

1 HOUSE BILL NO. 253

2 INTRODUCED BY M. FUNK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO APPLY THE INFLATION FACTOR CALCULATED UNDER
5 20-9-326, MCA, TO THE SPECIAL EDUCATION ALLOWABLE COST PAYMENT FOR DETERMINING THE
6 PRESENT LAW BASE CALCULATED UNDER TITLE 17, CHAPTER 7, PART 1, MCA; AMENDING SECTION
7 20-9-326, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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11 **Section 1.** Section 20-9-326, MCA, is amended to read:
12 **"20-9-326. Annual inflation-related adjustments to basic entitlements, and per-ANB entitlements,**
13 **and other payments.** (1) In preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112, the
14 superintendent of public instruction shall determine the inflation factor for the basic and per-ANB entitlements,
15 the data-for-achievement payment, the special education allowable cost payment, and the general fund payments
16 in 20-9-327 through 20-9-330 in each fiscal year of the ensuing biennium. The inflation factor is calculated as
17 follows:

18 (a) for the first year of the biennium, divide the consumer price index for July 1 of the prior calendar year
19 by the consumer price index for July 1 of the calendar year 3 years prior to the prior calendar year and raise the
20 resulting ratio to the power of one-third; and

21 (b) for the second year of the biennium, divide the consumer price index for July 1 of the current calendar
22 year by the consumer price index for July 1 of the calendar year 3 years prior to the current calendar year and
23 raise the resulting ratio to the power of one-third.

24 (2) The present law base for the entitlements referenced in subsection (1), calculated under Title 17,
25 chapter 7, part 1, must consist of any enrollment increases or decreases plus the inflation factor calculated
26 pursuant to this section, not to exceed 3% in each year, applied to both years of the biennium.

27 (3) For the purposes of this section, "consumer price index" means the consumer price index, U.S. city
28 average, all urban consumers, for all items, using the 1982-84 base of 100, as published by the bureau of labor
29 statistics of the U.S. department of labor."

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