

HOUSE BILL NO. 390

INTRODUCED BY D. JONES

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A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING EDUCATION FUNDING LAWS; REQUIRING THAT LOCAL PROPERTY TAXES ARE REDUCED IN THE FOLLOWING YEAR WHEN AN ANTICIPATED ENROLLMENT INCREASE DOES NOT MATERIALIZE; TEMPORARILY REDIRECTING AND STATUTORILY APPROPRIATING TECHNOLOGY FUNDING TO E-RATE BROADBAND MATCHING FUNDS; AMENDING SECTIONS 20-9-314 AND 20-9-534, MCA; AND PROVIDING AN EFFECTIVE DATE, AN APPLICABILITY DATE, AND A TERMINATION DATE."

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

Section 1. Section 20-9-314, MCA, is amended to read:

"20-9-314. Procedures for determining eligibility and amount of increased average number belonging due to unusual enrollment increase. A district that anticipates an unusual increase in enrollment in the ensuing school fiscal year, as provided for in 20-9-313(1)(d), may increase its basic entitlement and total per-ANB entitlement for the ensuing school fiscal year in accordance with the following provisions:

(1) Prior to June 1, the district shall estimate the elementary or high school enrollment to be realized during the ensuing school fiscal year, based on as much factual information as may be available to the district.

(2) No later than June 1, the district shall submit its application for an anticipated unusual enrollment increase by elementary or high school level to the superintendent of public instruction. The application must include:

- (a) the enrollment for the current school fiscal year;
- (b) the average number belonging used to calculate the basic entitlement and total per-ANB entitlement for the current school fiscal year;
- (c) the average number belonging that will be used to calculate the basic entitlement and total per-ANB entitlement for the ensuing school fiscal year;
- (d) the anticipated enrollment, including the factual information on which the estimate is based, as provided in subsection (1); and
- (e) any other information or data that may be requested by the superintendent of public instruction.



1 (3) The superintendent of public instruction shall immediately review all the factors of the application and
 2 shall approve or disapprove the application or adjust the enrollment used to calculate the budgeted average
 3 number belonging for the ensuing school fiscal year. After approving an estimate, with or without adjustment, the
 4 superintendent of public instruction shall:

5 (a) determine the percentage by which the adjusted enrollment exceeds the enrollment used for the
 6 budgeted average number belonging; and

7 (b) approve an increase of the average number belonging used to establish the ensuing year's basic
 8 entitlement and total per-ANB entitlement in accordance with subsection (5) if the increase in subsection (3)(a)
 9 is at least 4% or 40 students, whichever is less.

10 (4) The superintendent of public instruction shall notify the district of the decision by the fourth Monday
 11 in June.

12 (5) Whenever an unusual enrollment increase is approved by the superintendent of public instruction,
 13 the maximum allowable increase to the average number belonging is equal to the adjusted enrollment as
 14 determined by the superintendent of public instruction in subsection (3) minus the sum of:

15 (a) the enrollment used to calculate the budgeted average number belonging for the ensuing school
 16 fiscal year; and

17 (b) the lesser of 40 students or 4% of the enrollment used to calculate the budgeted average number
 18 belonging for the ensuing school fiscal year.

19 (6) (a) Any entitlement increases resulting from provisions of this section must be reviewed at the end
 20 of the ensuing school fiscal year.

21 (b) If the actual enrollment is less than the enrollment used to determine the budgeted ANB, the
 22 superintendent of public instruction shall ~~revise the total per-ANB entitlement and basic entitlement calculations~~
 23 recalculate the district's BASE budget and maximum budget limitations and BASE aid using the actual enrollment
 24 in place of the adjusted enrollment. ~~All~~ and:

25 (i) total per-ANB entitlements received by the district in excess of the revised entitlements are
 26 overpayments any BASE aid received by the district in excess of the amount recalculated is an overpayment
 27 subject to the refund provisions of 20-9-344(4); and

28 (ii) any revenue received by the district from BASE budget and over-BASE budget levies increased by
 29 the difference between the adjusted enrollment and the actual enrollment is an overpayment and must be used
 30 for reducing BASE budget and over-BASE budget levies in the ensuing school fiscal year."

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Section 2. Section 20-9-534, MCA, is amended to read:

"20-9-534. Statutory appropriation for school technology purposes. ~~(1)~~ The amount of \$1 million a year is statutorily appropriated, as provided in 17-7-502, from the school facility and technology account established in 20-9-516 for grants for school technology purposes to the department of commerce for providing funds for schools to use as state matching funds for special construction under the federal e-rate broadband program pursuant to 47 CFR 54.505, provided that none of the state matching funds may be used by schools for self-construction of their own or portions of their own networks.

~~(2) By the third Friday in July, the superintendent of public instruction shall allocate the annual statutory appropriation for school technology purposes to each district based on the ratio that each district's BASE budget bears to the statewide BASE budget amount for all school districts multiplied by the amount of money provided in 20-9-343 for the purposes of 20-9-533."~~

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

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

NEW SECTION. **Section 5. Termination.** [Section 2] terminates June 30, 2019.

- END -