

1 HOUSE BILL NO. 15

2 INTRODUCED BY F. ANDERSON

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT APPLYING INFLATIONARY ADJUSTMENTS TO SCHOOL
6 FUNDING FORMULA COMPONENTS; AMENDING SECTION 20-9-306, MCA; AND PROVIDING AN
7 EFFECTIVE DATE AND AN APPLICABILITY DATE."

8

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

10

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

12 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
13 following definitions apply:

14 (1) "BASE" means base amount for school equity.

15 (2) "BASE aid" means:

16 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for
17 the general fund budget of a district;

18 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,
19 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the
20 special education allowable cost payment;

21 (c) the total quality educator payment;

22 (d) the total at-risk student payment;

23 (e) the total Indian education for all payment;

24 (f) the total American Indian achievement gap payment; and

25 (g) the total data-for-achievement payment.

26 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the
27 basic entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of
28 the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American

1 Indian achievement gap payment, 100% of the total data-for-achievement payment, and 140% of the special
2 education allowable cost payment.

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

6 (5) "BASE funding program" means the state program for the equitable distribution of the state's
7 share of the cost of Montana's basic system of public elementary schools and high schools, through county
8 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in
9 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-
10 321.

11 (6) "Basic entitlement" means:

12 (a) for each high school district:

13 (i) ~~\$315,481 for fiscal year 2020 and \$321,254~~ \$328,193 for fiscal year 2022 and \$334,461 for each
14 succeeding fiscal year for school districts with an ANB of 800 or fewer; and

15 (ii) ~~\$315,481 for fiscal year 2020 and \$321,254~~ \$328,193 for fiscal year 2022 and \$334,461 for each
16 succeeding fiscal year for school districts with an ANB of more than 800, plus ~~\$15,774 for fiscal year 2020 and~~
17 ~~\$16,063~~ \$16,410 for fiscal year 2022 and \$16,723 for each succeeding fiscal year for each additional 80 ANB
18 over 800;

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

21 (i) ~~\$52,579 for fiscal year 2020 and \$53,541~~ \$54,697 for fiscal year 2022 and \$55,742 for each
22 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer;
23 and

24 (ii) ~~\$52,579 for fiscal year 2020 and \$53,541~~ \$54,697 for fiscal year 2022 and \$55,742 for each
25 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250,
26 plus ~~\$2,630 for fiscal year 2020 and \$2,678~~ \$2,736 for fiscal year 2022 and \$2,788 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

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) ~~\$52,579 for fiscal year 2020 and \$53,541~~\$54,697 for fiscal year 2022 and \$55,742 for each
4 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer;
5 and

6 (B) ~~\$52,579 for fiscal year 2020 and \$53,541~~\$54,697 for fiscal year 2022 and \$55,742 for each
7 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250,
8 plus ~~\$2,630 for fiscal year 2020 and \$2,678~~\$2,736 for fiscal year 2022 and \$2,788 for each succeeding fiscal
9 year for each additional 25 ANB over 250; and

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

12 (A) ~~\$105,160 for fiscal year 2020 and \$107,084~~\$109,397 for fiscal year 2022 and \$111,486 for each
13 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8
14 with an ANB of 450 or fewer; and

15 (B) ~~\$105,160 for fiscal year 2020 and \$107,084~~\$109,397 for fiscal year 2022 and \$111,486 for each
16 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8
17 with an ANB of more than 450, plus ~~\$5,258 for fiscal year 2020 and \$5,354~~\$5,470 for fiscal year 2022 and
18 \$5,574 for each succeeding fiscal year for each additional 45 ANB over 450.

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

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

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

28 (a) 175%; or

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

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

6 (11) "Total American Indian achievement gap payment" means the payment resulting from multiplying
 7 ~~\$216 for fiscal year 2020 and \$220~~ \$225 for fiscal year 2022 and \$229 for each succeeding fiscal year times
 8 the number of American Indian students enrolled in the district as provided in 20-9-330.

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

11 (13) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from
 12 multiplying ~~\$21.03 for fiscal year 2020 and \$21.44~~ \$21.87 for fiscal year 2022 and \$22.29 for each succeeding
 13 fiscal year by the district's ANB calculated in accordance with 20-9-311.

14 (14) "Total Indian education for all payment" means the payment resulting from multiplying ~~\$21.96 for~~
 15 ~~fiscal year 2020 and \$22.36~~ \$22.84 for fiscal year 2022 and \$23.28 for each succeeding fiscal year times the
 16 ANB of the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.

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

19 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$7,204 for~~
 20 ~~fiscal year 2020 and \$7,333~~ \$7,491 for fiscal year 2022 and \$7,634 for each succeeding fiscal year for the first
 21 ANB, decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB,
 22 with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

23 (b) for an elementary school district or a K-12 district elementary program without an approved and
 24 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of ~~\$5,624 for fiscal~~
 25 ~~year 2020 and \$5,727~~ \$5,851 for fiscal year 2022 and \$5,963 for each succeeding fiscal year for the first ANB,
 26 decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with
 27 each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

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

2 (i) a maximum rate of ~~\$5,624 for fiscal year 2020 and \$5,727~~ \$5,851 for fiscal year 2022 and \$5,963
 3 for each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20
 4 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the
 5 same amount of entitlement as the 1,000th ANB; and

6 (ii) a maximum rate of ~~\$7,201 for fiscal year 2020 and \$7,333~~ \$7,491 for fiscal year 2022 and \$7,634
 7 for each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB
 8 for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the
 9 same amount of entitlement as the 800th ANB.

10 (16) "Total quality educator payment" means the payment resulting from multiplying ~~\$3,275 for fiscal~~
 11 ~~year 2020 and \$3,335~~ \$3,407 for fiscal year 2022 and \$3,472 for each succeeding fiscal year by the number of
 12 full-time equivalent educators as provided in 20-9-327."

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14 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2021.

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16 NEW SECTION. Section 3. Applicability. [This act] applies to school fiscal years beginning on or
 17 after July 1, 2021.

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