LAST COMPLETED FISCAL YEAR.

29

30 NEW SECTION. Section 6. Resident student funding bonus -- account -- distribution. (1) There

1 is a resident student funding bonus account in the state special revenue fund. The board of regents shall
 2 use the money in the account for a per resident student funding bonus for every resident student enrolled
 3 at a campus. The bonuses must be distributed by the board of regents to each campus in the form of a
 4 campus entitlement.

5 (2) (a) The board of regents may not distribute the campus entitlements until the board has
 6 calculated the cost of education at each campus. The board of regents shall adopt policies and procedures
 7 for calculating the cost of education. Before adopting the policies and procedures, the board of regents
 8 shall:

9 (i) hold public hearings at each campus;

10 (ii) hold additional public hearings specifically for the resident students at each campus;

11 (iii) request comments from the legislative fiscal analyst and the state budget director; and

12 (iv) ~~document the consideration and final disposition of every comment received by the board of~~

13 ~~regents~~ PROVIDE THE INTERIM EDUCATION COMMITTEE WITH A SUMMARY REPORT ON THE PROCESS FOR, INPUT ON, AND

14 FINAL OUTCOMES OF THE DISTRIBUTION OF CAMPUS ENTITLEMENTS.

15 (b) The cost of education computed for each campus must be audited as part of the biennial audit
 16 of each campus as required under 5-13-304(1).

17 (c) The cost of education must be recalculated each fiscal year in accordance with the board of
 18 regents' policies and procedures.

19 (3) The board of regents shall determine how the campus entitlement must be spent by each
 20 campus. The board of regents shall seek the advice of the resident students at each campus in making the
 21 determination on how the campus entitlement must be spent. ~~A resident student election must be held on~~
 22 ~~each campus to allow resident students to vote on possible uses of the campus entitlement. Possible uses~~
 23 ~~include:~~

24 ~~—— (a) reducing the percentage of the cost of education paid by resident students; and~~

25 ~~—— (b) increasing the number of class sections available to undergraduate resident students. BY~~

26 CONSULTATION WITH STUDENT GOVERNMENT, CAMPUS ADVISORY COMMITTEES THAT INCLUDE STUDENT REPRESENTATIVES

27 SELECTED BY THE STUDENT BODY, OR STUDENT REFERENDA ON THE RESPECTIVE CAMPUSES. INDIVIDUAL CAMPUS

28 ENTITLEMENTS MUST BE DISTRIBUTED WITH 90% OF THE FUNDING AWARDED BASED ON THE NUMBER OF RESIDENT

29 STUDENTS IN ACCORDANCE WITH [SECTION 5]. THESE FUNDS MUST BE USED TO IMPROVE SERVICES AND SUPPORT FOR

30 SERVICES. THE REMAINING 10% MUST BE USED TO FUND INNOVATIONS THAT ARE LIKELY TO REDUCE THE COSTS OF

1 EDUCATIONAL DELIVERY. PRIORITY IN THIS LATTER CATEGORY MUST GO TO INITIATIVES THAT PROMOTE NEW USES OF
 2 TECHNOLOGY TO IMPROVE INSTRUCTIONAL EFFECTIVENESS, THAT INCREASE LEARNING IN LARGE CLASS SECTIONS, OR THAT
 3 RESULT IN REDUCED INSTRUCTIONAL COSTS.

4

5 **Section 7.** Section 20-9-306, MCA, is amended to read:

6 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
 7 following definitions apply:

8 (1) "BASE" means base amount for school equity.

9 (2) "BASE aid" means:

10 (a) direct state aid for 44.7% of the basic entitlement and, ~~except as provided in subsection~~
 11 ~~(10)(c)~~, 44.7% of the total per-ANB entitlement for the general fund budget of a district; and

12 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic
 13 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a
 14 district, and up to 40% of the special education allowable cost payment.

15 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
 16 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education
 17 allowable cost payment.

18 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which
 19 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366
 20 through 20-9-369.

21 (5) "BASE funding program" means the state program for the equitable distribution of the state's
 22 share of the cost of Montana's basic system of public elementary schools and high schools, through
 23 county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in
 24 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as
 25 provided in 20-9-321.

26 (6) "Basic entitlement" means:

27 (a) ~~\$206,000~~ ~~\$208,678~~ \$211,026 for each high school district;

28 (b) ~~\$18,540~~ ~~\$18,781~~ \$18,992 for each elementary school district or K-12 district elementary
 29 program without an approved and accredited junior high school or middle school; and

30 (c) the prorated entitlement for each elementary school district or K-12 district elementary program

1 with an approved and accredited junior high school or middle school, calculated as follows:

2 (i) ~~\$18,540~~ ~~\$18,781~~ \$18,992 times the ratio of the ANB for kindergarten through grade 6 to the
3 total ANB of kindergarten through grade 8; plus

4 (ii) ~~\$206,000~~ ~~\$208,678~~ \$211,026 times the ratio of the ANB for grades 7 and 8 to the total ANB
5 of kindergarten through grade 8.

6 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB
7 entitlement for the general fund budget of a district and funded with state and county equalization aid.

8 (8) "Maximum general fund budget" means a district's general fund budget amount calculated
9 from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153%
10 of special education allowable cost payments.

11 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount
12 budgeted that is above the BASE budget and below the maximum general fund budget for a district.

13 (10) ~~(a)~~ "Total per-ANB entitlement" means the district entitlement resulting from the following
14 calculations:

15 ~~(a)(i) except as provided in subsection (10)(b),~~ (A) for a high school district or a K-12 district high
16 school program, a maximum rate of ~~\$5,015~~ ~~\$5,080~~ \$5,137 for the first ANB is decreased at the rate of
17 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess
18 of 800 receiving the same amount of entitlement as the 800th ANB;

19 ~~(b)(ii) except as provided in subsection (10)(b),~~ (B) for an elementary school district or a K-12
20 district elementary program without an approved and accredited junior high school or middle school, a
21 maximum rate of ~~\$3,763~~ ~~\$3,812~~ \$3,855 for the first ANB is decreased at the rate of 20 cents per ANB
22 for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving
23 the same amount of entitlement as the 1,000th ANB; and

24 ~~(c)(iii) except as provided in subsection (10)(b),~~ (C) for an elementary school district or a K-12
25 district elementary program with an approved and accredited junior high school or middle school, the sum
26 of:

27 ~~(i)(A)(i)~~ a maximum rate of ~~\$3,763~~ ~~\$3,812~~ \$3,855 for the first ANB for kindergarten through
28 grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with
29 each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

30 ~~(ii)(B)~~ (ii) a maximum rate of ~~\$5,015~~ ~~\$5,080~~ \$5,137 for the first ANB for grades 7 and 8 is

1 decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800
 2 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

3 ~~—— (b) Beginning on July 1, 2001:~~

4 ~~—— (i) the rate of 50 cents per ANB in subsections (10)(a)(i) and (10)(a)(iii)(B) must be reduced by 2~~
 5 ~~1/2 cents each fiscal year; and~~

6 ~~—— (ii) the rate of 20 cents per ANB in subsections (10)(a)(ii) and (10)(a)(iii)(A) must be reduced by~~
 7 ~~1 cent each fiscal year.~~

8 ~~—— (c) Only the year-to-year reduction in subsection (10)(b) may be included in the BASE aid."~~

9

10 **Section 8.** Section 20-9-306, MCA, is amended to read:

11 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
 12 following definitions apply:

13 (1) "BASE" means base amount for school equity.

14 (2) "BASE aid" means:

15 (a) direct state aid for 44.7% of the basic entitlement and, ~~except as provided in subsection~~
 16 ~~(10)(c),~~ 44.7% of the total per-ANB entitlement for the general fund budget of a district; and

17 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic
 18 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a
 19 district, and up to 40% of the special education allowable cost payment.

20 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
 21 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education
 22 allowable cost payment.

23 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which
 24 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366
 25 through 20-9-369.

26 (5) "BASE funding program" means the state program for the equitable distribution of the state's
 27 share of the cost of Montana's basic system of public elementary schools and high schools, through
 28 county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in
 29 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as
 30 provided in 20-9-321.

1 (6) "Basic entitlement" means:

2 (a) ~~\$206,000~~ ~~\$211,391~~ \$216,175 for each high school district;

3 (b) ~~\$18,540~~ ~~\$19,025~~ \$19,455 for each elementary school district or K-12 district elementary
4 program without an approved and accredited junior high school or middle school; and

5 (c) the prorated entitlement for each elementary school district or K-12 district elementary program
6 with an approved and accredited junior high school or middle school, calculated as follows:

7 (i) ~~\$18,540~~ ~~\$19,025~~ \$19,455 times the ratio of the ANB for kindergarten through grade 6 to the
8 total ANB of kindergarten through grade 8; plus

9 (ii) ~~\$206,000~~ ~~\$211,391~~ \$216,175 times the ratio of the ANB for grades 7 and 8 to the total ANB
10 of kindergarten through grade 8.

11 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB
12 entitlement for the general fund budget of a district and funded with state and county equalization aid.

13 (8) "Maximum general fund budget" means a district's general fund budget amount calculated
14 from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153%
15 of special education allowable cost payments.

16 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount
17 budgeted that is above the BASE budget and below the maximum general fund budget for a district.

18 (10) ~~(a)~~ "Total per-ANB entitlement" means the district entitlement resulting from the following
19 calculations:

20 ~~(a)(i) except as provided in subsection (10)(b), (A)~~ for a high school district or a K-12 district high
21 school program, a maximum rate of ~~\$5,015~~ ~~\$5,146~~ \$5,262 for the first ANB is decreased at the rate of
22 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess
23 of 800 receiving the same amount of entitlement as the 800th ANB;

24 ~~(b)(ii) except as provided in subsection (10)(b), (B)~~ for an elementary school district or a K-12
25 district elementary program without an approved and accredited junior high school or middle school, a
26 maximum rate of ~~\$3,763~~ ~~\$3,862~~ \$3,949 for the first ANB is decreased at the rate of 20 cents per ANB
27 for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving
28 the same amount of entitlement as the 1,000th ANB; and

29 ~~(c)(iii) except as provided in subsection (10)(b), (C)~~ for an elementary school district or a K-12
30 district elementary program with an approved and accredited junior high school or middle school, the sum

1 of:

2 ~~(i)(A)(i)~~ a maximum rate of ~~\$3,763~~ ~~\$3,862~~ \$3,949 for the first ANB for kindergarten through
3 grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with
4 each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

5 ~~(ii)(B)(ii)~~ a maximum rate of ~~\$5,015~~ ~~\$5,146~~ \$5,262 for the first ANB for grades 7 and 8 is
6 decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800
7 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

8 ~~—— (b) Beginning on July 1, 2001:~~

9 ~~—— (i) the rate of 50 cents per ANB in subsections (10)(a)(i) and (10)(a)(iii)(B) must be reduced by 2~~
10 ~~1/2 cents each fiscal year; and~~

11 ~~—— (ii) the rate of 20 cents per ANB in subsections (10)(a)(ii) and (10)(a)(iii)(A) must be reduced by~~
12 ~~1 cent each fiscal year.~~

13 ~~—— (c) Only the year-to-year reduction in subsection (10)(b) may be included in the BASE aid."~~

14

15 **SECTION 9.** SECTION 20-9-311, MCA, IS AMENDED TO READ:

16 **"20-9-311. Calculation of average number belonging (ANB).** (1) Average number belonging (ANB)
17 must be computed as follows:

18 (a) compute an average enrollment by adding a count of regularly enrolled full-time pupils who
19 were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly
20 enrolled pupils on February 1 of the prior school fiscal year, or the next school day if those dates do not
21 fall on a school day, and divide the sum by two; and

22 (b) multiply the average enrollment calculated in subsection (1)(a) by the sum of the
23 pupil-instruction and the approved pupil-instruction-related days for the current school fiscal year and divide
24 by 180.

25 (2) For the purpose of calculating ANB under subsection (1), up to 7 approved
26 pupil-instruction-related days may be included in the calculation.

27 (3) When a school district has approval to operate less than 180 school days under 20-9-806, the
28 total ANB must be calculated in accordance with the provisions of 20-9-805.

29 (4) Enrollment for a part of a morning session or a part of an afternoon session by a pupil must
30 be counted as enrollment for one-half day.

1 (5) In calculating the ANB for pupils enrolled in a program established under 20-7-117(1),
2 enrollment at a regular session of the program for at least 2 hours of either a morning or an afternoon
3 session must be counted as one-half pupil for ANB purposes. The ANB for a kindergarten student may not
4 exceed one-half for each kindergarten pupil.

5 (6) When a pupil has been absent, with or without excuse, for more than 10 consecutive school
6 days, the pupil may not be included in the enrollment count used in the calculation of the ANB unless the
7 pupil resumes attendance prior to the day of the enrollment count.

8 (7) The enrollment of prekindergarten pupils, as provided in 20-7-117, may not be included in the
9 ANB calculations.

10 (8) The average number belonging of the regularly enrolled, full-time pupils for the public schools
11 of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the
12 schools of the district, except that when:

13 (a) (i) a school of the district is located more than 20 miles beyond the incorporated limits of a city
14 or town located in the district and at least 20 miles from any other school of the district, the number of
15 regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the
16 district must receive a basic entitlement for the school calculated separately from the other schools of the
17 district;

18 (ii) a school of the district is located more than 20 miles from any other school of the district and
19 incorporated territory is not involved in the district, the number of regularly enrolled, full-time pupils of the
20 school must be calculated separately for ANB purposes and the district must receive a basic entitlement
21 for the school calculated separately from the other schools of the district;

22 (iii) the superintendent of public instruction approves an application not to aggregate when
23 conditions exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to
24 travel, or when any other condition exists that would result in an unusual hardship to the pupils of the
25 school if they were transported to another school, the number of regularly enrolled, full-time pupils of the
26 school must be calculated separately for ANB purposes and the district must receive a basic entitlement
27 for the school calculated separately from the other schools of the district; or

28 (iv) two or more elementary districts consolidate or annex under the provisions of 20-6-203,
29 20-6-205, or 20-6-208; two or more high school districts consolidate or annex under the provisions of
30 20-6-315 or 20-6-317; or two or more K-12 districts consolidate or annex under Title 20, chapter 6, part

1 4, the ANB and the basic entitlements of the component districts must be calculated separately for a
2 period of 3 years following the consolidation or annexation;

3 (b) a junior high school has been approved and accredited as a junior high school, all of the
4 regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils
5 for ANB purposes;

6 (c) a middle school has been approved and accredited, all pupils below the 7th grade must be
7 considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be
8 considered high school pupils for ANB purposes; or

9 (d) a school has not been accredited by the board of public education, the regularly enrolled,
10 full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation
11 purposes, nor will an average number belonging for the nonaccredited school be used in determining the
12 BASE funding program for the district.

13 (9) The district shall provide the superintendent of public instruction with semiannual reports of
14 school attendance, absence, and enrollment for regularly enrolled students, using a format determined by
15 the superintendent.

16 (10) In establishing the ANB for the ensuing school fiscal year, the ensuing year's calculation must
17 be averaged with the ANB from the current school fiscal year to determine the ANB for the ensuing school
18 fiscal year."

19

20 NEW SECTION. Section 10. Codification instruction. (1) [Sections 1 through 4] are intended to
21 be codified as an integral part of Title 20, chapter 9, part 5, and the provisions of Title 20, chapter 9, part
22 5, apply to [sections 1 through 4].

23 (2) [Sections 5 and 6] are intended to be codified as an integral part of Title 20, chapter 25, part
24 4, and the provisions of Title 20, chapter 25, part 4, apply to [sections 5 and 6].

25

26 NEW SECTION. Section 11. Effective dates -- applicability. (1) Except as provided in ~~subsection~~
27 ~~(2)~~ SUBSECTIONS (2) AND (3), [this act] is effective July 1, 2001, and applies to school budgets for the
28 school fiscal year beginning July 1, 2001.

29 (2) [Section 8] is effective July 1, 2002, and applies to school budgets for school fiscal years
30 beginning on or after July 1, 2002.

