

1 HOUSE BILL NO. 25

2 INTRODUCED BY S. GIBSON

3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING "ADJUSTED COST OF EDUCATION"; AMENDING
6 SECTION 20-15-310, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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10 **Section 1.** Section 20-15-310, MCA, is amended to read:11 **"20-15-310. Appropriation -- definitions.** (1) It is the intent of the legislature that all community college
12 spending, other than from restricted funds, designated funds, or funds generated by an optional, voted levy, be
13 governed by the provisions of this part and the state general appropriations act.

14 (2) (a) The state general fund appropriation must be determined as follows:

15 (i) multiply the variable cost of education per student by the full-time equivalent student count and add
16 the budget amount for the fixed cost of education; and

17 (ii) multiply the total in subsection (2)(a)(i) by the state share.

18 (b) The variable cost of education per student, the budget amount for fixed costs, and the state share
19 must be determined by the legislature. The state share, expressed as a percentage, and the variable cost of
20 education per student must be specified in the appropriations act appropriating funds to the community colleges
21 for each biennium.22 (3) The student count may not include those enrolled in community service courses as defined by the
23 board of regents.

24 (4) As used in this section, the following definitions apply:

25 (a) "Adjusted cost of education" means the cost of education minus any reversion calculated under
26 17-7-142, expenditures from one-time-only legislative appropriations, and expenditures funded by local mill levies
27 provided for in 2-9-212 and 20-9-501 in excess of the 2012 mill levy levels.28 ~~(a)~~(b) "Cost of education" means the actual costs incurred by the community colleges during the budget
29 base fiscal year, as reported on the current unrestricted operating fund schedule that is statutorily required to be
30 submitted to the commissioner of higher education, minus any reversion and one-time-only expenditures that are

1 ~~included~~ board of regents.

2 ~~(b)(c)~~ "Fixed cost of education" means that portion of the adjusted cost of education, as determined by
3 the legislature, that is not influenced by increases or decreases in student enrollment.

4 ~~(e)(d)~~ "Variable cost of education per student" means that portion of the adjusted cost of education, as
5 determined by the legislature, that is subject to change as a result of increases or decreases in student
6 enrollment, divided by the actual student enrollment during the budget base fiscal year."

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8 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2013.

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