

HOUSE BILL NO. 212

INTRODUCED BY L. JONES

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO THE FUNDING OF COMMUNITY COLLEGES; REVISING THE CAP ON STATE FUNDING PER FULL-TIME EQUIVALENT RESIDENT STUDENT; AMENDING SECTION 20-15-310, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-15-310, MCA, is amended to read:

"20-15-310. Appropriation -- definitions. (1) It is the intent of the legislature that all community college spending, other than from restricted funds, designated funds, or funds generated by an optional, voted levy, be governed by the provisions of this part and the state general appropriations act.

(2) (a) The state general fund appropriation for each community college must be determined as follows:

(i) multiply the variable cost of education per student by the full-time equivalent student count and add the budget amount for the fixed cost of education; and

(ii) multiply the total in subsection (2)(a)(i) by the state share.

(b) The variable cost of education per student, the budget amount for fixed costs, and the state share for each community college must be determined by the legislature. The state share for each community college, expressed as a percentage, and the variable cost of education per student must be specified in the appropriations act appropriating funds to the community colleges for each biennium.

(3) ~~The~~ Except as provided in subsection (4), the state general fund appropriation for each full-time equivalent resident student at a community college may not exceed ~~the lesser of \$2,500 plus:~~

~~—— (a) the weighted average of state support per resident full-time equivalent student within the Montana university system; or~~

~~—— (b) the weighted average of state support per resident full-time equivalent student within the community college system~~ the weighted average of state support per resident full-time equivalent student among community colleges and 2-year and 4-year campuses of the Montana university system in the most recent year plus an amount equal to two standard deviations of the most recent 6 years of weighted averages of state support per resident full-time equivalent student among community colleges and 2-year and 4-year campuses of the Montana

1 university system.

2 (4) If enrollment for a community college is less than 200 full-time equivalent resident students for 24
3 consecutive academic months, the maximum state general fund appropriation for that community college may
4 not exceed the lesser of:

5 (a) the weighted average of state support per resident full-time equivalent student within the Montana
6 university system; or

7 (b) the weighted average of state support per resident full-time equivalent student within the community
8 college system.

9 (5) At any time enrollment at a community college falls below 200 full-time equivalent resident students,
10 the community college shall submit a business plan to the board of regents for review, approval, and monitoring.
11 The business plan must include identifying what measures the community college will take to increase enrollment.
12 The plan must be submitted to the board of regents within 1 month after enrollment falls below 200 full-time
13 equivalent resident students.

14 (6) The student count may not include those enrolled in community service courses as defined by the
15 board of regents.

16 (7) As used in this section, the following definitions apply:

17 (a) "Adjusted cost of education" means the cost of education minus any reversion calculated under
18 17-7-142, expenditures from one-time-only legislative appropriations, and expenditures funded by local mill levies
19 provided for in 2-9-212 and 20-9-501 in excess of the 2012 mill levy levels.

20 (b) "Cost of education" means the actual costs incurred by the community colleges during the budget
21 base fiscal year, as reported on the current unrestricted operating fund schedule that is statutorily required to be
22 submitted to the board of regents.

23 (c) "Fixed cost of education" means that portion of the adjusted cost of education, as determined by the
24 legislature, that is not influenced by increases or decreases in student enrollment.

25 (d) "Variable cost of education per student" means that portion of the adjusted cost of education, as
26 determined by the legislature, that is subject to change as a result of increases or decreases in student
27 enrollment, divided by the actual student enrollment during the budget base fiscal year."

28

29 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 2019.

30

- END -