

SENATE BILL NO. 390

INTRODUCED BY C. JUNEAU

1
2
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING INCREASED ANB FUNDING AND AN INFLATIONARY
5 ADJUSTMENT FOR THE TOTAL INDIAN EDUCATION FOR ALL PAYMENT; EXPRESSING THE PURPOSES
6 FOR WHICH THE TOTAL INDIAN EDUCATION FOR ALL PAYMENT IS MADE; AMENDING SECTIONS
7 20-9-306, 20-9-326, AND 20-9-329, MCA; AND PROVIDING AN EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 **Section 1.** Section 20-9-306, MCA, is amended to read:

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

- 14 (1) "BASE" means base amount for school equity.
- 15 (2) "BASE aid" means:
 - 16 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the
17 general fund budget of a district;
 - 18 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,
19 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the
20 special education allowable cost payment;
 - 21 (c) the total quality educator payment;
 - 22 (d) the total at-risk student payment;
 - 23 (e) the total Indian education for all payment; and
 - 24 (f) the total American Indian achievement gap payment.
- 25 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic
26 entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total
27 at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian
28 achievement gap payment, and 140% of the special education allowable cost payment.
- 29 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may
30 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through

1 20-9-369.

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

6 (6) "Basic entitlement" means:

7 (a) \$230,199 for each high school district;

8 (b) \$20,718 for each elementary school district or K-12 district elementary program without an approved
9 and accredited junior high school or middle school; and

10 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with
11 an approved and accredited junior high school or middle school, calculated as follows using either the current
12 year ANB or the 3-year ANB provided for in 20-9-311:

13 (i) \$20,718 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten
14 through grade 8; plus

15 (ii) \$230,199 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade
16 8.

17 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
18 20-9-311.

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

21 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the
22 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,
23 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement
24 gap payment, and the greater of:

25 (a) 175% of special education allowable cost payments; or

26 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures
27 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a
28 maximum allowable ratio of 200%.

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

1 (11) "Total American Indian achievement gap payment" means the payment resulting from multiplying
2 \$200 times the number of American Indian students enrolled in the district as provided in 20-9-330.

3 (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds
4 appropriated for the purposes of 20-9-328.

5 (13) "Total Indian education for all payment" means the payment resulting from multiplying ~~\$20.40~~ \$50
6 times the ANB of the district or ~~\$100~~ \$1,000 for each district, whichever is greater, as provided for in 20-9-329.

7 (14) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations
8 and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

9 (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,704 for the first
10 ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB,
11 with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

12 (b) for an elementary school district or a K-12 district elementary program without an approved and
13 accredited junior high school or middle school, a maximum rate of \$4,456 for the first ANB is decreased at the
14 rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess
15 of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

16 (c) for an elementary school district or a K-12 district elementary program with an approved and
17 accredited junior high school or middle school, the sum of:

18 (i) a maximum rate of \$4,456 for the first ANB for kindergarten through grade 6 is decreased at the rate
19 of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving
20 the same amount of entitlement as the 1,000th ANB; and

21 (ii) a maximum rate of \$5,704 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per
22 ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving
23 the same amount of entitlement as the 800th ANB.

24 (15) "Total quality educator payment" means the payment resulting from multiplying \$2,000 times the
25 number of full-time equivalent educators as provided in 20-9-327."
26

27 **Section 2.** Section 20-9-326, MCA, is amended to read:

28 **"20-9-326. Annual inflation-related adjustments to basic entitlements, and per-ANB entitlements,
29 and total Indian education for all payment.** (1) In preparing and submitting an agency budget pursuant to
30 17-7-111 and 17-7-112, the superintendent of public instruction shall determine the inflation factor for the basic

1 and per-ANB entitlements and the total Indian education for all payment in each fiscal year of the ensuing
 2 biennium. The inflation factor is calculated as follows:

3 (a) for the first year of the biennium, divide the consumer price index for July 1 of the prior calendar year
 4 by the consumer price index for July 1 of the calendar year 3 years prior to the prior calendar year and raise the
 5 resulting ratio to the power of one-third; and

6 (b) for the second year of the biennium, divide the consumer price index for July 1 of the current calendar
 7 year by the consumer price index for July 1 of the calendar year 3 years prior to the current calendar year and
 8 raise the resulting ratio to the power of one-third.

9 (2) The present law base for the basic and per-ANB entitlements, calculated under Title 17, chapter 7,
 10 part 1, and the total Indian education for all payment, calculated pursuant to 20-9-306, must consist of any
 11 enrollment increases or decreases plus the inflation factor calculated pursuant to this section, not to exceed 3%
 12 in each year, applied to both years of the biennium.

13 (3) For the purposes of this section, "consumer price index" means the consumer price index, U.S. city
 14 average, all urban consumers, for all items, using the 1982-84 base of 100, as published by the bureau of labor
 15 statistics of the U.S. department of labor."
 16

17 **Section 3.** Section 20-9-329, MCA, is amended to read:

18 **"20-9-329. Indian education for all payment.** (1) The state shall provide ~~an~~ a total Indian education
 19 for all payment to public school districts, as defined in 20-6-101 and 20-6-701, to implement the provisions of
 20 Article X, section 1(2), of the Montana constitution, and to implement Title 20, chapter 1, part 5, and to develop
 21 curricula designed to integrate the distinct cultural heritage of Indians into the curricula, with particular emphasis
 22 on Montana Indians as required in 20-9-309.

23 (2) The total Indian education for all payment is ~~the greater of \$100 for each district or \$20.40 for each~~
 24 ~~ANB~~, calculated as provided in ~~20-9-311, for each fiscal year~~ 20-9-306 and is a component of the BASE budget
 25 of the district.

26 (3) The district shall deposit the payment in the general fund of the district.

27 (4) It is the intent of this section that the total Indian education for all payment be used to implement the
 28 essential understandings regarding Montana Indians developed by the office of public instruction and relevant
 29 accreditation standards pertaining to Indian education for all."
 30

