

## 1 HOUSE BILL NO. 233

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6  
7 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AGE PARAMETERS RELATED TO SCHOOL  
8 FUNDING; REVISING THE DEFINITION OF "PUPIL"; ALLOWING CERTAIN STUDENTS WITH DISABILITIES  
9 UP TO 21 YEARS OF AGE TO BE INCLUDED IN AVERAGE NUMBER BELONGING CALCULATIONS;  
10 AMENDING SECTIONS 20-1-101 AND 20-9-311, MCA; AND PROVIDING AN EFFECTIVE DATE."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 **Section 1.** Section 20-1-101, MCA, is amended to read:

15 **"20-1-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the  
16 following definitions apply:

17 (1) "Accreditation standards" means the body of administrative rules governing standards such as:

- 18 (a) school leadership;  
19 (b) educational opportunity;  
20 (c) academic requirements;  
21 (d) program area standards;  
22 (e) content and performance standards;  
23 (f) school facilities and records;  
24 (g) student assessment; and  
25 (h) general provisions.

26 (2) "Aggregate hours" means the hours of pupil instruction for which a school course or program is  
27 offered or for which a pupil is enrolled.

28 (3) "Agricultural experiment station" means the agricultural experiment station established at Montana

1 state university-Bozeman.

2 (4) "At-risk student" means any student who is affected by environmental conditions that negatively  
3 impact the student's educational performance or threaten a student's likelihood of promotion or graduation.

4 (5) "Average number belonging" or "ANB" means the average number of regularly enrolled, full-time  
5 pupils physically attending or receiving educational services at an offsite instructional setting from the public  
6 schools of a district.

7 (6) "Board of public education" means the board created by Article X, section 9, subsection (3), of the  
8 Montana constitution and 2-15-1507.

9 (7) "Board of regents" means the board of regents of higher education created by Article X, section 9,  
10 subsection (2), of the Montana constitution and 2-15-1505.

11 (8) "Commissioner" means the commissioner of higher education created by Article X, section 9,  
12 subsection (2), of the Montana constitution and 2-15-1506.

13 (9) "County superintendent" means the county government official who is the school officer of the  
14 county.

15 (10) "District superintendent" means a person who holds a valid class 3 Montana teacher certificate  
16 with a superintendent's endorsement that has been issued by the superintendent of public instruction under the  
17 provisions of this title and the policies adopted by the board of public education and who has been employed by  
18 a district as a district superintendent.

19 (11) (a) "Educational program" means a set of educational offerings designed to meet the program  
20 area standards contained in the accreditation standards.

21 (b) The term does not include an educational program or programs used in 20-4-121 and 20-25-803.

22 (12) "K-12 career and vocational/technical education" means organized educational activities that have  
23 been approved by the office of public instruction and that:

24 (a) offer a sequence of courses that provide a pupil with the academic and technical knowledge and  
25 skills that the pupil needs to prepare for further education and for careers in the current or emerging  
26 employment sectors; and

27 (b) include competency-based applied learning that contributes to the academic knowledge, higher-  
28 order reasoning and problem-solving skills, work attitudes, general employability skills, technical skills, and

1 occupation-specific skills of the pupil.

2 (13) (a) "Minimum aggregate hours" means the minimum hours of pupil instruction that must be  
3 conducted during the school fiscal year in accordance with 20-1-301 and includes passing time between  
4 classes.

5 (b) The term does not include lunch time and periods of unstructured recess.

6 (14) "Offsite instructional setting" means an instructional setting at a location, separate from a main  
7 school site, where a school district provides for the delivery of instruction to a student who is enrolled in the  
8 district.

9 (15) "Principal" means a person who holds a valid class 3 Montana teacher certificate with an  
10 applicable principal's endorsement that has been issued by the superintendent of public instruction under the  
11 provisions of this title and the policies adopted by the board of public education and who has been employed by  
12 a district as a principal. For the purposes of this title, any reference to a teacher must be construed as including  
13 a principal.

14 (16) "Pupil" means ~~a child who is 5 years of age or older on or before September 10 of the year in~~  
15 ~~which the child is to enroll or has been enrolled by special permission of the board of trustees under 20-5-~~  
16 ~~401(3) but who has not yet reached 19 years of age and~~ an individual who is admitted by the board of trustees  
17 pursuant to 20-5-101 and who is enrolled in a school established and maintained under the laws of the state at  
18 public expense. ~~For purposes of calculating the average number belonging pursuant to 20-9-311, the definition~~  
19 ~~of pupil includes a person who has not yet reached 19 years of age by September 10 of the year and is enrolled~~  
20 ~~under 20-5-401(3) in a school established and maintained under the laws of the state at public expense. The~~  
21 eligibility of pupils and calculations for average number belonging are governed by 20-9-311.

22 (17) "Pupil instruction" means the conduct of organized instruction of pupils enrolled in public schools  
23 while under the supervision of a teacher.

24 (18) "Qualified and effective teacher or administrator" means an educator who is licensed and  
25 endorsed in the areas in which the educator teaches, specializes, or serves in an administrative capacity as  
26 established by the board of public education.

27 (19) "Regents" means the board of regents of higher education.

28 (20) "Regular school election" or "trustee election" means the election for school board members held

1 on the day established in 20-20-105(1).

2 (21) "School election" means a regular school election or any election conducted by a district or  
3 community college district for authorizing taxation, authorizing the issuance of bonds by an elementary, high  
4 school, or K-12 district, or accepting or rejecting any proposition that may be presented to the electorate for  
5 decision in accordance with the provisions of this title.

6 (22) "School food services" means a service of providing food for the pupils of a district on a nonprofit  
7 basis and includes any food service financially assisted through funds or commodities provided by the United  
8 States government.

9 (23) "Special school election" means an election held on a day other than the day of the regular school  
10 election, primary election, or general election.

11 (24) "State board of education" means the board composed of the board of public education and the  
12 board of regents as specified in Article X, section 9, subsection (1), of the Montana constitution.

13 (25) "State university" means Montana state university-Bozeman.

14 (26) "Student with limited English proficiency" means any student:

15 (a) (i) who was not born in the United States or whose native language is a language other than  
16 English;

17 (ii) who is an American Indian and who comes from an environment in which a language other than  
18 English has had a significant impact on the individual's level of English proficiency; or

19 (iii) who is migratory, whose native language is a language other than English, and who comes from an  
20 environment in which a language other than English is dominant; and

21 (b) whose difficulties in speaking, reading, writing, or understanding the English language may be  
22 sufficient to deny the student:

23 (i) the ability to meet the state's proficiency assessments;

24 (ii) the ability to successfully achieve in classrooms where the language of instruction is English; or

25 (iii) the opportunity to participate fully in society.

26 (27) "Superintendent of public instruction" means that state government official designated as a  
27 member of the executive branch by the Montana constitution.

28 (28) "System" means the Montana university system.

1 (29) "Teacher" means a person, except a district superintendent, who holds a valid Montana teacher  
2 certificate that has been issued by the superintendent of public instruction under the provisions of this title and  
3 the policies adopted by the board of public education and who is employed by a district as a member of its  
4 instructional, supervisory, or administrative staff. This definition of a teacher includes a person for whom an  
5 emergency authorization of employment has been issued under the provisions of 20-4-111.

6 (30) "Textbook" means a book or manual used as a principal source of study material for a given class  
7 or group of students.

8 (31) "Textbook dealer" means a party, company, corporation, or other organization selling, offering to  
9 sell, or offering for adoption textbooks to districts in the state.

10 (32) "Trustees" means the governing board of a district.

11 (33) "University" means the university of Montana-Missoula.

12 (34) "Vocational-technical education" means vocational-technical education of vocational-technical  
13 students that is conducted by a unit of the Montana university system, a community college, or a tribally  
14 controlled community college, as designated by the board of regents."  
15

16 **Section 2.** Section 20-9-311, MCA, is amended to read:

17 **"20-9-311. Calculation of average number belonging (ANB) -- 3-year averaging.** (1) Average  
18 number belonging (ANB) must be computed for each budget unit as follows:

19 (a) compute an average enrollment by adding a count of regularly enrolled pupils who were enrolled  
20 as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on the first  
21 Monday in February of the prior school fiscal year or the next school day if those dates do not fall on a school  
22 day, and divide the sum by two; and

23 (b) multiply the average enrollment calculated in subsection (1)(a) by the sum of 180 and the  
24 approved pupil-instruction-related days for the current school fiscal year and divide by 180.

25 (2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-  
26 related days may be included in the calculation.

27 (3) When a school district has approval to operate less than the minimum aggregate hours under 20-  
28 9-806, the total ANB must be calculated in accordance with the provisions of 20-9-805.

1           (4) (a) Except as provided in subsection (4)(d), for the purpose of calculating ANB, enrollment in an  
2 education program:

3           (i) from 180 to 359 aggregate hours of pupil instruction per school year is counted as one-quarter-time  
4 enrollment;

5           (ii) from 360 to 539 aggregate hours of pupil instruction per school year is counted as half-time  
6 enrollment;

7           (iii) from 540 to 719 aggregate hours of pupil instruction per school year is counted as three-quarter-  
8 time enrollment; and

9           (iv) 720 or more aggregate hours of pupil instruction per school year is counted as full-time enrollment.

10          (b) Except as provided in subsection (4)(d), enrollment in a program intended to provide fewer than  
11 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.

12          (c) Enrollment in a self-paced program or course may be converted to an hourly equivalent based on  
13 the hours necessary and appropriate to provide the course within a regular classroom schedule.

14          (d) A school district may include in its calculation of ANB a pupil who is enrolled in a program  
15 providing fewer than the required aggregate hours of pupil instruction required under subsection (4)(a) or (4)(b)  
16 if the pupil has demonstrated proficiency in the content ordinarily covered by the instruction as determined by  
17 the school board using district assessments. The ANB of a pupil under this subsection (4)(d) must be converted  
18 to an hourly equivalent based on the hours of instruction ordinarily provided for the content over which the  
19 student has demonstrated proficiency.

20          (e) A pupil in kindergarten through grade 12 who is concurrently enrolled in more than one public  
21 school, program, or district may not be counted as more than one full-time pupil for ANB purposes.

22          (5) For a district that is transitioning from a half-time to a full-time kindergarten program, the state  
23 superintendent shall count kindergarten enrollment in the previous year as full-time enrollment for the purpose  
24 of calculating ANB for the elementary programs offering full-time kindergarten in the current year. For the  
25 purposes of calculating the 3-year ANB, the superintendent of public instruction shall count the kindergarten  
26 enrollment as one-half enrollment and then add the additional kindergarten ANB to the 3-year average ANB for  
27 districts offering full-time kindergarten.

28          (6) When a pupil has been absent, with or without excuse, for more than 10 consecutive school days,

1 the pupil may not be included in the enrollment count used in the calculation of the ANB unless the pupil  
2 resumes attendance prior to the day of the enrollment count.

3 (7) (a) The enrollment of preschool pupils, as provided in 20-7-117, may not be included in the ANB  
4 calculations.

5 (b) Except as provided in subsection (7)(c), a pupil who has reached 19 years of age by September  
6 10 of the school year may not be included in the ANB calculations.

7 (c) A pupil with disabilities who is over 19 years of age and has not yet reached 21 years of age by  
8 September 10 of the school year and who is receiving special education services from a school district pursuant  
9 to 20-7-411(4)(a) may be included in the ANB calculations if:

10 (i) the student has not graduated;

11 (ii) the student is eligible for special education services and is likely to be eligible for adult services for  
12 individuals with developmental disabilities due to the significance of the student's disability; and

13 (iii) the student's individualized education program has identified transition goals that focus on  
14 preparation for living and working in the community following high school graduation since age 16 or the  
15 student's disability has increased in significance after age 16.

16 (d) A school district providing special education services pursuant to subsection (7)(c) is encouraged  
17 to collaborate with agencies and programs that serve adults with developmental disabilities in meeting the goals  
18 of a student's transition plan.

19 (8) The average number belonging of the regularly enrolled pupils for the public schools of a district  
20 must be based on the aggregate of all the regularly enrolled pupils attending the schools of the district, except  
21 that:

22 (a) the ANB is calculated as a separate budget unit when:

23 (i) a school of the district is located more than 20 miles beyond the incorporated limits of a city or town  
24 located in the district and at least 20 miles from any other school of the district, the number of regularly enrolled  
25 pupils of the school must be calculated as a separate budget unit for ANB purposes and the district must  
26 receive a basic entitlement for the school calculated separately from the other schools of the district;

27 (ii) a school of the district is located more than 20 miles from any other school of the district and  
28 incorporated territory is not involved in the district, the number of regularly enrolled pupils of the school must be

1 calculated separately for ANB purposes and the district must receive a basic entitlement for the school  
2 calculated separately from the other schools of the district;

3 (iii) the superintendent of public instruction approves an application not to aggregate when conditions  
4 exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to travel, or when any  
5 other condition exists that would result in an unusual hardship to the pupils of the school if they were  
6 transported to another school, the number of regularly enrolled pupils of the school must be calculated  
7 separately for ANB purposes and the district must receive a basic entitlement for the school calculated  
8 separately from the other schools of the district; or

9 (iv) two or more districts consolidate or annex under the provisions of 20-6-422 or 20-6-423, the ANB  
10 and the basic entitlements of the component districts must be calculated separately for a period of 3 years  
11 following the consolidation or annexation. Each district shall retain a percentage of its basic entitlement for 3  
12 additional years as follows:

- 13 (A) 75% of the basic entitlement for the fourth year;  
14 (B) 50% of the basic entitlement for the fifth year; and  
15 (C) 25% of the basic entitlement for the sixth year.

16 (b) when a junior high school has been approved and accredited as a junior high school, all of the  
17 regularly enrolled pupils of the junior high school must be considered as high school district pupils for ANB  
18 purposes;

19 (c) when a middle school has been approved and accredited, all pupils below the 7th grade must be  
20 considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered  
21 high school pupils for ANB purposes; or

22 (d) when a school has been designated as nonaccredited by the board of public education because of  
23 failure to meet the board of public education's assurance and performance standards, the regularly enrolled  
24 pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes,  
25 nor will an average number belonging for the nonaccredited school be used in determining the BASE funding  
26 program for the district.

27 (9) The district shall provide the superintendent of public instruction with semiannual reports of school  
28 attendance, absence, and enrollment for regularly enrolled students, using a format determined by the



1 superintendent.

2 (10) (a) Except as provided in subsections (10)(b) and (10)(c), enrollment in a basic education  
3 program provided by the district through any combination of onsite or offsite instruction may be included for  
4 ANB purposes only if the pupil is offered access to the complete range of educational services for the basic  
5 education program required by the accreditation standards adopted by the board of public education.

6 (b) Access to school programs and services for a student placed by the trustees in a private program  
7 for special education may be limited to the programs and services specified in an approved individual education  
8 plan supervised by the district.

9 (c) Access to school programs and services for a student who is incarcerated in a facility, other than a  
10 youth detention center, may be limited to the programs and services provided by the district at district expense  
11 under an agreement with the incarcerating facility.

12 (d) This subsection (10) may not be construed to require a school district to offer access to activities  
13 governed by an organization having jurisdiction over interscholastic activities, contests, and tournaments to a  
14 pupil who is not otherwise eligible under the rules of the organization.

15 (11) A district may include only, for ANB purposes, an enrolled pupil who is otherwise eligible under  
16 this title and who is:

17 (a) a resident of the district or a nonresident student admitted by trustees under a student attendance  
18 agreement and who is attending a school of the district;

19 (b) unable to attend school due to a medical reason certified by a medical doctor and receiving  
20 individualized educational services supervised by the district, at district expense, at a home or facility that does  
21 not offer an educational program;

22 (c) unable to attend school due to the student's incarceration in a facility, other than a youth detention  
23 center, and who is receiving individualized educational services supervised by the district, at district expense, at  
24 a home or facility that does not offer an educational program;

25 (d) receiving special education and related services, other than day treatment, under a placement by  
26 the trustees at a private nonsectarian school or private program if the pupil's services are provided at the  
27 district's expense under an approved individual education plan supervised by the district;

28 (e) participating in the running start program at district expense under 20-9-706;

1 (f) receiving educational services, provided by the district, using appropriately licensed district staff at  
2 a private residential program or private residential facility licensed by the department of public health and  
3 human services;

4 (g) enrolled in an educational program or course provided at district expense using electronic or  
5 offsite delivery methods, including but not limited to tutoring, distance learning programs, online programs, and  
6 technology delivered learning programs, while attending a school of the district or any other nonsectarian offsite  
7 instructional setting with the approval of the trustees of the district. The pupil shall:

8 (i) meet the residency requirements for that district as provided in 1-1-215;

9 (ii) live in the district and must be eligible for educational services under the Individuals With  
10 Disabilities Education Act or under 29 U.S.C. 794; or

11 (iii) attend school in the district under a mandatory attendance agreement as provided in 20-5-321.

12 (h) a resident of the district attending the Montana youth challenge program or a Montana job corps  
13 program under an interlocal agreement with the district under 20-9-707.

14 (12) A district shall, for ANB purposes, calculate the enrollment of an eligible Montana youth challenge  
15 program participant as half-time enrollment.

16 (13) (a) For an elementary or high school district that has been in existence for 3 years or more, the  
17 district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated  
18 using the current year ANB for all budget units or the 3-year average ANB for all budget units, whichever  
19 generates the greatest maximum general fund budget.

20 (b) For a K-12 district that has been in existence for 3 years or more, the district's maximum general  
21 fund budget and BASE budget for the ensuing school fiscal year must be calculated separately for the  
22 elementary and high school programs pursuant to subsection (13)(a) and then combined.

23 (14) The term "3-year ANB" means an average ANB over the most recent 3-year period, calculated by:

24 (a) adding the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the  
25 previous 2 school fiscal years; and

26 (b) dividing the sum calculated under subsection (14)(a) by three."  
27

28 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2021.

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