

HOUSE BILL NO. 73
INTRODUCED BY H. RASER
BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TOTAL PER-ANB AND BASIC ENTITLEMENTS FOR PUBLIC SCHOOLS FOR SCHOOL FISCAL YEAR 2004 AND SUCCEEDING SCHOOL FISCAL YEARS; INCREASING THE TOTAL PER-ANB ENTITLEMENT FOR AN ELEMENTARY SCHOOL DISTRICT OR A K-12 DISTRICT ELEMENTARY PROGRAM TO \$4,051 FOR SCHOOL FISCAL YEAR 2004 AND TO \$4,180 FOR SUCCEEDING SCHOOL FISCAL YEARS; INCREASING THE TOTAL PER-ANB ENTITLEMENT FOR A HIGH SCHOOL DISTRICT OR A K-12 DISTRICT HIGH SCHOOL PROGRAM TO \$5,398 FOR SCHOOL FISCAL YEAR 2004 AND TO \$5,570 FOR SUCCEEDING SCHOOL FISCAL YEARS; INCREASING THE BASIC ENTITLEMENT FOR EACH HIGH SCHOOL DISTRICT TO \$228,826 FOR SCHOOL FISCAL YEAR 2004 AND TO \$236,148 FOR SUCCEEDING SCHOOL FISCAL YEARS; INCREASING THE BASIC ENTITLEMENT FOR EACH ELEMENTARY SCHOOL DISTRICT OR K-12 DISTRICT ELEMENTARY PROGRAM TO \$20,595 FOR SCHOOL FISCAL YEAR 2004 AND TO \$21,254 FOR SUCCEEDING SCHOOL FISCAL YEARS; AMENDING SECTIONS 20-5-323, 20-7-102, AND 20-9-306, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-5-323, MCA, is amended to read:

"20-5-323. Tuition and transportation rates. (1) Except as provided in subsections (2) through (5), whenever a child has approval to attend a school outside of the child's district of residence under the provisions of 20-5-320 or 20-5-321, the rate of tuition charged for a Montana resident student may not exceed 20% of the per-ANB maximum rate established in 20-9-306 for the year of attendance.

(2) The tuition for a child with a disability must be determined under rules adopted by the superintendent of public instruction for the calculation of tuition for special education pupils.

(3) The tuition rate for out-of-district placement pursuant to 20-5-321(1)(d) and (1)(e) for a student without disabilities who requires a program with costs that exceed the average district costs must be determined as the actual individual costs of providing that program according to the following:

(a) the district of attendance and the district, person, or entity responsible for the tuition payments shall approve an agreement with the district of attendance for the tuition cost;

(b) for a Montana resident student, 80% of the maximum per-ANB rate established in 20-9-306(10), received in the year for which the tuition charges are calculated must be subtracted from the per-student program costs for a Montana resident student; and

(c) the maximum tuition rate paid to a district under this section may not exceed \$2,500 per ANB.

(4) When a child attends a public school of another state or province, the amount of daily tuition may not be greater than the average annual cost for each student in the child's district of residence. This calculation for tuition purposes is determined by totaling all of the expenditures for all of the district budgeted funds for the preceding school fiscal year and dividing that amount by the October 1 enrollment in the preceding school fiscal year. For the purposes of this subsection, the following do not apply:

(a) placement of a child with a disability pursuant to Title 20, chapter 7, part 4;

(b) placement made in a state or province with a reciprocal tuition agreement pursuant to 20-5-314;

(c) an order issued under Title 40, chapter 4, part 2; or

(d) out-of-state placement by a state agency.

(5) When a child is placed by a state agency in an out-of-state residential facility, the state agency making the placement is responsible for the education costs resulting from the placement.

(6) The amount, if any, charged for transportation may not exceed the lesser of the average transportation cost for each student in the child's district of residence or 25 cents a mile. The average expenditures for the district transportation fund for the preceding school fiscal year must be calculated by dividing the transportation fund expenditures by the October 1 enrollment for the preceding fiscal year."

Section 2. 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 every 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 only be granted 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(10)(c)(i)~~ 20-9-306(1)(j)(iii)(B) or (2)(j)(iii)(B)."

Section 3. Section 20-9-306, MCA, is amended to read:

"20-9-306. Definitions. (1) As used in this title, unless the context clearly indicates otherwise, for the school fiscal year beginning July 1, 2003, the following definitions apply:

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

~~(2)(b)~~ (b) "BASE aid" means:

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

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

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

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

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

~~(6)(f)~~ (f) "Basic entitlement" means:

~~(a)(i)~~ (a)(i) ~~\$213,819~~ \$228,826 for each high school district;

~~(b)(ii)~~ (b)(ii) ~~\$19,244~~ \$20,595 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and

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

~~(i)~~(A) ~~\$19,244~~ \$20,595 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus

~~(ii)~~(B) ~~\$213,819~~ \$228,826 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.

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

~~(8)~~(h) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:

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

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

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

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

~~(a)~~(i) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,205~~ \$5,398 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

~~(b)~~(ii) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of ~~\$3,906~~ \$4,051 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

~~(i)~~(A) a maximum rate of ~~\$3,906~~ \$4,051 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

~~(ii)~~(B) a maximum rate of ~~\$5,205~~ \$5,398 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

(2) As used in this title, unless the context clearly indicates otherwise, for the school fiscal year beginning

July 1, 2004, the following definitions apply:

(a) "BASE" means base amount for school equity.

(b) "BASE aid" means:

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

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

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

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

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

(f) "Basic entitlement" means:

(i) \$236,148 for each high school district;

(ii) \$21,254 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and

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

(A) \$21,254 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus

(B) \$236,148 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.

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

(h) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:

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

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

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

(j) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations:

(i) for a high school district or a K-12 district high school program, a maximum rate of \$5,570 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(ii) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of \$4,180 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

(A) a maximum rate of \$4,180 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(B) a maximum rate of \$5,570 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB."

NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2003.

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