

HOUSE BILL NO. 191

INTRODUCED BY S. BERGLEE

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AN INCREASE IN THE BASIC ENTITLEMENT, THE TOTAL PER-ANB ENTITLEMENT, THE TOTAL AMERICAN INDIAN ACHIEVEMENT GAP PAYMENT, THE TOTAL INDIAN EDUCATION FOR ALL PAYMENT, THE TOTAL DATA-FOR-ACHIEVEMENT PAYMENT, AND THE TOTAL QUALITY EDUCATOR PAYMENT; AMENDING SECTION 20-9-306, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY 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) the natural resource development K-12 funding payment for a variable percentage of the basic and per-ANB entitlements above the direct state aid for the general fund budget of a district, as referenced in subsection (10);
 - (c) 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;
 - (d) the total quality educator payment;
 - (e) the total at-risk student payment;
 - (f) the total Indian education for all payment;
 - (g) the total American Indian achievement gap payment; and
 - (h) the total data-for-achievement payment.
- (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic

1 entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total
 2 at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian
 3 achievement gap payment, 100% of the total data-for-achievement payment, and 140% of the special education
 4 allowable cost payment.

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

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

12 (6) "Basic entitlement" means:

13 (a) for each high school district:

14 (i) ~~\$300,000 for fiscal year 2016 and \$305,370~~ \$309,554 for fiscal year 2018 and \$312,650 for each
 15 succeeding fiscal year for school districts with an ANB of 800 or fewer; and

16 (ii) ~~\$300,000 for fiscal year 2016 and \$305,370~~ \$309,554 for fiscal year 2018 and \$312,650 for each
 17 succeeding fiscal year for school districts with an ANB of more than 800, plus ~~\$15,000 for fiscal year 2016 and~~
 18 ~~\$15,269~~ \$15,478 for fiscal year 2018 and \$15,633 for each succeeding fiscal year for each additional 80 ANB
 19 over 800;

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

22 (i) ~~\$50,000 for fiscal year 2016 and \$50,895~~ \$51,592 for fiscal year 2018 and \$52,108 for each
 23 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

24 (ii) ~~\$50,000 for fiscal year 2016 and \$50,895~~ \$51,592 for fiscal year 2018 and \$52,108 for each
 25 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250,
 26 plus ~~\$2,500 for fiscal year 2016 and \$2,545~~ \$2,580 for fiscal year 2018 and \$2,606 for each succeeding fiscal
 27 year for each additional 25 ANB over 250;

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

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

1 (A) ~~\$50,000 for fiscal year 2016 and \$50,895~~ \$51,592 for fiscal year 2018 and \$52,108 for each
 2 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

3 (B) ~~\$50,000 for fiscal year 2016 and \$50,895~~ \$51,592 for fiscal year 2018 and \$52,108 for each
 4 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250,
 5 plus ~~\$2,500 for fiscal year 2016 and \$2,545~~ \$2,580 for fiscal year 2018 and \$2,606 for each succeeding fiscal
 6 year for each additional 25 ANB over 250; and

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

9 (A) ~~\$100,000 for fiscal year 2016 and \$101,790~~ \$103,185 for fiscal year 2018 and \$104,217 for each
 10 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with
 11 an ANB of 450 or fewer; and

12 (B) ~~\$100,000 for fiscal year 2016 and \$101,790~~ \$103,185 for fiscal year 2018 and \$104,217 for each
 13 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with
 14 an ANB of more than 450, plus ~~\$5,000 for fiscal year 2016 and \$5,090~~ \$5,160 for fiscal year 2018 and \$5,212
 15 for each succeeding fiscal year for each additional 45 ANB over 450.

16 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
 17 20-9-311.

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

20 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the
 21 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,
 22 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement
 23 gap payment, the total data-for-achievement payment, and the greater of the district's special education allowable
 24 cost payment multiplied by:

25 (a) 175%; or

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

29 (10) "Natural resource development K-12 funding payment" means the payment of a variable percentage
 30 of the basic and per-ANB entitlements above the direct state aid for the general fund budget of a district. The total

1 payment to school districts may not exceed the greater of 50% of the fiscal year 2012 oil and natural gas
 2 production taxes deposited into the general fund pursuant to 15-36-331(4) or 50% of the oil and natural gas
 3 production taxes deposited into the general fund pursuant to 15-36-331(4) for the fiscal year occurring 2 fiscal
 4 years prior to the school fiscal year in which the payment is provided, plus any excess interest and income
 5 revenue appropriated by the legislature pursuant to 20-9-622(2)(a). The amount of the natural resource
 6 development K-12 funding payment must be, subject to the limitations of this subsection (10), an amount sufficient
 7 to offset any estimated increase in statewide revenue from the general fund BASE budget levy provided for in
 8 20-9-141 that is anticipated to result from increases in the basic or per-ANB entitlements plus any excess interest
 9 and income revenue appropriated by the legislature pursuant to 20-9-622(2)(a). The superintendent of public
 10 instruction shall incorporate a natural resource development K-12 funding payment calculated in compliance with
 11 this subsection (10) in preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112.

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

14 (12) "Total American Indian achievement gap payment" means the payment resulting from multiplying
 15 ~~\$205 in fiscal year 2016 and \$209~~ \$212 for fiscal year 2018 and \$214 for each succeeding fiscal year times the
 16 number of American Indian students enrolled in the district as provided in 20-9-330.

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

19 (14) "Total Indian education for all payment" means the payment resulting from multiplying ~~\$20.88 in fiscal~~
 20 ~~year 2016 and \$21.25~~ \$21.54 for fiscal year 2018 and \$21.76 for each succeeding fiscal year times the ANB of
 21 the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.

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

24 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$6,847 for fiscal~~
 25 ~~year 2016 and \$6,970~~ \$7,065 for fiscal year 2018 and \$7,136 for each succeeding fiscal year for the first ANB,
 26 decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each
 27 ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

28 (b) for an elementary school district or a K-12 district elementary program without an approved and
 29 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of ~~\$5,348 for fiscal~~
 30 ~~year 2016 and \$5,444~~ \$5,519 for fiscal year 2018 and \$5,574 for each succeeding fiscal year for the first ANB,

1 decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each
 2 ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

5 (i) a maximum rate of ~~\$5,348 for fiscal year 2016 and \$5,444~~ \$5,519 for fiscal year 2018 and \$5,574 for
 6 each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents
 7 per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same
 8 amount of entitlement as the 1,000th ANB; and

9 (ii) a maximum rate of ~~\$6,847 for fiscal year 2016 and \$6,970~~ \$7,065 for fiscal year 2018 and \$7,136 for
 10 each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for
 11 each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same
 12 amount of entitlement as the 800th ANB.

13 (16) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from
 14 multiplying ~~\$20 for fiscal year 2016 and \$20.36~~ \$20.64 for fiscal year 2018 and \$20.85 for each succeeding fiscal
 15 year by the district's ANB calculated in accordance with 20-9-311.

16 (17) "Total quality educator payment" means the payment resulting from multiplying ~~\$3,113 in fiscal year~~
 17 ~~2016 and \$3,169~~ \$3,212 for fiscal year 2018 and \$3,244 for each succeeding fiscal year by the number of
 18 full-time equivalent educators as provided in 20-9-327."

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 20 **NEW SECTION. Section 2. Notification to tribal governments.** The secretary of state shall send a
 21 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
 22 Chippewa tribe.

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 24 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2017.

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 26 **NEW SECTION. Section 4. Applicability.** [This act] applies to school budgets for school years
 27 beginning on or after July 1, 2017.

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