

SENATE BILL NO. 329

INTRODUCED BY R. ZINKE, MOORE, JONES, BRANAE, HAWKS, RIPLEY, BROWN, REICHNER, FACEY,
OLSON, HANSEN, S. STEWART-PEREGOY

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING K-12 EDUCATION LAWS; CREATING THE
PATHWAY TO EXCELLENCE PROGRAM; AMENDING THE STRUCTURE OF ESTIMATING AND ALLOCATING
OIL AND NATURAL GAS PRODUCTION TAXES FOR SCHOOLS; LIMITING A SCHOOL DISTRICT'S FUND
BALANCE REAPPROPRIATED TO A PERCENTAGE OF THE MAXIMUM GENERAL FUND BUDGET;
ALLOWING A SCHOOL DISTRICT A ONE-TIME TRANSFER OF GENERAL FUND MONEY; PROVIDING AN
INFLATIONARY INCREASE TO THE BASIC ENTITLEMENT AND TOTAL PER-ANB ENTITLEMENT; CREATING
A STATE SCHOOL OIL AND NATURAL GAS IMPACT ACCOUNT; CREATING A COUNTY SCHOOL OIL AND
NATURAL GAS IMPACT FUND; ALLOWING FOR MULTIDISTRICT AGREEMENTS; DEFINING
"MULTIDISTRICT COOPERATIVE"; ALLOWING TRUSTEES TO DECIDE THE DISPOSITION OF INACTIVE
TUITION FUNDS; EXEMPTING PARTICIPANTS IN A COOPERATIVE PURCHASING GROUP FROM CERTAIN
COMPETITIVE BIDDING REQUIREMENTS; ALLOWING THE TRANSFER OF FUNDS RAISED BY A VOTED
OR PERMISSIVE LEVY IF VOTERS APPROVE THE TRANSFER IN AN ELECTION; ALLOWING TRUSTEES
TO IMPOSE AN OVER-BASE LEVY IN SUPPORT OF A DISTRICT'S GENERAL FUND BUDGET IN AN
AMOUNT NOT TO EXCEED REVENUE AMOUNTS PREVIOUSLY AUTHORIZED BY THE VOTERS IN ~~ANY~~
~~PRIOR YEAR~~ THE PREVIOUS 5 YEARS; REQUIRING THAT INTEREST AND INCOME IN EXCESS OF THE
AMOUNT ESTIMATED TO BE DEPOSITED INTO THE GUARANTEE ACCOUNT UNDER THE OFFICIAL
REVENUE ESTIMATE BE DEPOSITED IN THE SCHOOL FACILITY AND TECHNOLOGY ACCOUNT;
REQUIRING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO SUBMIT A SCHOOL FACILITY AND
TECHNOLOGY BASE FOR THE SCHOOL FACILITY AND TECHNOLOGY ACCOUNT TO BE DISTRIBUTED
ON A PER-QUALITY EDUCATOR BASIS; CHANGING THE FORMULAS FOR CERTAIN SCHOOL DISTRICT
BLOCK GRANTS; ELIMINATING THE STATUTORY APPROPRIATION REQUIREMENT FOR THE GUARANTEE
ACCOUNT; ELIMINATING THE PERCENTAGE OF GROWTH FOR SCHOOL DISTRICT BLOCK GRANTS;
PROVIDING RULEMAKING AUTHORITY; REMOVING THE REQUIREMENT THAT TRUSTEES SUBMIT TO
ELECTORS THE PROPOSITION OF TRANSFERRING BUS DEPRECIATION RESERVE FUNDS TO
ANOTHER FUND; ~~ELIMINATING THE QUALITY SCHOOLS FACILITY GRANT PROGRAM ACT~~; AMENDING
SECTIONS 15-36-332, 17-7-502, 20-3-363, 20-9-104, 20-9-201, 20-9-204, 20-9-208, 20-9-306, 20-9-308,

1 ~~20-9-342, 20-9-353, 20-9-507, 20-9-516, 20-9-630, 20-9-622, 20-9-630,~~ AND 20-10-147, MCA; REPEALING
 2 SECTIONS ~~90-6-801, 90-6-802, 90-6-803, 90-6-809, 90-6-810, 90-6-811, 90-6-812, 90-6-818, AND 90-6-819,~~
 3 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE DATES AND AN APPLICABILITY DATE."

4
 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

6
 7 **SECTION 1.** SECTION 15-36-332, MCA, IS AMENDED TO READ:

8 **"15-36-332. Distribution of taxes to taxing units -- appropriation.** (1) (a) By Subject to [section 7],
 9 by the dates referred to in subsection (6) of this section, the department shall distribute oil and natural gas
 10 production taxes allocated under 15-36-331(3) to each eligible county.

11 (b) By the dates referred to in subsection (6), the department shall distribute the amount deposited in
 12 the oil and gas natural resource distribution account under 15-36-331(2)(b) as provided in subsection (8) of this
 13 section.

14 (2) (a) Each county treasurer shall distribute the amount of oil and natural gas production taxes
 15 designated under subsection (1)(a), including the amounts referred to in subsection (2)(b), to the countywide
 16 elementary and high school retirement funds, countywide transportation funds, and eligible school districts
 17 according to the following schedule:

	Elementary Retirement	High School Retirement	Countywide Transportation	School Districts
20 Big Horn	14.81%	10.36%	2.99%	26.99%
21 Blaine	5.86%	2.31%	2.71%	24.73%
22 Carbon	3.6%	6.62%	1.31%	49.18%
23 Chouteau	8.1%	4.32%	3.11%	23.79%
24 Custer	6.9%	3.4%	1.19%	31.25%
25 Daniels	0	7.77%	3.92%	48.48%
26 Dawson	5.53%	2.5%	1.11%	35.6%
27 Fallon	0	7.63%	1.24%	42.58%
28 Fergus	7.88%	4.84%	2.08%	53.25%
29 Garfield	4.04%	3.13%	5.29%	26.19%
30 Glacier	11.2%	4.87%	3.01%	46.11%

1	Golden Valley	0	11.52%	2.77%	54.65%
2	Hill	6.7%	4.07%	1.59%	49.87%
3	Liberty	4.9%	4.56%	1.15%	35.22%
4	McCone	4.18%	3.19%	2.58%	43.21%
5	Musselshell	5.98%	4.07%	3.53%	32.17%
6	Petroleum	0	11.92%	4.59%	55.48%
7	Phillips	0.43%	6.6%	1.08%	41.29%
8	Pondera	6.96%	5.06%	1.94%	45.17%
9	Powder River	3.96%	2.97%	4.57%	22.25%
10	Prairie	0	8.88%	1.63%	36.9%
11	Richland	4.1%	3.92%	2.26%	43.77%
12	Roosevelt	9.93%	7.37%	2.74%	40.94%
13	Rosebud	3.87%	2.24%	1.05%	72.97%
14	Sheridan	0	3.39%	2.22%	47.63%
15	Stillwater	6.87%	4.86%	1.63%	41.16%
16	Sweet Grass	6.12%	6.5%	2.4%	37.22%
17	Teton	6.88%	8.19%	3.8%	29.43%
18	Toole	2.78%	4.78%	1.3%	43.56%
19	Valley	2.26%	12.61%	4.63%	41.11%
20	Wibaux	0	4.1%	0.77%	31.46%
21	Yellowstone	7.98%	4.56%	1.07%	52.77%
22	All other counties	3.81%	7.84%	1.81%	41.04%

23 (b) (i) The county treasurer shall distribute 9.8% of the Custer County share to the countywide community
24 college district in Custer County.

25 (ii) The county treasurer shall distribute 14.5% of the Dawson County share to the countywide community
26 college district in Dawson County.

27 (3) The remaining oil and natural gas production taxes for each county must be used for the exclusive
28 use and benefit of the county, including districts within the county established by the county.

29 (4) (a) The county treasurer shall distribute oil and natural gas production taxes to school districts in each
30 county referred to in subsection (2) as provided in subsections (4)(b) through (4)(d) and subject to the provisions

1 of [section 7].

2 (b) The amount distributed to each K-12 district within the county is equal to oil and natural gas
3 production taxes in the county multiplied by the ratio that oil and natural gas production taxes attributable to oil
4 and natural gas production in the K-12 school district bear to total oil and natural gas production taxes attributable
5 to total oil and natural gas production in the county and multiply that amount by the school district percentage
6 figure for the county referred to in subsection (2)(a).

7 (c) For the amount to be distributed to each elementary school district and to each high school district
8 under subsection (4)(d), the department shall first determine the amount of oil and natural gas production taxes
9 in the high school district that is attributable to oil and natural gas production in each elementary school district
10 that is located in whole or in part within the exterior boundaries of a high school district and multiply that amount
11 by the school district percentage figure for the county referred to in subsection (2)(a).

12 (d) (i) The amount distributed to each elementary school district that is located in whole or in part within
13 the exterior boundaries of a high school district is equal to the amount determined in subsection (4)(c) multiplied
14 by the ratio that the total mills of the elementary school district bear to the sum of the total mills of the elementary
15 school district and the total mills of the high school district.

16 (ii) The amount distributed to the high school district is equal to the amount determined in subsection
17 (4)(c) multiplied by the ratio that the total mills of the high school district bear to the sum of the total mills of each
18 elementary school district referred to in subsection (4)(c) and the total mills of the high school district.

19 (5) ~~(a)~~ Oil and natural gas production taxes calculated for each school district under subsections (4)(b)
20 through (4)(d) must be distributed to each school district in the relative proportion of the mill levy for each fund
21 as provided in [section 7].

22 ~~(b) If a distribution under subsection (5)(a) exceeds the total budget for a school district fund, the board~~
23 ~~of trustees of an elementary or high school district may reallocate the excess to any budgeted fund of the school~~
24 ~~district.~~

25 (6) ~~The~~ Subject to [section 7], the department shall remit the amounts to be distributed in this section
26 to the county treasurer by the following dates:

27 (a) On or before August 1 of each year, the department shall remit to the county treasurer oil and natural
28 gas production tax payments received for the calendar quarter ending March 31 of the current year.

29 (b) On or before November 1 of each year, the department shall remit to the county treasurer oil and
30 natural gas production tax payments received for the calendar quarter ending June 30 of the current year.

1 (c) On or before February 1 of each year, the department shall remit to the county treasurer oil and
2 natural gas production tax payments received for the calendar quarter ending September 30 of the previous year.

3 (d) On or before May 1 of each year, the department shall remit to the county treasurer oil and natural
4 gas production tax payments received for the calendar quarter ending December 31 of the previous year.

5 (7) The department shall provide to each county by May 31 of each year the amount of gross taxable
6 value represented by all types of production taxed under 15-36-304 for the previous calendar year multiplied by
7 60%. The resulting value must be treated as taxable value for county classification purposes under 7-1-2111.

8 (8) The department shall distribute the funds received under 15-36-331(2)(b) to counties based on
9 county oil and gas production. Of the distribution to a county, one-third must be distributed to the county
10 government and two-thirds must be distributed to incorporated cities and towns within the county. If there is more
11 than one incorporated city or town within the county, the city and town allocation must be distributed to the cities
12 and towns based on their relative populations.

13 (9) The distributions to taxing units and to counties and incorporated cities and towns under this section
14 are statutorily appropriated, as provided in 17-7-502, from the state special revenue fund."
15

16 **SECTION 2. SECTION 17-7-502, MCA, IS AMENDED TO READ:**

17 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
18 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
19 need for a biennial legislative appropriation or budget amendment.

20 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
21 of the following provisions:

22 (a) The law containing the statutory authority must be listed in subsection (3).

23 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory
24 appropriation is made as provided in this section.

25 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;
26 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312;
27 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121;
28 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101;
29 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506;
30 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; ~~20-9-622~~; 20-26-1503; 22-3-1004; 23-4-105; 23-5-306;

1 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101;
 2 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870;
 3 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 81-10-103;
 4 82-11-161; 87-1-230; 87-1-603; 87-1-621; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

5 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 6 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
 7 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
 8 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
 9 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
 10 appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion
 11 of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is
 12 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch.
 13 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 17, Ch. 593, L. 2005, and
 14 sec. 1, Ch. 186, L. 2009, the inclusion of 15-31-906 terminates January 1, 2015; pursuant to sec. 73, Ch. 44, L.
 15 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the
 16 supplemental benefit provided by 19-6-709; pursuant to sec. 14, Ch. 374, L. 2009, the inclusion of 53-9-113
 17 terminates June 30, 2015; pursuant to sec. 8, Ch. 427, L. 2009, the inclusion of 87-1-230 terminates June 30,
 18 2013; and pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331 terminates June 30, 2019.)"

19

20 **Section 3.** Section 20-3-363, MCA, is amended to read:

21 **"20-3-363. Interdistrict Multidistrict agreements -- fund transfers.** (1) The boards of trustees of any
 22 two or more school districts ~~that have unified pursuant to 20-6-312, any two school districts that have created a~~
 23 ~~joint board of trustees pursuant to 20-3-361, or a high school district and any elementary school district~~
 24 ~~associated with that high school district~~ may enter into an interdistrict a multidistrict agreement TO CREATE A
 25 MULTIDISTRICT COOPERATIVE to perform any services, activities, and undertakings of the participating districts and
 26 to provide for the joint funding and operation and maintenance of ~~both~~ all participating districts upon the terms
 27 and conditions as may be mutually agreed to by the districts subject to the conditions of this section. An
 28 agreement must be approved by the ~~board~~ boards of trustees of ~~both~~ all participating districts by ~~February 1~~ April
 29 1 of the ~~current fiscal~~ year in which the agreement is executed and by April 1 in any subsequent year to which
 30 the agreement applies.

1 (2) All expenditures in support of the ~~interdistrict~~ multidistrict agreement may be made from the interlocal
 2 cooperative fund as specified in 20-9-703 and 20-9-704. Each participating district OF THE MULTIDISTRICT
 3 COOPERATIVE may transfer funds into the interlocal cooperative fund from the general fund or any other budgeted
 4 fund of the district. Transfers to the interlocal cooperative fund from each participating school ~~district~~ district's
 5 general fund are limited to an amount not to exceed the direct state aid in support of the respective school
 6 district's general fund, ~~and All transfers~~ must be completed by ~~February 1~~ April 1 of the ~~current fiscal~~ year in which
 7 the agreement is executed and by April 1 in any subsequent year to which the agreement applies.

8 (3) Expenditures from the interlocal cooperative fund under this section are limited to those expenditures
 9 that are permitted by law and that are within the final budget for the general budgeted fund from which the transfer
 10 was made.

11 (4) THE INTENT OF THIS SECTION IS TO INCREASE THE FLEXIBILITY AND EFFICIENCY OF SCHOOL DISTRICTS
 12 WITHOUT AN INCREASE IN LOCAL TAXES. IN FURTHERANCE OF THIS INTENT, IF TRANSFERS OF FUNDS ARE MADE FROM ANY
 13 SCHOOL DISTRICT FUND SUPPORTED BY A NONVOTED LEVY, THE DISTRICT MAY NOT INCREASE ITS NONVOTED LEVY FOR
 14 THE PURPOSE OF RESTORING THE AMOUNT OF FUNDS TRANSFERRED.

15 (5) AS USED IN THIS TITLE, "MULTIDISTRICT COOPERATIVE" MEANS A PUBLIC ENTITY CREATED BY TWO OR MORE
 16 SCHOOL DISTRICTS EXECUTING A MULTIDISTRICT AGREEMENT UNDER THIS SECTION OR ANY SCHOOL DISTRICT OR OTHER
 17 PUBLIC ENTITY PARTICIPATING IN AN INTERLOCAL COOPERATIVE AGREEMENT UNDER THE PROVISIONS OF TITLE 20,
 18 CHAPTER 9, PART 7, AS EITHER A COORDINATING OR A COOPERATING AGENCY."

19
 20 **NEW SECTION. SECTION 4. MONTANA PATHWAY TO EXCELLENCE PROGRAM -- PURPOSE. (1) [SECTIONS 4**
 21 **AND 5] MAY BE KNOWN AS THE PATHWAY TO EXCELLENCE PROGRAM.**

22 (2) THE PURPOSE OF THE PATHWAY TO EXCELLENCE PROGRAM IS TO PROMOTE EDUCATIONAL EXCELLENCE IN
 23 MONTANA'S PUBLIC SCHOOLS THROUGH DATA-DRIVEN DECISIONMAKING.

24 (3) IT IS THE INTENT OF THE PROGRAM THAT MONTANA K-12 PUBLIC EDUCATION REMAIN FOCUSED ON
 25 CONTINUOUS IMPROVEMENT AND INCREASED ACADEMIC ACHIEVEMENT FOR STUDENTS IN PUBLIC SCHOOLS.

26
 27 **NEW SECTION. SECTION 5. TRANSPARENCY AND PUBLIC AVAILABILITY OF PUBLIC SCHOOL PERFORMANCE**
 28 **DATA -- REPORTING. (1) THE OFFICE OF PUBLIC INSTRUCTION SHALL DEVELOP A PUBLICLY AVAILABLE DATA SYSTEM THAT**
 29 **DISPLAYS AN EDUCATIONAL DATA PROFILE FOR EACH SCHOOL DISTRICT.**

30 (2) EACH SCHOOL DISTRICT'S EDUCATIONAL PROFILE MUST INCLUDE, AT A MINIMUM, THE FOLLOWING ELEMENTS:

- 1 (A) SCHOOL DISTRICT CONTACT INFORMATION AND LINKS TO DISTRICT WEBSITES, WHEN AVAILABLE;
 2 (B) STATE CRITERION-REFERENCED TESTING RESULTS;
 3 (C) PROGRAM AND COURSE OFFERINGS;
 4 (D) STUDENT ENROLLMENT AND DEMOGRAPHICS BY GRADE LEVEL; AND
 5 (E) GRADUATION RATES.
- 6 (3) EACH SCHOOL DISTRICT SHALL ANNUALLY REPORT TO THE OFFICE OF PUBLIC INSTRUCTION AND PUBLISH AND
 7 POST ON THE SCHOOL DISTRICT'S INTERNET WEBSITE THE FOLLOWING DISTRICT DATA FOR THE PRECEDING SCHOOL YEAR:
- 8 (A) THE NUMBER AND TYPE OF EMPLOYEE POSITIONS, INCLUDING ADMINISTRATORS;
 9 (B) FOR THE CURRENT EMPLOYEE IN EACH POSITION:
 10 (i) THE TOTAL AMOUNT OF COMPENSATION PAID TO THE EMPLOYEE BY THE DISTRICT. THE TOTAL AMOUNT OF
 11 COMPENSATION INCLUDES BUT IS NOT LIMITED TO THE EMPLOYEE'S BASE WAGE OR SALARY, OVERTIME PAY, AND OTHER
 12 INCOME FROM SCHOOL-SANCTIONED EXTRACURRICULAR ACTIVITIES, INCLUDING COACHING AND SIMILAR ACTIVITIES; AND
 13 (ii) THE CERTIFICATION HELD BY AND REQUIRED OF THE EMPLOYEE;
 14 (C) THE STUDENT-TEACHER RATIO BY GRADE;
 15 (D) (i) THE AMOUNT, BY CATEGORY, SPENT BY THE DISTRICT FOR OPERATION AND MAINTENANCE, STATED IN
 16 TOTAL COST AND COST PER SQUARE FOOT; AND
 17 (ii) THE AMOUNT OF PRINCIPAL AND INTEREST PAID ON BONDS;
 18 (E) THE TOTAL DISTRICT EXPENDITURES PER STUDENT;
 19 (F) THE TOTAL BUDGET FOR ALL FUNDS;
 20 (G) THE TOTAL NUMBER OF STUDENTS ENROLLED AND THE AVERAGE DAILY ATTENDANCE;
 21 (H) THE TOTAL AMOUNT SPENT BY THE DISTRICT ON EXTRACURRICULAR ACTIVITIES AND THE TOTAL NUMBER OF
 22 STUDENTS THAT PARTICIPATED IN EXTRACURRICULAR ACTIVITIES; AND
 23 (i) THE NUMBER OF STUDENTS THAT ENTERED THE 9TH GRADE IN THE SCHOOL DISTRICT BUT DID NOT GRADUATE
 24 FROM A HIGH SCHOOL IN THAT DISTRICT AND FOR WHICH THE SCHOOL DISTRICT DID NOT RECEIVE A TRANSFER REQUEST.
 25 FOR REPORTING PURPOSES, THE STUDENTS IDENTIFIED UNDER THIS SUBSECTION (3)(i) ARE CONSIDERED TO HAVE
 26 DROPPED OUT OF SCHOOL.
- 27 (4) EACH SCHOOL DISTRICT SHALL ALSO POST ON THE SCHOOL DISTRICT'S INTERNET WEBSITE A COPY OF EVERY
 28 WORKING AGREEMENT THE DISTRICT HAS WITH ANY ORGANIZED LABOR ORGANIZATION AND THE DISTRICT'S COSTS, IF ANY,
 29 ASSOCIATED WITH EMPLOYEE UNION REPRESENTATION, COLLECTIVE BARGAINING, AND UNION GRIEVANCE PROCEDURES
 30 AND LITIGATION RESULTING FROM UNION EMPLOYEE GRIEVANCES.

1 (5) IF A SCHOOL DISTRICT DOES NOT HAVE AN INTERNET WEBSITE, THE SCHOOL DISTRICT SHALL PUBLISH THE
 2 INFORMATION REQUIRED UNDER SUBSECTIONS (2) AND (3) IN PRINTED FORM AND PROVIDE A COPY OF THE INFORMATION
 3 UPON REQUEST AT THE COST INCURRED BY THE SCHOOL DISTRICT FOR PRINTING ONLY.

4
 5 **SECTION 6. SECTION 20-9-104, MCA, IS AMENDED TO READ:**

6 **"20-9-104. General fund operating reserve.** (1) At the end of each school fiscal year, the trustees of
 7 each district shall designate the portion of the general fund end-of-the-year fund balance that is to be earmarked
 8 as operating reserve for the purpose of paying general fund warrants issued by the district from July 1 to
 9 November 30 of the ensuing school fiscal year. Except as provided in subsections ~~(5) and (6)~~ (7) and (8), the
 10 amount of the general fund balance that is earmarked as operating reserve may not exceed 10% of the final
 11 general fund budget for the ensuing school fiscal year.

12 (2) The amount held as operating reserve may not be used for property tax reduction in the manner
 13 permitted by 20-9-141(1)(b) for other receipts.

14 (3) Excess reserves as provided in subsection ~~(5)~~ (7) may be appropriated to reduce the BASE budget
 15 levy, the over-BASE budget levy, or the additional levy provided by 20-9-353.

16 (4) Any portion of the general fund end-of-the-year fund balance that is not reserved under subsection
 17 (2) or reappropriated under subsection (3) is fund balance reappropriated and must be used for property tax
 18 reduction as provided in 20-9-141(1)(b)- up to an amount not exceeding 15% of a school district's maximum
 19 general fund budget.

20 (5) For fiscal year 2012, any unreserved fund balance in excess of 15% of a school district's maximum
 21 general fund budget must be remitted to the state to be deposited in the state general fund.

22 (6) Beginning in fiscal year 2013, any unreserved fund balance in excess of 15% of a school district's
 23 maximum general fund budget must be remitted to the state and allocated as follows:

24 (a) 70% of the excess amount must be remitted to the state to be deposited in the guarantee account
 25 provided for in 20-9-622;

26 (b) 5% of the excess amount must be remitted to the state to be deposited in the state school oil and
 27 natural gas impact account provided for in [section 8]; and

28 (c) 25% of the excess amount must be deposited in the county school oil and natural gas impact fund
 29 provided for in [section 9].

30 ~~(5)(7)~~ The limitation of subsection (1) does not apply when the amount in excess of the limitation is equal

1 to or less than the unused balance of any amount:

2 (a) received in settlement of tax payments protested in a prior school fiscal year;

3 (b) received in taxes from a prior school fiscal year as a result of a tax audit by the department of
4 revenue or its agents; or

5 (c) received in delinquent taxes from a prior school fiscal year.

6 ~~(6)(8)~~ The limitation of subsection (1) does not apply when the amount earmarked as operating reserve
7 is \$10,000 or less.

8 (9) Prior to June 30, 2011, a school district may transfer any general fund money in excess of 15% of
9 the fiscal year 2011 general fund budget that is not needed to fund the budget to any budgeted fund considered
10 appropriate by the trustees."

11
12 **NEW SECTION. SECTION 7. OIL AND NATURAL GAS PRODUCTION TAXES FOR SCHOOL DISTRICTS --**

13 **ESTIMATION, ALLOCATION, AND LIMITS. (1) IN ACCORDANCE WITH 20-9-141, THE TRUSTEES OF A DISTRICT RECEIVING OIL**
14 **AND NATURAL GAS PRODUCTION TAXES SHALL ADOPT AN ESTIMATE OF THOSE TAXES ANTICIPATED TO BE RECEIVED BY**
15 **THE DISTRICT IN ANY GIVEN SCHOOL FISCAL YEAR. THE ESTIMATED REVENUE MUST BE ALLOCATED TO THE DISTRICT**
16 **GENERAL FUND BUDGET AS PROVIDED FOR IN SUBSECTION (7).**

17 **(2) THE DISTRICT'S ESTIMATION OF ANTICIPATED REVENUE MAY NOT BE LESS THAN 40% OF THE PRIOR YEAR'S**
18 **ACTUAL TAXES RECEIVED IN ALL FUNDS.**

19 **(3) THE MAXIMUM AMOUNT OF OIL AND NATURAL GAS PRODUCTION TAXES THAT A SCHOOL DISTRICT MAY RETAIN**
20 **IS 150% OF THE SCHOOL DISTRICT'S MAXIMUM OR ADOPTED BUDGET, DETERMINED IN ACCORDANCE WITH 20-9-308.**

21 **(4) UPON RECEIPT OF SCHOOL DISTRICT BUDGET REPORTS REQUIRED UNDER 20-9-134, THE SUPERINTENDENT**
22 **OF PUBLIC INSTRUCTION SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH A LIST REPORTING THE MAXIMUM GENERAL**
23 **FUND BUDGET FOR EACH SCHOOL DISTRICT.**

24 **(5) THE DEPARTMENT OF REVENUE SHALL MAKE THE FULL QUARTERLY DISTRIBUTION OF OIL AND NATURAL GAS**
25 **PRODUCTION TAXES AS REQUIRED UNDER 15-36-332(6) UNTIL THE AMOUNT DISTRIBUTED REACHES THE LIMITATION IN**
26 **SUBSECTION (3) OF THIS SECTION.**

27 **(6) FOR FISCAL YEAR 2012, ANY AMOUNT OF OIL AND NATURAL GAS PRODUCTION TAXES EXCEEDING THE**
28 **LIMITATION IN SUBSECTION (3) MUST BE DEPOSITED IN THE STATE GENERAL FUND.**

29 **(7) SUBJECT TO THE LIMITATION IN SUBSECTION (3), THE TRUSTEES SHALL ALLOCATE THE OIL AND NATURAL GAS**
30 **PRODUCTION TAXES RECEIVED BY THE DISTRICT AS FOLLOWS:**

1 (A) 75% OF THE SCHOOL DISTRICT'S OIL AND NATURAL GAS PRODUCTION TAX SHARE MUST BE DIRECTED TO
 2 SUPPORT THE DISTRICT'S GENERAL FUND BUDGET; AND

3 (B) 25% MAY BE DIRECTED TO THE GENERAL FUND OR ANY OTHER BUDGETED FUND.

4 (8) BEGINNING JULY 1, 2013, FOR ANY AMOUNT RETAINED BY THE DEPARTMENT OF REVENUE IN COMPLIANCE
 5 WITH THE LIMITATION IN SUBSECTION (3), THE AMOUNT RETAINED MUST BE ALLOCATED AS FOLLOWS:

6 (A) 70% OF THE RETAINED AMOUNT MUST BE DEPOSITED IN THE GUARANTEE ACCOUNT PROVIDED FOR IN
 7 20-9-622;

8 (B) 5% OF THE RETAINED AMOUNT MUST BE DEPOSITED IN THE STATE SCHOOL OIL AND NATURAL GAS IMPACT
 9 ACCOUNT PROVIDED FOR IN [SECTION 8]; AND

10 (C) 25% OF THE RETAINED AMOUNT MUST BE DISTRIBUTED TO THE COUNTIES FOR DEPOSIT IN THE COUNTY
 11 SCHOOL OIL AND NATURAL GAS IMPACT FUND PROVIDED FOR IN [SECTION 9].

12

13 **NEW SECTION. SECTION 8. STATE SCHOOL OIL AND NATURAL GAS IMPACT ACCOUNT.** (1) THERE IS A STATE
 14 SCHOOL OIL AND NATURAL GAS IMPACT ACCOUNT IN THE STATE SPECIAL REVENUE FUND PROVIDED FOR IN 17-2-102. THE
 15 PURPOSE OF THE ACCOUNT IS TO PROVIDE MONEY TO COUNTIES AND SCHOOLS THAT ARE NOT RECEIVING OIL AND
 16 NATURAL GAS PRODUCTION TAXES UNDER 15-36-331 BUT ARE IMPACTED BY NEIGHBORING COUNTIES THAT ARE
 17 BENEFITING FROM RECEIPT OF OIL AND NATURAL GAS PRODUCTION TAXES.

18 (2) THERE MUST BE DEPOSITED IN THE ACCOUNT OIL AND NATURAL GAS PRODUCTION TAXES, IF ANY, PURSUANT
 19 TO [SECTION 7(5)] AND ANY AMOUNTS PURSUANT TO 20-9-104(6).

20 (3) A COUNTY OR SCHOOL DISTRICT MAY APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR FUNDS
 21 FROM THE ACCOUNT FOR CIRCUMSTANCES THAT ARE DIRECTLY RELATED TO IMPACTS RESULTING FROM THE
 22 DEVELOPMENT OR CESSATION OF DEVELOPMENT OF OIL AND NATURAL GAS AS FOLLOWS:

23 (A) AN UNUSUAL ENROLLMENT INCREASE AS DETERMINED PURSUANT TO 20-9-314;

24 (B) A DISTRICT'S NEED TO HIRE NEW TEACHERS OR STAFF AS A RESULT OF INCREASED ENROLLMENT;

25 (C) THE OPENING OR REOPENING OF AN ELEMENTARY OR HIGH SCHOOL APPROVED BY THE SUPERINTENDENT OF
 26 PUBLIC INSTRUCTION PURSUANT TO 20-6-502 OR 20-6-503; OR

27 (D) MAJOR MAINTENANCE FOR A SCHOOL OR DISTRICT.

28 (4) IN REVIEWING AN APPLICANT'S REQUEST FOR FUNDING, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL
 29 CONSIDER THE FOLLOWING:

30 (A) THE LOCAL DISTRICT'S OR SCHOOL'S NEED;

1 (B) THE SEVERITY OF THE ENERGY DEVELOPMENT IMPACTS;

2 (C) AVAILABILITY OF FUNDS IN THE ACCOUNT; AND

3 (D) THE APPLICANT DISTRICT'S ABILITY TO MEET THE NEEDS IDENTIFIED IN SUBSECTION (3).

4 (5) THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ADOPT RULES NECESSARY TO IMPLEMENT THE
5 APPLICATION AND DISTRIBUTION PROCESS.

6 (6) THE AMOUNT IN THE ACCOUNT MAY NOT EXCEED \$7.5 MILLION. ANY AMOUNT OVER \$7.5 MILLION MUST BE
7 DEPOSITED IN THE STATE GENERAL FUND.

8
9 NEW SECTION. SECTION 9. COUNTY SCHOOL OIL AND NATURAL GAS IMPACT FUND. (1) THE GOVERNING BODY
10 OF A COUNTY RECEIVING AN ALLOCATION UNDER 20-9-104(6) AND [SECTION 7(5)] SHALL ESTABLISH A COUNTY SCHOOL
11 OIL AND NATURAL GAS IMPACT FUND.

12 (2) MONEY RECEIVED BY A COUNTY PURSUANT TO 20-9-104(6) AND [SECTION 7(5)] MUST REMAIN IN THE FUND
13 AND MAY NOT BE APPROPRIATED BY THE GOVERNING BODY UNTIL:

14 (A) THE AMOUNT OF OIL AND NATURAL GAS PRODUCTION TAXES RECEIVED BY A SCHOOL DISTRICT FOR THE FISCAL
15 YEAR IS 30% OR LESS OF THE AMOUNT OF THE AVERAGE RECEIVED BY THE DISTRICT IN THE PREVIOUS 4 FISCAL YEARS;

16 (B) THE AVERAGE PRICE OF OIL IS \$50 A BARREL OR LESS FOR THE FISCAL YEAR; OR

17 (C) THE PRODUCTION OF OIL IN THE COUNTY DROPS 50% OR MORE BELOW THE AVERAGE OIL PRODUCTION IN
18 THE COUNTY DURING THE IMMEDIATELY PRECEDING 5-YEAR PERIOD.

19 (3) WITHIN 30 DAYS OF ANY OF THE CIRCUMSTANCES DESCRIBED IN SUBSECTIONS (2)(A) THROUGH (2)(C)
20 OCCURRING, THE GOVERNING BODY OF THE COUNTY SHALL ALLOCATE 80% OF THE MONEY PROPORTIONALLY TO
21 AFFECTED HIGH SCHOOL DISTRICTS AND ELEMENTARY SCHOOL DISTRICTS IN THE COUNTY.

22 (4) THE GOVERNING BODY OF THE COUNTY MAY USE 20% OF THE MONEY IN THE FUND TO:

23 (A) PAY FOR OUTSTANDING CAPITAL PROJECT BONDS OR OTHER EXPENSES INCURRED PRIOR TO THE REDUCTION
24 IN THE PRICE OF OIL DESCRIBED IN SUBSECTION (2)(B);

25 (B) OFFSET PROPERTY TAX LEVY INCREASES THAT ARE DIRECTLY CAUSED BY THE CESSATION OR REDUCTION OF
26 OIL AND NATURAL GAS ACTIVITY;

27 (C) PROMOTE DIVERSIFICATION AND DEVELOPMENT OF THE ECONOMIC BASE WITHIN THE JURISDICTION;

28 (D) ATTRACT NEW INDUSTRY TO THE AREA IMPACTED BY THE CHANGES IN OIL AND NATURAL GAS ACTIVITY
29 DESCRIBED IN SUBSECTION (2); OR

30 (E) PROVIDE CASH INCENTIVES FOR EXPANDING THE EMPLOYMENT BASE OF THE AREA IMPACTED BY THE

1 CHANGES IN OIL AND NATURAL GAS ACTIVITY DESCRIBED IN SUBSECTION (2).

2 (5) EXCEPT AS PROVIDED IN SUBSECTION (4)(B), MONEY HELD IN THE FUND MAY NOT BE CONSIDERED AS FUND
3 BALANCE FOR THE PURPOSE OF REDUCING MILL LEVIES.

4 (6) MONEY IN THE FUND MUST BE INVESTED AS PROVIDED BY LAW. INTEREST AND INCOME FROM THE INVESTMENT
5 OF MONEY IN THE FUND MUST BE CREDITED TO THE FUND.

6

7 **Section 10.** Section 20-9-201, MCA, is amended to read:

8 **"20-9-201. Definitions and application.** (1) As used in this title, unless the context clearly indicates
9 otherwise, "fund" means a separate detailed account of receipts and expenditures for a specific purpose as
10 authorized by law or by the superintendent of public instruction under the provisions of subsection (2). Funds are
11 classified as follows:

12 (a) A "budgeted fund" means any fund for which a budget must be adopted in order to expend money
13 from the fund. The general fund, transportation fund, bus depreciation reserve fund, tuition fund, retirement fund,
14 debt service fund, building reserve fund, adult education fund, nonoperating fund, and any other funds designated
15 by the legislature are budgeted funds.

16 (b) A "nonbudgeted fund" means any fund for which a budget is not required in order to expend money
17 on deposit in the fund. The school food services fund, miscellaneous programs fund, building fund, lease or rental
18 agreement fund, traffic education fund, interlocal cooperative fund, internal service fund, impact aid fund,
19 enterprise fund, agency fund, extracurricular fund, metal mines tax reserve fund, endowment fund, litigation
20 reserve fund, and any other funds designated by the legislature are nonbudgeted funds.

21 (2) The school financial administration provisions of this title apply to all money of any elementary or high
22 school district. Elementary and high school districts shall record the receipt and disbursement of all money in
23 accordance with generally accepted accounting principles. The superintendent of public instruction has general
24 supervisory authority as prescribed by law over the school financial administration provisions, as they relate to
25 elementary and high school districts. The superintendent of public instruction shall adopt rules necessary to
26 secure compliance with the law.

27 (3) ~~(a) Except as provided in subsection (3)(b) or as otherwise provided by law, whenever~~ Whenever
28 EXCEPT AS OTHERWISE PROVIDED BY LAW, WHENEVER the trustees of a district determine that a fund is inactive and
29 will no longer be used, the trustees shall close the fund by transferring all cash and other account balances to
30 any fund considered appropriate by the trustees if the fund does not have a cash or fund balance deficit.

1 ~~_____ (b) If the trustees of a district determine that its tuition fund is inactive and will no longer be used, the~~
 2 ~~trustees shall close the fund by transferring any cash and account balances to the district's miscellaneous~~
 3 ~~programs fund if the tuition fund does not have a cash or fund balance deficit."~~

4

5 **Section 11.** Section 20-9-204, MCA, is amended to read:

6 **"20-9-204. Conflicts of interests, letting contracts, and calling for bids -- exceptions.** (1) It is
 7 unlawful for a trustee to:

8 (a) have any pecuniary interest, either directly or indirectly, in any contract made by the trustee while
 9 acting in that official capacity or by the board of trustees of which the trustee is a member; or

10 (b) be employed in any capacity by the trustee's own school district, with the exception of officiating at
 11 athletic competitions under the auspices of the Montana officials association.

12 (2) For the purposes of subsection (1):

13 (a) "contract" does not include:

14 (i) merchandise sold to the highest bidder at public auctions;

15 (ii) investments or deposits in financial institutions that are in the business of loaning or receiving money
 16 when the investments or deposits are made on a rotating or ratable basis among financial institutions in the
 17 community or when there is only one financial institution in the community; or

18 (iii) contracts for professional services, other than salaried services, or for maintenance or repair services
 19 or supplies when the services or supplies are not reasonably available from other sources if the interest of any
 20 board member and a determination of the lack of availability are entered in the minutes of the board meeting at
 21 which the contract is considered; and

22 (b) "pecuniary interest" does not include holding an interest of 10% or less in a corporation.

23 (3) (a) Except for district needs that must be met because of an unforeseen emergency, as defined in
 24 20-3-322(5), or as provided in subsections (4) and ~~(7)~~ (6) of this section, whenever any building, furnishing,
 25 repairing, or other work for the benefit of the district or purchasing of supplies for the district is necessary, the
 26 work done or the purchase made must be by contract if the sum exceeds \$50,000.

27 (b) Except as provided in Title 18, chapter 2, part 5, each contract must be let to the lowest responsible
 28 bidder after advertisement for bids. The advertisement for bids under this subsection (3)(b) must be published
 29 in the newspaper that will give notice to the largest number of people of the district as determined by the trustees.
 30 The advertisement must be made once each week for 2 consecutive weeks, and the second publication must

1 be made not less than 5 days or more than 12 days before consideration of bids. A contract not let pursuant to
 2 this section is void. The bidding requirements applicable to services performed for the benefit of the district under
 3 this section do not apply to:

- 4 (i) a registered professional engineer, surveyor, real estate appraiser, or registered architect;
- 5 (ii) a physician, dentist, pharmacist, or other medical, dental, or health care provider;
- 6 (iii) an attorney;
- 7 (iv) a consulting actuary;
- 8 (v) a private investigator licensed by any jurisdiction;
- 9 (vi) a claims adjuster;
- 10 (vii) an accountant licensed under Title 37, chapter 50; or
- 11 (viii) a project, as defined in 18-2-501, for which a governing body, as defined in 18-2-501, enters into
 12 an alternative project delivery contract pursuant to Title 18, chapter 2, part 5.

13 (4) A district may enter into a cooperative purchasing contract for the procurement of supplies or services
 14 with one or more districts. ~~The award of a contract to a successful bidder must comply with the requirements of~~
 15 ~~subsection (5). The request for bids must be advertised in a daily newspaper of general circulation in each county~~
 16 ~~in which a district participating in the cooperative purchasing contract is located. The advertisement must be~~
 17 ~~made once each week for 2 consecutive weeks, and the second publication must be made not less than 5 days~~
 18 ~~or more than 12 days before consideration of bids.~~ A district participating in a cooperative purchasing group may
 19 purchase supplies and services through the group without complying with the provisions of subsection (3) if the
 20 cooperative purchasing group has a publicly available master list of items available with pricing included and
 21 provides an opportunity at least twice yearly for any Montana vendor, INCLUDING A MONTANA VENDOR, to compete,
 22 based on a lowest responsible bidder standard, for inclusion of their THE VENDOR'S supplies and services on the
 23 cooperative purchasing group's master list.

24 ~~— (5) Except as provided in Title 18, chapter 2, part 5, whenever bidding is required, the contract must be~~
 25 ~~awarded to the lowest responsible bidder, except that any or all bids may be rejected.~~

26 ~~(6)(5)~~ (5) This section may not require the board of trustees to let a contract for any routine and regularly
 27 performed maintenance or repair project or service that can be accomplished by district staff whose regular
 28 employment with the school district is related to the routine performance of maintenance for the district.

29 ~~(7)(6)~~ (6) Subsection (3) does not apply to the solicitation or award of a contract for an investment grade
 30 energy audit or an energy performance contract pursuant to Title 90, chapter 4, part 11, including construction

1 and installation of conservation measures pursuant to the energy performance contract."

2

3 **Section 12.** Section 20-9-208, MCA, is amended to read:

4 **"20-9-208. Transfers among appropriation items of fund -- transfers from fund to fund.** (1)

5 Whenever it appears to the trustees of a district that the appropriated amount of an item of a budgeted fund of
6 the final budget or a budget amendment is in excess of the amount actually required during the school fiscal year
7 for the appropriation item, the trustees may transfer any of the excess appropriation amount to any other
8 appropriation item of the same budgeted fund.

9 (2) Unless otherwise restricted by a specific provision in this title, transfers may be made between
10 different funds of the same district or between the final budget and a budget amendment under one of the
11 following circumstances:

12 (a) (i) Except as provided in subsection (2)(a)(ii), transfers may be made from one budgeted fund to
13 another budgeted fund or between the final budget and a budget amendment for a budgeted fund whenever the
14 trustees determine, in their discretion, that the transfer of funds is necessary to improve the efficiency of spending
15 within the district or when an action of the trustees results in savings in one budgeted fund that can be put to more
16 efficient use in another budgeted fund. Transfers may not be made with funds approved by the voters or with
17 funds raised by a nonvoted levy unless:

18 (A) the transfer is within or directly related to the purposes for which the funds were raised.~~Before a~~
19 ~~transfer can occur, the trustees shall~~ and the trustees hold a properly noticed hearing to accept public comment
20 on the transfer; or

21 (B) the transfer is approved by the qualified electors of the district in an election called for the purpose
22 of approving the transfer, IN WHICH CASE THE FUNDS MAY BE SPENT FOR THE PURPOSE APPROVED ON THE BALLOT.

23 (ii) Unless otherwise authorized by a specific provision in this title, transfers from the general fund to any
24 other fund and transfers to the general fund from any other fund are prohibited.

25 (b) Transfers may be made from one nonbudgeted fund to another nonbudgeted fund whenever the
26 trustees determine that the transfer of funds is necessary to improve the efficiency of spending within the district.
27 Transfers may not be made with funds restricted by state or federal law unless the transfer is in compliance with
28 any restrictions or conditions imposed by state or federal law. Before a transfer can occur, the trustees shall hold
29 a properly noticed hearing to accept public comment on the transfer.

30 (3) The trustees shall enter the authorized transfers upon the permanent records of the district.

1 (4) THE INTENT OF THIS SECTION IS TO INCREASE THE FLEXIBILITY AND EFFICIENCY OF SCHOOL DISTRICTS
 2 WITHOUT AN INCREASE IN LOCAL TAXES. IN FURTHERANCE OF THIS INTENT, IF TRANSFERS OF FUNDS ARE MADE FROM ANY
 3 SCHOOL DISTRICT FUND SUPPORTED BY A NONVOTED LEVY, THE DISTRICT MAY NOT INCREASE ITS NONVOTED LEVY FOR
 4 THE PURPOSE OF RESTORING THE AMOUNT OF FUNDS TRANSFERRED."

5

6 **SECTION 13. SECTION 20-9-306, MCA, IS AMENDED TO READ:**

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

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

10 (2) "BASE aid" means:

11 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the
 12 general fund budget of a district;

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

16 (c) the total quality educator payment;

17 (d) the total at-risk student payment;

18 (e) the total Indian education for all payment; and

19 (f) the total American Indian achievement gap payment.

20 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic
 21 entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total
 22 at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian
 23 achievement gap payment, and 140% of the special education allowable cost payment.

24 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may
 25 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through
 26 20-9-369.

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

- 1 (6) "Basic entitlement" means:
- 2 (a) for each high school district:
- 3 (i) ~~\$246,085~~ \$256,256 for fiscal year ~~2010~~ 2012; and
- 4 (ii) ~~\$253,468~~ \$257,870 for each succeeding fiscal year;
- 5 (b) for each elementary school district or K-12 district elementary program without an approved and
- 6 accredited junior high school, 7th and 8th grade program, or middle school:
- 7 (i) ~~\$22,141~~ \$23,056 for fiscal year ~~2010~~ 2012;
- 8 (ii) ~~\$22,805~~ \$23,201 for each succeeding fiscal year; and
- 9 (c) for each elementary school district or K-12 district elementary program with an approved and
- 10 accredited junior high school, 7th and 8th grade program, or middle school:
- 11 (i) for kindergarten through grade 6 elementary program:
- 12 (A) ~~\$22,141~~ \$23,056 for fiscal year ~~2010~~ 2012; and
- 13 (B) ~~\$22,805~~ \$23,201 for each succeeding fiscal year; plus
- 14 (ii) for an approved and accredited junior high school program, 7th and 8th grade program, or middle
- 15 school:
- 16 (A) ~~\$62,704~~ \$65,295 for fiscal year ~~2010~~ 2012; and
- 17 (B) ~~\$64,585~~ \$65,706 for each succeeding fiscal year.
- 18 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
- 19 20-9-311.
- 20 (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
- 21 for the general fund budget of a district and funded with state and county equalization aid.
- 22 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the
- 23 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,
- 24 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement
- 25 gap payment, and the greater of:
- 26 (a) 175% of special education allowable cost payments; or
- 27 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures
- 28 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a
- 29 maximum allowable ratio of 200%.
- 30 (10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted

1 that is above the BASE budget and below the maximum general fund budget for a district.

2 (11) "Total American Indian achievement gap payment" means the payment resulting from multiplying
3 \$200 times the number of American Indian students enrolled in the district as provided in 20-9-330.

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

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

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

10 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$6,097~~ \$6,349
11 for fiscal year ~~2010~~ 2012 and ~~\$6,280~~ \$6,389 for each succeeding fiscal year for the first ANB, decreased at the
12 rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess
13 of 800 receiving the same amount of entitlement as the 800th ANB;

14 (b) for an elementary school district or a K-12 district elementary program without an approved and
15 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of ~~\$4,763~~ \$4,960
16 for fiscal year ~~2010~~ 2012 and ~~\$4,906~~ \$4,991 for each succeeding fiscal year for the first ANB, decreased at the
17 rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess
18 of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

19 (c) for an elementary school district or a K-12 district elementary program with an approved and
20 accredited junior high school, 7th and 8th grade program, or middle school, the sum of:

21 (i) a maximum rate of ~~\$4,763~~ \$4,960 for fiscal year ~~2010~~ 2012 and ~~\$4,906~~ \$4,991 for each succeeding
22 fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each
23 additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of
24 entitlement as the 1,000th ANB; and

25 (ii) a maximum rate of ~~\$6,097~~ \$6,349 for fiscal year ~~2010~~ 2012 and ~~\$6,280~~ \$6,389 for each succeeding
26 fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB
27 for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of
28 entitlement as the 800th ANB.

29 (15) "Total quality educator payment" means the payment resulting from multiplying \$3,036 for fiscal year
30 2008 and \$3,042 for each succeeding fiscal year times the number of full-time equivalent educators as provided

1 in 20-9-327."

2

3 **Section 14.** Section 20-9-308, MCA, is amended to read:

4 **"20-9-308. BASE budgets and maximum general fund budgets.** (1) (a) The trustees of a district shall
5 adopt a general fund budget that is at least equal to the BASE budget established for the district. The trustees
6 of a district may adopt a general fund budget up to the maximum general fund budget or the previous year's
7 general fund budget, whichever is greater.

8 (b) For purposes of the budget limitation in subsection (1)(a), the trustees may add any increase in state
9 funding for the general fund payments in 20-9-327 through 20-9-330 to the district's previous year's general fund
10 budget.

11 (2) Whenever the trustees of a district propose to adopt a general fund budget that exceeds the BASE
12 budget for the district and to increase the over-BASE budget levy over tax levels REVENUE previously authorized
13 by the electors of the district OR IMPOSED BY THE DISTRICT in a prior year ANY OF THE PREVIOUS 5 YEARS to support
14 the general fund budget, the trustees shall submit a proposition to the electors of the district, as provided in
15 20-9-353.

16 (3) The BASE budget for the district must be financed by the following sources of revenue:

17 (a) state equalization aid, as provided in 20-9-343, including any guaranteed tax base aid for which the
18 district may be eligible, as provided in 20-9-366 through 20-9-369;

19 (b) county equalization aid, as provided in 20-9-331 and 20-9-333;

20 (c) a district levy for support of a school not approved as an isolated school under the provisions of
21 20-9-302;

22 (d) payments in support of special education programs under the provisions of 20-9-321;

23 (e) nonlevy revenue, as provided in 20-9-141; and

24 (f) a BASE budget levy on the taxable value of all property within the district.

25 (4) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all
26 property within the district or other revenue available to the district, as provided in 20-9-141."

27

28 ~~Section 6.~~ Section 20-9-342, MCA, is amended to read:

29 ~~"20-9-342. Deposit of interest and income money by state board of land commissioners -- fund~~
30 ~~transfer. (1) Except as provided in 20-9-516, the state board of land commissioners shall annually deposit into~~

1 ~~the guarantee account provided for in 20-9-622 the all interest and income money for each calendar year up to~~
 2 ~~but not exceeding the amount of interest and income money estimated to be deposited in the guarantee account~~
 3 ~~under the official revenue estimate developed in the immediate preceding legislative session pursuant to 5-5-227.~~
 4 ~~into the guarantee account, provided for in 20-9-622, The interest and income money deposited into the~~
 5 ~~guarantee account must be used for state equalization aid. The state board of land commissioners shall deposit~~
 6 ~~the interest and income money referred to in this subsection by the last business day of February following the~~
 7 ~~calendar year in which the money was received.~~

8 ~~—— (2) Any amount of interest and income revenue in excess of the interest and income revenue estimated~~
 9 ~~to be deposited in the guarantee account under the official revenue estimate developed in the immediate~~
 10 ~~preceding legislative session pursuant to 5-5-227 must be deposited by the state board of land commissioners~~
 11 ~~by the last business day of February following the calendar year in which the money was received in the school~~
 12 ~~facility and technology account established in 20-9-516."~~

13

14 **Section 15.** Section 20-9-353, MCA, is amended to read:

15 **"20-9-353. Additional financing for general fund -- election for authorization to impose.** (1) The
 16 trustees of a district may propose to adopt an over-BASE budget amount for the district general fund that does
 17 not exceed the general fund budget limitations, as provided in 20-9-308.

18 (2) When the trustees of the district propose to adopt an over-BASE budget under subsection (1), any
 19 increase in local property taxes authorized by 20-9-308(4) ~~over tax levels~~ REVENUE previously authorized by the
 20 ~~electors of the district OR IMPOSED BY THE DISTRICT in a prior year~~ ANY OF THE PREVIOUS 5 YEARS must be submitted
 21 to a vote of the qualified electors of the district, as provided in 15-10-425. The trustees are not required to submit
 22 to the qualified electors any increase in state funding of the basic or per-ANB entitlements or of the general fund
 23 payments established in 20-9-327 through 20-9-330 approved by the legislature. When the trustees of a district
 24 determine that a voted amount of financing is required for the general fund budget, the trustees shall submit the
 25 proposition to finance the voted amount to the electors who are qualified under 20-20-301 to vote upon the
 26 proposition. The election must be called and conducted in the manner prescribed by this title for school elections
 27 and must conform to the requirements of 15-10-425. The ballot for the election must conform to the requirements
 28 of 15-10-425.

29 (3) If the proposition on any additional financing for the general fund is approved by a majority vote of
 30 the electors voting at the election, the proposition carries and the trustees may use any portion or all of the

1 authorized amount in adopting the final general fund budget. The trustees shall certify any additional levy amount
 2 authorized by the election on the budget form that is submitted to the county superintendent, and the county
 3 commissioners shall levy the authorized number of mills on the taxable value of all taxable property within the
 4 district, as prescribed in 20-9-141.

5 (4) All levies adopted under this section must be authorized by the election conducted before August 1
 6 of the school fiscal year for which it is effective.

7 (5) If the trustees of a district are required to submit a proposition to finance an over-BASE budget
 8 amount, as allowed by 20-9-308, to the electors of the district, the trustees shall comply with the provisions of
 9 subsections (2) through (4) of this section."

10

11 **Section 16.** Section 20-9-507, MCA, is amended to read:

12 **"20-9-507. Miscellaneous programs fund.** (1) The trustees of a district receiving money from local,
 13 state, federal, or other sources provided in 20-5-324, other than money under the provisions of impact aid, as
 14 provided in 20 U.S.C. 7701, et seq., or federal money designated for deposit in a specific fund of the district, shall
 15 establish a miscellaneous programs fund for the deposit of the money. The money may be a reimbursement of
 16 miscellaneous program fund expenditures already realized by the district, indirect cost recoveries, ~~the transfer~~
 17 ~~of a fund balance from a tuition fund closed under 20-9-201;~~ or a grant of money for the financing of expenditures
 18 to be realized by the district for a special, approved program to be operated by the district. When the money is
 19 a reimbursement, ~~the transfer of a tuition fund balance;~~ or a local government severance tax payment, the money
 20 may be expended at the discretion of the trustees for school purposes. When the money is a grant, the money
 21 must be expended according to the conditions of the program approval by the superintendent of public instruction
 22 or any other approval agent. Within the miscellaneous programs fund, the trustees shall maintain a separate
 23 accounting for each local, state, or federal grant project, ~~funds transferred from a closed tuition fund;~~ and the
 24 indirect cost recoveries.

25 (2) The financial administration of the miscellaneous programs fund must be in accordance with the
 26 financial administration provisions of this title for a nonbudgeted fund."

27

28 ~~Section 9.~~ Section 20-9-516, MCA, is amended to read:

29 ~~"20-9-516. School facility and technology account.~~ (1) There is a school facility and technology
 30 ~~account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to equitably~~

1 ~~distribute and provide money to schools for to help defray the costs of:~~

2 ~~—— (a) major deferred maintenance;~~

3 ~~—— (b) improving energy efficiency in school facilities;~~

4 ~~—— (c) critical infrastructure in school districts;~~

5 ~~—— (d) emergency facility needs; and~~

6 ~~—— (e) technological improvements.~~

7 ~~—— (2) There must be deposited in the account:~~

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

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

12 ~~—— (c) the rental income received from power site leases as provided in 77-4-208; and~~

13 ~~—— (d) the interest and income revenue designated to be deposited into the school facility and technology~~
 14 ~~account as provided in 20-9-342.~~

15 ~~—— (3) In preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112, the office of the~~
 16 ~~superintendent of public instruction shall include in its calculation of the present law base a school facility and~~
 17 ~~technology present law base. The school facility and technology present law base must consist of all amounts~~
 18 ~~in the school facility and technology account when the superintendent of public instruction completes and submits~~
 19 ~~an agency budget, with a proposed amount to be distributed on a per-quality-educator basis included in that~~
 20 ~~present law base. The proposed amount to be distributed on a per-quality-educator basis from the school facility~~
 21 ~~and technology account must be calculated by dividing the total month-end balance of the funds in the school~~
 22 ~~facility and technology account at the time the superintendent of public instruction completes and submits an~~
 23 ~~agency budget by the total number of full-time equivalent quality educators as defined in 20-4-502.~~

24 ~~—— (4) A district may expend funds appropriated by the legislature under this section for any of the purposes~~
 25 ~~set forth in this section."~~

26

27 ~~—— **Section 10.** Section 20-9-630, MCA, is amended to read:~~

28 ~~—— "**20-9-630. School district block grants.** (1) (a) The office of public instruction shall provide a block~~
 29 ~~grant to each school district based on the revenue received by each district in fiscal year 2001 from vehicle taxes~~
 30 ~~and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of~~

1 taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws
2 of 1999.

3 ~~———(b) Block grants must be calculated using the electronic reporting system that is used by the office of
4 public instruction and school districts. The electronic reporting system must be used to allocate the block grant
5 amount into each district's budget as an anticipated revenue source by fund:~~

6 ~~———(c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount
7 actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block grant
8 for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall use
9 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002:~~

10 ~~———(2) If the fiscal year 2003 appropriation provided in section 248(1), Chapter 574, Laws of 2001, is
11 insufficient to fund the school district block grants in fiscal year 2003 at the fiscal year 2002 level, the office of
12 public instruction shall prorate the block grants to meet the remaining appropriation. School districts shall
13 anticipate the prorated block grant amounts provided by the office of public instruction in their budgets for fiscal
14 year 2003:~~

15 ~~———(3) Each year, 70% of each district's block grant must be distributed in November and 30% of each
16 district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed:~~

17 ~~———(4) (a) The block grant for the district general fund is equal to the average amount received in fiscal years
18 2002 and 2003 by the district general fund from the block grants provided for in subsection (1). The block grant
19 must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year:~~

20 ~~———(b) The block grant for the district transportation fund is equal to one-half of the average amount received
21 in fiscal years 2002 and 2003 by the district transportation fund from the block grants provided for in subsection
22 (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year:~~

23 ~~———(c)(b) (i) The combined fund block grant is equal to the average amount received in fiscal years 2002
24 and 2003 by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult education
25 funds from the block grants provided for in subsection (1) and one-half of the average amount received in fiscal
26 years 2002 and 2003 by the district transportation fund from the block grants provided for in subsection (1). The
27 block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year:~~

28 ~~———(ii) The school district may deposit the combined fund block grant into any budgeted fund of the district."~~

29

30 **SECTION 17. SECTION 20-9-622, MCA, IS AMENDED TO READ:**

1 **"20-9-622. Guarantee account.** ~~(1)~~ There is a guarantee account in the state special revenue fund. The
 2 guarantee account is intended to:

3 ~~(a)~~(1) stabilize the long-term growth of the permanent fund; and

4 ~~(b)~~(2) maintain a constant and increasing distributable revenue stream. All realized capital gains and all
 5 distributable revenue must be deposited in the guarantee account and may be appropriated only for K-12 public
 6 education purposes. Interest and income earnings on the guarantee account must be deposited in the account.

7 ~~Except as provided in subsection (2), the guarantee account is statutorily appropriated, as provided in 17-7-502,~~
 8 ~~for distribution to school districts through school equalization aid as provided in 20-9-343.~~

9 ~~(2) As long as a portion of the coal severance tax loan authorized in section 8, Chapter 418, Laws of~~
 10 ~~2001, is outstanding, the department of natural resources and conservation shall monthly transfer from the~~
 11 ~~guarantee account to the general fund an amount that represents the amount of interest income that would be~~
 12 ~~earned from the investment of the amount of the loan that is currently outstanding. When the loan is fully paid,~~
 13 ~~all mineral royalties deposited in the guarantee account must be transferred to the school facility and technology~~
 14 ~~account pursuant to 17-6-340."~~

15

16 **SECTION 18. SECTION 20-9-630, MCA, IS AMENDED TO READ:**

17 **"20-9-630. School district block grants.** (1) (a) The office of public instruction shall provide a block
 18 grant to each school district based on the revenue received by each district in fiscal year 2001 from vehicle taxes
 19 and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of
 20 taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws
 21 of 1999.

22 (b) Block grants must be calculated using the electronic reporting system that is used by the office of
 23 public instruction and school districts. The electronic reporting system must be used to allocate the block grant
 24 amount into each district's budget as an anticipated revenue source by fund.

25 (c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount
 26 actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block grant
 27 for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall use
 28 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002.

29 ~~(2) If the fiscal year 2003 appropriation provided in section 248(1), Chapter 574, Laws of 2001, is~~
 30 ~~insufficient to fund the school district block grants in fiscal year 2003 at the fiscal year 2002 level, the office of~~

1 public instruction shall prorate the block grants to meet the remaining appropriation. School districts shall
 2 anticipate the prorated block grant amounts provided by the office of public instruction in their budgets for fiscal
 3 year 2003.

4 ~~(3)~~(2) Each year, 70% of each district's block grant must be distributed in November and 30% of each
 5 district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed.

6 ~~(4)~~(3) (a) The block grant for the district general fund is equal to the ~~average~~ amount received in fiscal
 7 years 2002 and 2003 year 2011 by the district general fund from the block grants provided for in subsection (1).
 8 The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.

9 (b) The block grant for the district transportation fund is equal to one-half of the ~~average~~ amount received
 10 in fiscal years 2002 and 2003 year 2011 by the district transportation fund from the block grants provided for in
 11 subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal
 12 year.

13 (c) (i) The combined fund block grant is equal to the ~~average~~ amount received in fiscal years 2002 and
 14 2003 year 2011. by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult
 15 education funds from the block grants provided for in subsection (1). The block grant must be increased by 0.76%
 16 in fiscal year 2004 and in each succeeding fiscal year.

17 (ii) The school district may deposit the combined fund block grant into any budgeted fund of the district."
 18

19 **Section 19.** Section 20-10-147, MCA, is amended to read:

20 **"20-10-147. Bus depreciation reserve fund.** (1) The trustees of a district owning a bus or a two-way
 21 radio used for purposes of transportation, as defined in 20-10-101, or for purposes of conveying pupils to and
 22 from school functions or activities may establish a bus depreciation reserve fund to be used for the conversion,
 23 remodeling, or rebuilding of a bus or for the replacement of a bus or radio. The trustees of a district may also use
 24 the bus depreciation reserve fund to purchase an additional bus for purposes of transportation, as defined in
 25 20-10-101.

26 (2) Whenever a bus depreciation reserve fund is established, the trustees may include in the district's
 27 budget, in accordance with the school budgeting provisions of this title, an amount each year that does not
 28 exceed 20% of the original cost of a bus or a two-way radio. The amount budgeted may not, over time, exceed
 29 150% of the original cost of a bus or two-way radio. The annual revenue requirement for each district's bus
 30 depreciation reserve fund, determined within the limitations of this section, must be reported by the county

1 superintendent to the county commissioners on the fourth Monday of August as the bus depreciation reserve fund
 2 levy requirement for that district, and a levy must be made by the county commissioners in accordance with
 3 20-9-142.

4 (3) Any expenditure of bus depreciation reserve fund money must be within the limitations of the district's
 5 final bus depreciation reserve fund budget and the school financial administration provisions of this title and may
 6 be made only to convert, remodel, or rebuild buses, to replace the buses or radios, or for the purchase of an
 7 additional bus as provided in subsection (1), for which the bus depreciation reserve fund was created.

8 ~~Whenever the trustees of a district maintaining a bus depreciation reserve fund sell all of the district's~~
 9 ~~buses and consider it to be in the best interest of the district to transfer any portion or all of the bus depreciation~~
 10 ~~reserve fund balance to any other fund maintained by the district, the trustees shall submit the proposition to the~~
 11 ~~electors of the district. The electors qualified to vote at the election shall qualify under 20-20-301, and the election~~
 12 ~~must be called and conducted in the manner prescribed by this title for school elections. If a majority of those~~
 13 ~~electors voting at the election approve the proposed transfer from the bus depreciation reserve fund, the transfer~~
 14 ~~is approved and the trustees shall immediately order the county treasurer to make the approved transfer."~~

15
 16 ~~NEW SECTION. Section 12. Repealer. The following sections of the Montana Code Annotated are~~
 17 ~~repealed:~~

18 90-6-801. ~~Short title.~~

19 90-6-802. ~~Purpose.~~

20 90-6-803. ~~Definitions.~~

21 90-6-809. ~~Quality schools facility grant program -- legislature to authorize grants -- types of grants available~~

22 90-6-810. ~~Procedure for approval of projects -- role of department and governor -- approval by legislature~~

23 90-6-811. ~~Priorities for projects -- application of criteria -- consideration of project attributes -- adjustments~~
 24 ~~for educationally relevant factors.~~

25 90-6-812. ~~Conditions for grants~~

26 90-6-818. ~~Disbursement of funds -- department discretion when actual expenses are less than projected~~
 27 ~~expenses.~~

28 90-6-819. ~~Department to adopt rules~~

29
 30 NEW SECTION. SECTION 20. NOTIFICATION TO TRIBAL GOVERNMENTS. THE SECRETARY OF STATE SHALL

1 SEND A COPY OF [THIS ACT] TO EACH TRIBAL GOVERNMENT LOCATED ON THE SEVEN MONTANA RESERVATIONS AND TO
2 THE LITTLE SHELL CHIPPEWA TRIBE.

3
4 NEW SECTION. SECTION 21. CODIFICATION INSTRUCTION. [SECTIONS 4, 5, AND 7 THROUGH 9] ARE INTENDED
5 TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 20, CHAPTER 9, AND THE PROVISIONS OF TITLE 20, CHAPTER 9, APPLY
6 TO [SECTIONS 4, 5, AND 7 THROUGH 9].

7
8 NEW SECTION. Section 22. Effective date DATES -- APPLICABILITY. ~~[This act]~~ (1) EXCEPT AS PROVIDED
9 IN SUBSECTION (2), [THIS ACT] is effective ~~on passage and approval JULY 1, 2011.~~ ON PASSAGE AND APPROVAL AND
10 APPLIES TO SCHOOL FISCAL YEAR 2012.

11 (2) [SECTIONS 8 AND 9] ARE EFFECTIVE JULY 1, 2012.

12 - END -