

HOUSE BILL NO. 27

INTRODUCED BY D. HAYMAN

BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

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5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AN INCREASE IN THE BASIC ENTITLEMENT,  
6 THE TOTAL PER-ANB ENTITLEMENT, THE TOTAL AMERICAN INDIAN ACHIEVEMENT GAP PAYMENT, THE  
7 TOTAL INDIAN EDUCATION FOR ALL PAYMENT, THE TOTAL DATA-FOR-ACHIEVEMENT PAYMENT, AND  
8 THE TOTAL QUALITY EDUCATOR PAYMENT; PROVIDING FOR THE CALCULATION OF THE  
9 DATA-FOR-ACHIEVEMENT PAYMENT IN 20-9-306 INSTEAD OF 20-9-325; AMENDING SECTIONS 20-9-306  
10 AND 20-9-325, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."  
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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13  
14 **Section 1.** Section 20-9-306, MCA, is amended to read:

15 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following  
16 definitions apply:

- 17 (1) "BASE" means base amount for school equity.
- 18 (2) "BASE aid" means:
  - 19 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the  
20 general fund budget of a district;
  - 21 (b) starting in fiscal year 2015, the natural resource development K-12 funding payment for a variable  
22 percentage of the basic and per-ANB entitlements above the direct state aid for the general fund budget of a  
23 district, as referenced in subsection (10);
  - 24 (c) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,  
25 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the  
26 special education allowable cost payment;
  - 27 (d) the total quality educator payment;
  - 28 (e) the total at-risk student payment;
  - 29 (f) the total Indian education for all payment;
  - 30 (g) the total American Indian achievement gap payment; and

1 (h) the total data-for-achievement payment.

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

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

10 (5) "BASE funding program" means the state program for the equitable distribution of the state's share  
11 of the cost of Montana's basic system of public elementary schools and high schools, through county equalization  
12 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  
13 BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

14 (6) "Basic entitlement" means:

15 (a) for each high school district:

16 (i) ~~\$290,000~~ \$300,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$300,000~~ \$305,370 for each  
17 succeeding fiscal year for school districts with an ANB of 800 or fewer; and

18 (ii) ~~\$290,000~~ \$300,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$300,000~~ \$305,370 for each  
19 succeeding fiscal year for school districts with an ANB of more than 800, plus ~~\$12,000~~ \$15,000 for fiscal ~~years~~  
20 ~~2014 and 2015~~ year 2016 and ~~\$15,000~~ \$15,269 for each succeeding fiscal year for each additional 80 ANB over  
21 800;

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

24 (i) ~~\$40,000~~ \$50,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$50,000~~ \$50,895 for each succeeding  
25 fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

26 (ii) ~~\$40,000~~ \$50,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$50,000~~ \$50,895 for each succeeding  
27 fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus ~~\$2,000~~  
28 \$2,500 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$2,500~~ \$2,545 for each succeeding fiscal year for each  
29 additional 25 ANB over 250;

30 (c) for each elementary school district or K-12 district elementary program with an approved and

1 accredited junior high school, 7th and 8th grade program, or middle school:

2 (i) for the district's kindergarten through grade 6 elementary program:

3 (A) ~~\$40,000~~ \$50,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$50,000~~ \$50,895 for each succeeding  
4 fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

5 (B) ~~\$40,000~~ \$50,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$50,000~~ \$50,895 for each succeeding  
6 fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus ~~\$2,000~~  
7 \$2,500 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$2,500~~ \$2,545 for each succeeding fiscal year for each  
8 additional 25 ANB over 250; and

9 (ii) for the district's approved and accredited junior high school, 7th and 8th grade programs, or middle  
10 school:

11 (A) ~~\$80,000~~ \$100,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$100,000~~ \$101,790 for each  
12 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with  
13 an ANB of 450 or fewer; and

14 (B) ~~\$80,000~~ \$100,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$100,000~~ \$101,790 for each  
15 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with  
16 an ANB of more than 450, plus ~~\$4,000~~ \$5,000 for fiscal ~~years 2014 and 2015~~ year 2016 and ~~\$5,000~~ \$5,090 for  
17 each succeeding fiscal year for each additional 45 ANB over 450.

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, the total data-for-achievement 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) "Natural resource development K-12 funding payment" means the payment, starting in fiscal year

1 2015, of a variable percentage of the basic and per-ANB entitlements above the direct state aid for the general  
 2 fund budget of a district. The total payment to school districts may not exceed the greater of 50% of the fiscal year  
 3 2012 oil and natural gas production taxes deposited into the general fund pursuant to 15-36-331(4) or 50% of the  
 4 oil and natural gas production taxes deposited into the general fund pursuant to 15-36-331(4) for the fiscal year  
 5 occurring 2 fiscal years prior to the school fiscal year in which the payment is provided, plus any excess interest  
 6 and income revenue appropriated by the legislature pursuant to 20-9-622(2)(a). The amount of the natural  
 7 resource development K-12 funding payment ~~must be determined as follows:~~

8 ~~—— (a) for fiscal year 2015, \$3 million; and~~

9 ~~—— (b) for fiscal year 2016 and each subsequent year, the payment must be, subject to the limitations of this~~  
 10 subsection (10), an amount sufficient to offset any estimated increase in statewide revenue from the general fund  
 11 BASE budget levy provided for in 20-9-141 that is anticipated to result from increases in the basic or per-ANB  
 12 entitlements plus any excess interest and income revenue appropriated by the legislature pursuant to  
 13 20-9-622(2)(a). The superintendent of public instruction shall incorporate a natural resource development K-12  
 14 funding payment calculated in compliance with this subsection ~~(10)(b)~~ (10) in preparing and submitting an agency  
 15 budget pursuant to 17-7-111 and 17-7-112.

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

18 (12) "Total American Indian achievement gap payment" means the payment resulting from multiplying  
 19 ~~\$200~~ \$205 in fiscal year 2016 and ~~\$209~~ \$209 in fiscal year 2017 FOR EACH SUCCEEDING FISCAL YEAR times the number  
 20 of American Indian students enrolled in the district as provided in 20-9-330.

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

23 (14) "Total Indian education for all payment" means the payment resulting from multiplying ~~\$20.40~~ \$20.88  
 24 in fiscal year 2016 and \$21.25 in fiscal year 2017 FOR EACH SUCCEEDING FISCAL YEAR times the ANB of the district  
 25 or \$100 for each district, whichever is greater, as provided for in 20-9-329.

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

28 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$6,555~~ \$6,847  
 29 for fiscal year ~~2014~~ 2016 and ~~\$6,694~~ \$6,970 for each succeeding fiscal year for the first ANB, decreased at the  
 30 rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess

1 of 800 receiving the same amount of entitlement as the 800th ANB;

2 (b) for an elementary school district or a K-12 district elementary program without an approved and  
3 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of ~~\$5,120~~ \$5,348  
4 for fiscal year ~~2014~~ 2016 and ~~\$5,226~~ \$5,444 for each succeeding fiscal year for the first ANB, decreased at the  
5 rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess  
6 of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

9 (i) a maximum rate of ~~\$5,120~~ \$5,348 for fiscal year ~~2014~~ 2016 and ~~\$5,226~~ \$5,444 for each succeeding  
10 fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each  
11 additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of  
12 entitlement as the 1,000th ANB; and

13 (ii) a maximum rate of ~~\$6,555~~ \$6,847 for fiscal year ~~2014~~ 2016 and ~~\$6,691~~ \$6,970 for each succeeding  
14 fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB  
15 for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of  
16 entitlement as the 800th ANB.

17 (16) "Total data-for-achievement payment" means the payment ~~calculated as provided in 20-9-325~~  
18 resulting from multiplying \$20 for fiscal year 2016 and \$20.36 for each succeeding FISCAL year by the district's  
19 ANB calculated in accordance with 20-9-311.

20 (17) "Total quality educator payment" means the payment resulting from multiplying ~~\$3,042~~ \$3,113 in  
21 fiscal year 2016 and \$3,169 for each succeeding fiscal year by the number of full-time equivalent educators as  
22 provided in 20-9-327."

23

24 **Section 2.** Section 20-9-325, MCA, is amended to read:

25 **"20-9-325. Data-for-achievement payment.** (1) The state shall provide a data-for-achievement payment  
26 to public school districts as defined in 20-6-101 and 20-6-701. The data-for-achievement payment is ~~the district's~~  
27 ANB, calculated in accordance with 20-9-311, multiplied by:

28 ~~\_\_\_\_\_ (a) \$10 for fiscal year 2014;~~

29 ~~\_\_\_\_\_ (b) \$15 for fiscal year 2015; and~~

30 ~~\_\_\_\_\_ (c) \$20 for fiscal year 2016 and subsequent fiscal years as provided in 20-9-306.~~

1           (2) Funds received for the data-for-achievement payment must be used by a school district to pay for  
2 access fees or other costs associated with use of or participation in the statewide data system administered by  
3 the office of public instruction or a comparable data system provided by a private vendor, including data entry and  
4 staff training on use of the systems.

5           (3) Unless funds are otherwise appropriated at higher amounts by the legislature, the office of public  
6 instruction may spend no more than \$500,000 per biennium for the purposes of mediating with vendors,  
7 developing a plan, preparing a request for proposal solicitation package, managing the vendor contract, and  
8 implementing a plan with school districts for the statewide data system. This limitation does not apply if the office  
9 of public instruction develops and administers the statewide data system without a vendor."  
10

11           NEW SECTION. Section 3. Notification to tribal governments. The secretary of state shall send a  
12 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
13 Chippewa tribe.  
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15           NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2015.  
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17           NEW SECTION. Section 5. Applicability. [This act] applies to school budgets for school years  
18 beginning on or after July 1, 2015.  
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