

HOUSE BILL NO. 378

INTRODUCED BY MCCLAFFERTY, B. BENNETT, CALF BOSS RIBS, COFFIN, CURTIS, FACEY,
HOLLENBAUGH, LYNCH, MACDONALD, NOONAN, PIERSON, PRICE, SCHREINER, VUCKOVICH,

WILMER

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING INFLATIONARY INCREASES TO THE BASIC ENTITLEMENT; AND THE TOTAL PER-ANB ENTITLEMENT; ~~AND THE TOTAL QUALITY EDUCATOR PAYMENT; PROVIDING AN APPROPRIATION;~~ AMENDING SECTION 20-9-306, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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

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

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

(2) "BASE aid" means:

(a) 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;

(b) 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) the total quality educator payment;

(d) the total at-risk student payment;

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

(f) the total American Indian achievement gap payment.

(3) "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, 100% of the total quality educator payment, 100% of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian

1 achievement gap payment, and 140% of the special education allowable cost payment.

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

5 (5) "BASE funding program" means the state program for the equitable distribution of the state's share
6 of the cost of Montana's basic system of public elementary schools and high schools, through county equalization
7 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
8 BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

9 (6) "Basic entitlement" means:

10 (a) for each high school district:

11 (i) ~~\$256,003~~ \$264,558 for fiscal year ~~2012~~ 2014; and

12 (ii) ~~\$260,099~~ \$270,061 for each succeeding fiscal year;

13 (b) for each elementary school district or K-12 district elementary program without an approved and
14 accredited junior high school, 7th and 8th grade program, or middle school:

15 (i) ~~\$23,033~~ \$23,803 for fiscal year ~~2012~~ 2014;

16 (ii) ~~\$23,402~~ \$24,298 for each succeeding fiscal year; and

17 (c) for each elementary school district or K-12 district elementary program with an approved and
18 accredited junior high school, 7th and 8th grade program, or middle school:

19 (i) for kindergarten through grade 6 elementary program:

20 (A) ~~\$23,033~~ \$23,803 for fiscal year ~~2012~~ 2014; and

21 (B) ~~\$23,402~~ \$24,298 for each succeeding fiscal year; plus

22 (ii) for an approved and accredited junior high school program, 7th and 8th grade program, or middle
23 school:

24 (A) ~~\$65,234~~ \$67,411 for fiscal year ~~2012~~ 2014; and

25 (B) ~~\$66,275~~ \$68,813 for each succeeding fiscal year.

26 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
27 20-9-311.

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

30 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the

1 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,
 2 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement
 3 gap payment, and the greater of:

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

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

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

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

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

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

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

18 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$6,343~~ \$6,555
 19 for fiscal year ~~2012~~ 2014 and ~~\$6,444~~ \$6,691 for each succeeding fiscal year for the first ANB, decreased at the
 20 rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess
 21 of 800 receiving the same amount of entitlement as the 800th ANB;

22 (b) for an elementary school district or a K-12 district elementary program without an approved and
 23 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of ~~\$4,955~~ \$5,120
 24 for fiscal year ~~2012~~ 2014 and ~~\$5,034~~ \$5,226 for each succeeding fiscal year for the first ANB, decreased at the
 25 rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess
 26 of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

29 (i) a maximum rate of ~~\$4,955~~ \$5,120 for fiscal year ~~2012~~ 2014 and ~~\$5,034~~ \$5,226 for each succeeding
 30 fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each

1 additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of
 2 entitlement as the 1,000th ANB; and

3 (ii) a maximum rate of ~~\$6,343~~ \$6,555 for fiscal year ~~2012~~ 2014 and ~~\$6,444~~ \$6,691 for each succeeding
 4 fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB
 5 for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of
 6 entitlement as the 800th ANB.

7 (15) "Total quality educator payment" means the payment resulting from multiplying ~~\$3,036~~ \$3,282
 8 \$3,036 for fiscal year ~~2008~~ 2014 ~~2008~~ and ~~\$3,042~~ \$3,350 \$3,042 for each succeeding fiscal year times the
 9 number of full-time equivalent educators as provided in 20-9-327."

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 11 NEW SECTION. SECTION 2. APPROPRIATION. THERE IS APPROPRIATED TO THE OFFICE OF PUBLIC
 12 INSTRUCTION THE AMOUNT OF \$1 FROM THE GENERAL FUND FOR FISCAL YEAR 2014 FOR THE PURPOSES OF [SECTION 1].

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 14 NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2013.

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