

Amendments to Senate Bill No. 329
Reference Copy

Requested by Senator Ryan Zinke

For the Senate Free Conference Committee

Prepared by Dan Whyte
April 27, 2011 (10:45am)

1. Title, page 1, line 7.

Following: "SCHOOLS;"Insert: "CHANGING THE MONTANA VIRTUAL ACADEMY TO THE MONTANA
DIGITAL ACADEMY;"

2. Title, page 1, line 25 through line 26.

Strike: "ELIMINATING" on line 25 through "ACCOUNT;" on line 26

3. Title, page 1.

Following: line 26

Insert: "REVISING THE USE OF THE SCHOOL FACILITY AND TECHNOLOGY
ACCOUNT;"

4. Title, page 1, line 29.

Following: "FUND;"

Insert: "REQUIRING A SCHOOL DISTRICT TO REPORT BUDGET AMENDMENTS
TO THE LEGISLATURE AND THE BOARD OF PUBLIC EDUCATION;
LIMITING A SCHOOL DISTRICT'S ENDING FUND BALANCE TO A
SPECIFIC PERCENTAGE; PROVIDING AN APPROPRIATION;"

5. Page 1, line 30.

Strike: "17-7-502,"

Following: "20-3-363,"

Insert: "20-7-102, 20-7-1201,"

Following: "20-9-104,"

Insert: "20-9-161,"

6. Title, page 2, line 1.

Strike: "20-9-622,"

Insert: "20-9-516,"

7. Page 2, line 8.

Strike: "7"

Insert: "8"

8. Page 4, line 1.

Strike: "7"

Insert: "8"

9. Page 4, line 21.

Strike: "7"

Insert: "8"

10. Page 4, line 25.

Strike: "7"
Insert: "8"

11. Page 5, line 16 through page 6, line 18.
Strike: section 2 in its entirety
Renumber: subsequent sections

12. Page 7, line 20.
Strike: "4"
Insert: "3"

13. Page 7, line 21.
Strike: "5"
Insert: "4"

14. Page 9, line 4.

Insert: "(6) The superintendent of public instruction shall continually enhance the statewide data system to support the collection of data from schools, implement a data collection plan to reduce redundant data requests, increase data use from the centralized system by various functions within the office of public instruction, and promote transparency in reporting to schools, school districts, communities, and the public. Actionable data analysis must be produced to promote academic improvement.

(7) The superintendent of public instruction shall gather, maintain, and distribute longitudinal, actionable data in the following areas:

- (a) statewide student identifier;
- (b) student-level enrollment data, including average daily attendance;
- (c) student-level statewide assessment data;
- (d) information on untested students;
- (e) student-level graduation and dropout data;
- (f) ability to match student-level K-12 and higher education data;

- (g) a statewide data audit system;
- (h) a system to track student achievement with a direct teacher-to-student match to help track, report, and create opportunities for improved individual student performance;
- (i) student-level course completion data, including transcripts, to assess career and college readiness; and
- (j) student-level ACT results, scholastic achievement test results, and advanced placement exam data.

(8) The superintendent of public instruction shall emphasize the creation of and distribution of individual diagnostic data for each student in a manner that is timely and protects the privacy rights of students and families as they relate to education so that school districts may use the data to support timely academic intervention as needed and to otherwise improve the academic achievement of the students of each school district.

(9) On or before June 30, 2013, the superintendent of public instruction shall begin presenting longitudinal data on academic achievement and shall develop plans for a measurement of growth

for the statewide student assessment required by the board of public education."

15. Page 9, line 4.

Insert: "Section 5. Section 20-7-102, MCA, is amended to read:

"20-7-102. Accreditation of schools. (1) The conditions under which each elementary school, each middle school, each junior high school, 7th and 8th grades funded at high school rates, and each high school operates must be reviewed by the superintendent of public instruction to determine compliance with the standards of accreditation. The accreditation status of each school must then be established by the board of public education upon the recommendation of the superintendent of public instruction. Notification of the accreditation status for the applicable school year or years must be given to each district by the superintendent of public instruction.

(2) A school may be accredited for a period consisting of 1, 2, 3, 4, or 5 school years, except that multiyear accreditation may be granted only to schools that are in compliance with 20-4-101.

(3) A nonpublic school may, through its governing body, request that the board of public education accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection (1).

(4) As used in this section, "7th and 8th grades funded at high school rates" means an elementary school district or K-12 district elementary program whose 7th and 8th grades are funded as provided in 20-9-306 ~~(14)(c)(iii)~~ (14)(a)(iii)(B)."

{Internal References to 20-7-102:

15-70-356 x 20-2-121 x 20-3-106 x 20-6-501 x
20-6-501 x 20-26-603 x}"

Insert: "Section 6. Section 20-7-1201, MCA, is amended to read:

"20-7-1201. ~~Montana virtual~~ digital academy -- purposes -- governance. (1) There is a Montana ~~virtual~~ digital academy at a unit of the Montana university system.

(2) The purposes of the Montana ~~virtual~~ digital academy are to:

(a) make distance learning opportunities available to all school-age children through public school districts in the state of Montana;

(b) offer high-quality instructors who are licensed and endorsed in Montana and courses that are in compliance with all relevant education and distance learning rules, standards, and policies; and

(c) emphasize the core subject matters required under the accreditation standards, offer advanced courses for dual credit in collaboration with the Montana university system, and offer enrichment courses.

(3) The Montana ~~virtual~~ digital academy must be governed by a board with equal representation from:

(a) the commissioner of higher education or a designee;

(b) the superintendent of public instruction or a designee;

(c) a Montana-licensed and Montana-endorsed classroom

teacher appointed by the board of public education;

(d) a Montana-licensed school district administrator appointed by the board of public education;

(e) a trustee of a Montana school district appointed by the board of public education;

(f) the dean of the school of education of the hosting unit of the Montana university system or a designee as a nonvoting member; and

(g) the two officers provided for in subsection (5) as nonvoting members.

(4) The governing board shall elect a presiding officer and vice presiding officer to 2-year terms without limitation on the number of terms.

(5) The governing board shall hire a program director and a curriculum director who shall serve as chief executive officer and vice chief executive officer respectively on the governing board in a nonvoting capacity. The program director shall develop and, upon approval of the governing board, implement policies and guidelines for the Montana ~~virtual~~ digital academy pertaining to:

(a) course offerings;

(b) software and hardware selection;

(c) instructor selection;

(d) partnering school agreements;

(e) instructor training and curriculum development;

(f) course evaluation;

(g) grant opportunities; and

(h) other activities that are essential to the success of a statewide distance learning program."

{Internal References to 20-7-1201: None.x}"

Renumber: subsequent sections

16. Page 9, line 27.

Strike: "8"

Insert: "9"

17. Page 9, line 29.

Strike: "9"

Insert: "10"

18. Page 10, line 13.

Strike: "ESTIMATION."

Following: "ALLOCATION"

Strike: "└"

19. Page 10, line 13 through line 18.

Strike: subsection (1) through subsection (2) in their entirety

Renumber: subsequent subsections

20. Page 10, line 20.

Strike: "150%"

Insert: "130%"

Following: "MAXIMUM"

Strike: "OR ADOPTED"

21. Page 10, line 26.

Strike: "(3)"

Insert: "(1)"

22. Page 10, line 28.

Strike: "(3)"

Insert: "(1)"

Strike: "STATE GENERAL FUND"

Insert: "guarantee account as provided in 20-9-622"

23. Page 10, line 29.

Strike: "(3)"

Insert: "(1)"

Following: "SHALL"

Insert: "budget and"

24. Page 11, line 1 through line 3.

Strike: subsections (a) and (b) in their entirety

Insert: "(a) for fiscal year 2012, the trustees shall budget in the general fund an amount of oil and natural gas production taxes equal to the lesser of 25% of the total oil and natural gas production taxes received by the district in the prior year or the general fund levy requirement;

(b) for fiscal year 2013, the trustees shall budget in the general fund an amount of oil and natural gas production taxes equal to the lesser of 35% of the total oil and natural gas production taxes received by the district in the prior year or the general fund levy requirement;

(c) for fiscal year 2014, the trustees shall budget in the general fund an amount of oil and natural gas production taxes equal to the lesser of 45% of the total oil and natural gas production taxes received by the district in the prior year or the general fund levy requirement;

(d) for each succeeding fiscal year, the trustees shall budget in the general fund an amount of oil and natural gas production taxes equal to the lesser of 55% of the total oil and natural gas production taxes received by the district in the prior year or the general fund levy requirement;

(e) oil and natural gas production taxes received by the district must be deposited in the general fund until the budgeted amount is reached; and

(f) all remaining oil and natural gas production tax revenue may be deposited in any budgeted fund.

(6) In any year in which the actual oil and natural gas production taxes received by a school district are less than 50% of the total oil and natural gas production taxes received by the district in the prior year, the district may transfer money from any budgeted fund to its general fund in an amount not to exceed the amount of the shortfall."

Renumber: subsequent subsection

25. Page 11, line 4.

Strike: "JULY 1,"

Insert: "in fiscal year"

26. Page 11, line 5.

Strike: "(3)"

Insert: "(1)"

27. Page 11, line 9.

Strike: "8"

Insert: "9"

28. Page 11, line 11.

Strike: "9"

Insert: "10"

29. Page 11, line 15.

Strike: "COUNTIES AND"

30. Page 11, line 16.

Strike: "NEIGHBORING"

Insert: "contiguous"

31. Page 11, line 19.

Strike: "7(5)"

Insert: "8(3)"

Strike: "20-9-104(6)"

Insert: "[section 7]"

32. Page 11, line 20.

Strike: "COUNTY OR"

33. Page 12, line 10.

Strike: "20-9-104(6)"

Insert: "[section 7]"

Strike: "7(5)"

Insert: "8(3)"

34. Page 12, line 12.

Strike: "20-9-104(6)"

Insert: "[section 7]"

Strike: "7(5)"

Insert: "8(3)"

35. Page 13, line 6.

Insert: "Section 11. Section 20-9-161, MCA, is amended to read:

"20-9-161. Definition of budget amendment for budgeting purposes. As used in this title, unless the context clearly indicates otherwise, the term "budget amendment" for the purpose of school budgeting means an amendment to an adopted budget of the district for the following reasons:

(1) an increase in the enrollment of an elementary or high school district that is beyond what could reasonably have been anticipated at the time of the adoption of the budget for the current school fiscal year whenever, because of the enrollment increase, the district's budget for any or all of the regularly

budgeted funds does not provide sufficient financing to properly maintain and support the district for the entire current school fiscal year;

(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 subsection (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:

(a) the safety of the students and district employees; or

(b) the educational functions of the district. Any budget amendment adopted pursuant to this subsection (6)(b) that in combination with other budget amendments within the same school fiscal year exceeds 10% of the district's adopted general fund budget must be reported by the school district to the education and local government interim committee and the board of public education with an explanation of why the budget amendment is necessary."

{Internal References to 20-9-161:

20-9-162 x 20-9-162 x 20-9-168 x 20-10-143 * x
20-10-145 * x 20-15-324 x}"

Renumber: subsequent sections

36. Page 18, line 1.

Following: "(6)"

Insert: "(a)"

37. Page 18, line 2.

Strike: "(a)"

Insert: "(i)"

38. Page 18, line 3.

Strike: "(i)"

Insert: "(A)"

Strike: "\$256,256"

Insert: "\$256,003"

Strike: "and"

39. Page 18, line 4.

Strike: "(ii)"

Insert: "(B)"

Strike: "\$257,870 for each succeeding fiscal year;"

Insert: "\$262,224 for fiscal year 2013; and

(C) except as provided in subsection (6)(b), \$260,099 for each succeeding fiscal year;"

40. Page 18, line 5.

Strike: "(b)"

Insert: "(ii)"

41. Page 18, line 7.

Strike: "(i)"

Insert: "(A)"

Strike: "\$23,056"

Insert: "\$23,033"

42. Page 18, line 8.

Strike: "(ii)"

Insert: "(B)"

Strike: "\$23,201 for each succeeding fiscal year; and"

Insert: "\$23,593 for fiscal year 2013; and

(C) except as provided in subsection (6)(b), \$23,402 for each succeeding fiscal year;"

43. Page 18, line 9.

Strike: "(c)"

Insert: "(iii)"

44. Page 18, line 11.

Strike: "(i)"

Insert: "(A)"

45. Page 18, line 12.

Strike: "(A)"

Insert: "(I)"

Strike: "\$23,056"

Insert: "\$23,033"

Strike: "and"

46. Page 18, line 13.

Strike: "(B)"

Insert: "(II)"

Strike: "\$23,201 for each succeeding fiscal year; plus"

Insert: "\$23,593 for fiscal year 2013; and

(III) except as provided in subsection (6)(b), \$23,402 for each succeeding fiscal year; plus"

47. Page 18, line 14.

Strike: "(ii)"

Insert: "(B)"

48. Page 18, line 16.

Strike: "(A)"
Insert: "(I)"
Strike: "\$65,295"
Insert: "\$65,231"
Strike: "and"

49. Page 18, line 17.

Strike: "(B)"
Insert: "(II)"
Strike: "\$65,706 for each succeeding fiscal year."
Insert: "\$66,816 for fiscal year 2013; and
(III) except as provided in subsection (6)(b), \$66,275 for
each succeeding fiscal year.

(b) If fiscal year 2012 general fund revenue, including transfers in, reflected in the audited comprehensive annual financial report exceeds \$1,766,500,000, then the entitlements for fiscal year 2013 in this subsection (6) are the amounts to be paid for succeeding fiscal years."

50. Page 19, line 8.

Following: "(14)"
Insert: "(a)"

51. Page 19, line 10.

Strike: "(a)"
Insert: "(i)"
Strike: "\$6,349"
Insert: "\$6,343"

52. Page 19, line 11.

Following: "2012"
Insert: ", "
Strike: "and"
Strike: "\$6,389"
Insert: "\$6,497 for fiscal year 2013, and except as provided in
subsection (14)(b), \$6,444"

53. Page 19, line 14.

Strike: "(b)"
Insert: "(ii)"

54. Page 19, line 15.

Strike: "\$4,960"
Insert: "\$4,955"

55. Page 19, line 16.

Following: "2012"
Insert: ", "
Strike: "and"
Strike: "\$4,991"
Insert: "\$5,075 for fiscal year 2013, and except as provided in
subsection (14)(b), \$5,034"

56. Page 19, line 19.

Strike: "(c)"
Insert: "(iii)"

57. Page 19, line 21.

Strike: "(i)"
Insert: "(A)"
Strike: "\$4,960"
Insert: "\$4,955"
Following: "2012"
Insert: ", "
Strike: "and"
Strike: "\$4,991"
Insert: "\$5,075 for fiscal year 2013, and except as provided in subsection (14) (b), \$5,034"

58. Page 19, line 25.

Strike: "(ii)"
Insert: "(B)"
Strike: "\$6,349"
Insert: "\$6,343"
Following: "2012"
Insert: ", "
Strike: "and"
Strike: "\$6,389"
Insert: "\$6,497 for fiscal year 2013, and except as provided in subsection (14) (b), \$6,444"

59. Page 19.

Following: line 28
Insert: "(b) If the fiscal year 2012 general fund revenue, including transfers in, reflected in the audited comprehensive annual financial report exceeds \$1,766,500,000, then the entitlements for fiscal year 2013 in this subsection (14) are the amounts to be paid for succeeding fiscal years."

60. Page 24, line 29.

Insert: "Section 19. Section 20-9-516, MCA, is amended to read:

"20-9-516. School facility and technology account. (1)

There is a school facility and technology account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to provide money to schools for:

- (a) major deferred maintenance;
- (b) improving energy efficiency in school facilities;
- (c) critical infrastructure in school districts;
- (d) emergency facility needs; and
- (e) technological improvements; and
- (f) state reimbursement for school facilities as provided

in 20-9-371.

(2) There must be deposited in the account:

(a) an amount of money equal to the income attributable to the difference between the average sale value of 18 million board feet and the total income produced from the annual timber harvest on common school trust lands during the fiscal year;

(b) the mineral royalties transferred from the guarantee account as provided in 20-9-622; and

(c) the rental income received from power site leases as provided in 77-4-208."

{Internal References to 20-9-516:

17-6-340 x 20-9-342 x 20-9-343 x 20-9-534 x

20-9-620 x 77-1-218 x 77-4-208 x 90-6-802 x

90-6-803 x}"

Renumber: subsequent sections

61. Page 24, line 30 through page 25, line 14.

Strike: section 17 in its entirety

Renumber: subsequent sections

62. Page 26, line 9.

Strike: "one-half of"

63. Page 27, line 29.

Insert: "NEW SECTION. Section 22. Ending fund balance limits.

(1) Beginning July 1, 2016, the combined ending fund balance for all budgeted funds of a school district may not exceed 300% of the maximum general fund budget. The 300% limit is not applicable to the building reserve fund, the debt service fund, or the bus depreciation reserve fund.

(2) The county superintendent shall, upon completion of a school fiscal year, redistribute any amounts in excess of the 300% limit among any other school districts in the same county whose combined ending fund balance for all budgeted funds included in subsection (1) has not exceeded the 300% limit. The county superintendent shall redistribute funds equally to the school districts qualifying for redistribution on a per-quality-educator basis, calculated by dividing the total funds by the total number of quality educators, as defined in 20-4-502, employed by the qualifying school districts in the county in the immediately preceding school fiscal year. School districts receiving the funds may place the funds in any budgeted fund of the district at the discretion of the board of trustees of each district.

(3) Unless an exception is granted under subsection (5), upon completion of a school fiscal year, a school district with combined ending fund balances in excess of the 300% limit shall cooperate with the county superintendent in effectuating the redistribution of excess funds as provided in subsection (2). A school district may make the payment required under this subsection from any fund or funds of the district other than the debt service fund, the building reserve fund, and the bus depreciation reserve fund.

(4) Any funds that cannot be redistributed within a county without causing a school district in the county to exceed the 300% limit must be remitted by the county treasurer to the state for deposit in the guarantee account provided for in 20-9-622.

(5) In accordance with 20-9-161, a school district shall report to the education and local government interim committee for any exception taken to the limits prescribed by subsection

(1) of this section.

(6) This section does not apply to school districts that are in a nonoperating status under 20-9-505 or that are in the first year of operation after reopening under 20-6-502 or 20-6-503.

(7) Beginning July 1, 2013, the balance of a school district's flexibility fund may not exceed 150% of the school district's maximum general fund budget."

Insert: "NEW SECTION. Section 23. Appropriation. (1) There is appropriated \$1 million for fiscal year 2013 from the general fund to the superintendent of public instruction. The purpose of the appropriation is to contribute to interlocal cooperative funds provided for in 20-3-363 to be paid to districts participating in multidistrict cooperatives. The superintendent shall pay to participating districts an amount in proportion to the size of the district's BASE budget compared to the sum of the BASE budgets of participating districts in all multidistrict cooperatives.

(2) By December 31, 2012, the prime applicant of a multidistrict cooperative shall report to the office of public instruction the name of each participating district along with a copy of the finalized agreement pursuant to 20-3-363. The office of public instruction shall pay the district's proportionate share no later than February 1, 2013."

Renumber: subsequent sections

64. Page 28, line 4.

Strike: "4, 5, AND 7 THROUGH 9"

Insert: "3, 4, 8 through 10, and 22"

65. Page 28, line 6.

Strike: "4, 5, AND 7 THROUGH 9"

Insert: "3, 4, 8 through 10, and 22"

66. Page 28, line 7.

Insert: "COORDINATION SECTION. Section 26. Coordination instruction. If [this act] is passed and approved, the general fund appropriation for BASE aid is House Bill No. 2 is increased by \$3,419,812."

Renumber: subsequent sections

67. Page 28, line 11.

Strike: "8 AND 9"

Insert: "9 and 10"

Following: "JULY 1,"

Strike: "2012"

Insert: "2013"

68. Page 28.

Following: line 11

Insert: "NEW SECTION. Section 28. {standard} Termination. [Sections 1, 7, and 8] terminate June 30, 2016."

- END -