

## 1 HOUSE BILL NO. 329

2 INTRODUCED BY S. VINTON, M. CUFFE, D. SKEES, D. SALOMON, D. KARY, T. MCGILLVRAY, D.  
 3 HOWARD, C. SMITH, J. WELBORN, B. HOVEN, M. BLASDEL, B. MOLNAR, C. GLIMM, D. LENZ, W. GALT,  
 4 S. BERGLEE, B. BROWN, K. HOLMLUND, W. MCKAMEY, V. RICCI, B. TSCHIDA, S. GUNDERSON, D.  
 5 LOGE, F. ANDERSON, L. SHELDON-GALLOWAY, J. TREBAS, C. KNUDSEN, W. SALES, T. WELCH, B.  
 6 BEARD, N. DURAM, R. KNUDSEN, K. BOGNER, J. KASSMIER, B. MERCER, T. MOORE, D. BEDEY, S.  
 7 GREEF, B. LER, B. PHALEN, F. NAVE, J. CARLSON, L. BREWSTER, K. ZOLNIKOV, B. MITCHELL, A.  
 8 REGIER, L. REKSTEN, P. FIELDER, E. HILL, J. SCHILLINGER, K. SEEKINS-CROWE, M. STROMSWOLD,  
 9 C. HINKLE, G. FRAZER, M. BINKLEY, R. MARSHALL, K. WHITMAN

10 BY REQUEST OF THE GOVERNOR

11  
 12 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO ESTABLISHING  
 13 THE STUDENTS WITH SPECIAL NEEDS EQUAL OPPORTUNITY ACT AND THE MONTANA SPECIAL  
 14 NEEDS EQUAL OPPORTUNITY EDUCATION SAVINGS ACCOUNT PROGRAM; ESTABLISHING  
 15 REQUIREMENTS FOR ELIGIBILITY AND ALLOWABLE EXPENSES; PROVIDING RESPONSIBILITIES FOR  
 16 PARENTS, SCHOOL DISTRICTS, AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION; CLARIFYING  
 17 THE AUTONOMY OF PARTICIPATING PRIVATE SCHOOLS; PROVIDING FOR FUNDING OF SPECIAL  
 18 NEEDS EQUAL OPPORTUNITY EDUCATION SAVINGS ACCOUNTS; ESTABLISHING THE SPECIAL  
 19 NEEDS EQUAL OPPORTUNITY EDUCATION SAVINGS TRUST; PROVIDING AN APPROPRIATION AND A  
 20 STATUTORY APPROPRIATION; PROVIDING RULEMAKING AUTHORITY; PROVIDING DEFINITIONS;  
 21 AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

22  
 23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

24  
 25 NEW SECTION. **Section 1. Short title.** [Sections 1 through 10] may be cited as the "Students with  
 26 Special Needs Equal Opportunity Act".

27  
 28 NEW SECTION. **Section 2. Montana special needs equal opportunity education savings**

1 **account program -- findings and purposes.** (1) There is a Montana special needs equal opportunity  
2 education savings account program provided by the legislature as a desirable educational program pursuant to  
3 Article X, section 1(3), of the Montana constitution, which gives authority to the legislature to provide for  
4 educational programs and institutions in addition to a basic system of public schools that will fulfill the goal of  
5 the people to have an overall system of education that offers equal opportunity for all to reach their full  
6 educational potential.

7 (2) The legislature finds that expanding special needs educational opportunities within the state is a  
8 valid public purpose to ensure equal educational opportunity for all children with special needs.

9 (3) The purposes of [sections 1 through 10] pursuant to Article X, section 1(1), of the Montana  
10 constitution are to ensure that Montana children have access to educational opportunities that will develop each  
11 child's full educational potential.

12  
13 **NEW SECTION. Section 3. Definitions.** As used in [sections 1 through 10], the following definitions  
14 apply:

15 (1) "District student amount" means the amount of money calculated by dividing a school district's  
16 adopted general fund budget by the ANB on which the budget is based.

17 (2) "Eligible postsecondary institution" means an accredited postsecondary institution located in  
18 Montana.

19 (3) "Montana special needs equal opportunity education savings account" or "account" means an  
20 account within the trust established in [section 10] in which a payment under [section 9] is deposited on behalf  
21 of a qualified student for the purpose of reimbursement for the purchase of allowable educational resources  
22 pursuant to [section 4] for qualified students.

23 (4) "Parent" means a biological parent, adoptive parent, legal guardian, custodian, or other person  
24 with legal authority to act on behalf of a qualified student, and whose parental rights have not been terminated.

25 (5) "Program" means the Montana special needs equal opportunity education savings account  
26 program established in [section 2].

27 (6) "Qualified school" means a nonpublic school serving any combination of grades kindergarten  
28 through 12 that:

- 1 (a) is in compliance with applicable local health and safety regulations;
- 2 (b) holds a valid occupancy permit, if required by the municipality;
- 3 (c) does not discriminate on the basis of race, color, or national origin;
- 4 (d) requires that any employee who may have unsupervised access to children be subject to a
- 5 criminal history background check prior to employment pursuant to and in support of 42 U.S.C. 5119(a) and (c);
- 6 and
- 7 (e) meets the requirements for Montana nonpublic schools under 20-5-109.
- 8 (7) "Qualified student" means a resident of the state who:
- 9 (a) in the current school year:
- 10 (i) is identified as a "child with a disability" under the Individuals With Disabilities Education Act, 20
- 11 U.S.C. 1400, et seq.;
- 12 (ii) is identified as having a disability under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C.
- 13 794; and
- 14 (iii) is between the ages of 5 and 19 on September 10; and
- 15 (b) is not currently enrolled in a school operating for the purpose of providing educational services to
- 16 youth in department of corrections commitment programs or in the Montana school for the deaf and blind; and
- 17 (c) (i) was counted during the previous school year for purposes of school district ANB funding;
- 18 (ii) was enrolled during the previous school year in a program listed in subsection (7)(b);
- 19 (iii) did not reside in the state in the previous school year; or
- 20 (iv) is eligible to enter a kindergarten program pursuant to 20-7-117.
- 21 (8) "Resident school district" means the school district in which a student resides.
- 22 (9) "Statewide average district student amount" means the statewide total of districts' adopted general
- 23 fund budgets divided by the statewide total ANB on which the budgets are based.

24

25 **NEW SECTION. Section 4. Use of Montana special needs equal opportunity education savings**

26 **account -- allowable educational resources.** (1) The superintendent of public instruction shall allow money

27 deposited in the Montana special needs equal opportunity education savings account to be used to reimburse

28 parents for the purchase of the following educational resources only for the benefit of the individual for whom

1 the account was created:

2 (a) qualified school tuition, fees, textbooks, software, or other instructional materials or services;

3 (b) an educational program or course using electronic or offsite delivery methods, including but not  
4 limited to tutoring, distance learning programs, online programs, and technology delivered learning programs;

5 (c) curriculum, including supplemental materials necessary for the curriculum;

6 (d) tutoring;

7 (e) educational therapies or services, including but not limited to occupational, behavioral, physical,  
8 speech-language, and audiology therapies from licensed or certified practitioners or providers, including  
9 licensed or certified paraprofessionals or educational aides;

10 (f) state or nationally recognized assessment tests, advanced placement exams, entrance  
11 examinations at an eligible postsecondary institution, or other assessment instruments;

12 (g) services provided by a public school in the state, including individual classes and extracurricular  
13 activities;

14 (h) eligible postsecondary institution tuition, books, online courses, or other fees;

15 (i) no more than \$50 annually in consumable education supplies, such as paper, pens, and markers;

16 (j) transportation required for another allowable educational service;

17 (k) fees paid to a cooperative educational program; and

18 (l) any other educational expense approved by the superintendent of public instruction.

19 (2) Account funds may not be refunded, rebated, or shared with a parent or participating student in  
20 any manner.

21 (3) A parent may pay for educational services or costs not covered by account funds.

22 (4) Nothing in [this act] shall be construed to require that a qualified student must be enrolled, full-time  
23 or part-time, in either a private school or nonpublic online school.

24  
25 **NEW SECTION. Section 5. Parent responsibilities.** (1) In order for a qualified student to participate  
26 in the Montana special needs equal opportunity education savings account program during the time periods  
27 designated by the superintendent of public instruction pursuant to [section 6], the superintendent of public  
28 instruction shall require parents of qualified students who wish to participate in the program to notify the

1 superintendent of public instruction and sign a contract with the superintendent of public instruction to do the  
2 following:

3 (a) utilize account funds to procure allowable educational resources under [section 4] to develop the  
4 student's full educational potential;

5 (b) release the resident school district from all obligations to educate the qualified student, including  
6 any requirements that the district provide a free and appropriate education to the qualified student or develop  
7 an individualized education program for the qualified student;

8 (c) submit to the superintendent of public instruction copies of receipts for allowable educational  
9 resources for reimbursement;

10 (d) agree that the student will not be registered as home schooling under 20-5-109;

11 (e) if the qualified child is enrolled in a public school, immediately notify the superintendent of public  
12 instruction; and

13 (f) if the student enrolls at a qualified school, ensure that the student;

14 (i) remains in attendance unless excused by the qualified school for illness or other good cause; and

15 (ii) complies with the qualified school's published policies.

16 (2) If a qualified student enrolls full-time in a public school district, the superintendent of public  
17 instruction shall terminate payments for the student to the Montana special needs equal opportunity education  
18 savings account.

19 (3) A signed contract under subsection (1) meets the requirements of compulsory enrollment  
20 exemption under 20-5-109.

21

22 **NEW SECTION. Section 6. Responsibilities of superintendent of public instruction --**

23 **rulemaking.** (1) The superintendent of public instruction shall make information about the program accessible  
24 through printed informational materials and the office of public instruction website to parents, students, and  
25 school districts.

26 (2) The superintendent of public instruction shall ensure that parents of qualified students receive  
27 notice that participation in the program is a parental placement under 20 U.S.C. 1412, Individuals With  
28 Disabilities Education Act, along with an explanation of the rights that parentally placed students possess under

1 the Individuals With Disabilities Education Act and any applicable state laws and regulations.

2 (3) The superintendent of public instruction may remove a qualified student from eligibility for an  
3 account if the parent fails to comply with the terms of the contract signed pursuant to [section 5], knowingly  
4 misuses account funds, or knowingly fails to comply with the terms of the contract with intent to defraud. If a  
5 qualified student is removed from eligibility, the superintendent of public instruction shall suspend the student  
6 from the program and shall notify the parent in writing that the student has been suspended and that no further  
7 reimbursements from the account will be allowed. The notification shall specify the reason for the suspension  
8 and state that the parent has 10 business days to respond and take corrective action. If the parent refuses or  
9 fails within the 10-day period to contact the superintendent of public instruction or provide information or make a  
10 report that is required for reinstatement, the superintendent of public instruction may remove the qualified  
11 student from the program pursuant to this subsection. A parent may appeal the superintendent of public  
12 instruction's decision pursuant to Title 2, chapter 4, part 6.

13 (4) The superintendent of public instruction may refer cases of substantial misuse of account funds to  
14 the attorney general for investigation if the superintendent of public instruction obtains evidence of fraudulent  
15 use of an account.

16 (5) The superintendent of public instruction shall establish rules necessary for administering the  
17 program that are limited to the following:

18 (a) establishment of no fewer than two time periods each year during which a student's parent may  
19 notify the superintendent of public instruction of the parent's desire for the student to participate in the program.  
20 Each time period must be at least 1 month long. One period must be between September 1 and January 1, and  
21 the other time period must be between March 1 and June 1, based on the superintendent of public instruction's  
22 determination of school district and parent needs.

23 (b) verification of student eligibility pursuant to [section 3];

24 (c) creation of a parent contract pursuant to [section 5];

25 (d) notification of the resident school district of the student's participation in the program;

26 (e) calculation of the amount of the district student amount and the statewide average district student  
27 amount;

28 (f) accounting guidance related to the money remitted by school districts under [section 9(2)];

- 1 (g) establishment of participation agreements to create a trust interest in the special needs equal  
 2 opportunity education savings trust established in [section 10] and provide for participation in the program; and  
 3 (h) procedures for reimbursement for the purchase of allowable educational services from a student's  
 4 account.

5  
 6 **NEW SECTION. Section 7. Responsibilities of public school districts -- student records.** A  
 7 public school or school district that previously enrolled a qualified student participating in the Montana special  
 8 needs equal opportunity education savings account program shall provide a qualified school that has enrolled a  
 9 participating student with a complete copy of the student's school records, while complying with 20 U.S.C.  
 10 1232g, the Family Educational Rights and Privacy Act of 1974.

11  
 12 **NEW SECTION. Section 8. Qualified schools -- regulations.** (1) The superintendent of public  
 13 instruction shall require qualified schools who enroll students who are participating in the special needs equal  
 14 opportunity education savings account program to submit quarterly reports of services provided to qualified  
 15 students as required under the program.

16 (2) A qualified school is not an agent of the state or federal government.

17 (3) The superintendent of public instruction or any other state agency may not regulate the  
 18 educational program of a qualified school that enrolls a qualified student, except as provided under 20-5-109.

19 (4) The creation of the Montana special needs equal opportunity education savings account program  
 20 does not expand the regulatory authority of the state, its officers, or a school district to impose additional  
 21 regulation on providers of educational services under the program beyond that reasonably necessary to enforce  
 22 the requirements of the Montana special needs equal opportunity education savings account program.

23  
 24 **NEW SECTION. Section 9. Montana special needs equal opportunity education savings**  
 25 **account -- funding and administration.** (1) Following receipt of a signed contract pursuant to [section 5], the  
 26 superintendent of public instruction shall:

27 (a) notify the resident school district of the qualifying student's participation in the program and the  
 28 amount calculated in subsection (1)(c); and

1 (b) determine the lesser of the district student amount for the resident district and the statewide  
2 average district student amount; and

3 (c) divide the amount determined in subsection (1)(b) by 10.

4 (2) Beginning with the next distribution of BASE aid payments pursuant to 20-9-344 for the months of  
5 August through May, the resident school district shall remit to the office of public instruction the amount  
6 calculated in subsection (1)(c) for each participating student by no later than the 10th of the month following the  
7 BASE aid distribution.

8 (3) The money remitted under subsection (2):

9 (a) must be from the district's general fund;

10 (b) may not include revenue from the guarantee account described in 20-9-622; and

11 (c) must be accounted for under rules adopted by the superintendent of public instruction.

12 (4) The superintendent of public instruction shall account for the money remitted under subsection (2)  
13 as follows:

14 (a) 95% of the money must be deposited in accounts within the special needs equal opportunity  
15 education savings trust established in [section 10] to be used only for reimbursing parents for the purchase of  
16 allowable educational resources pursuant to [section 3]; and

17 (b) 5% of the money must be deposited in the office of public instruction special needs equal  
18 opportunity ESA administration account established in subsection (7).

19 (5) The office of public instruction shall ensure that the participating student is included in the resident  
20 school district's ANB calculation pursuant to 20-9-311 in any year that the student remains otherwise eligible for  
21 inclusion and participates in the program. No other school district may count the student for ANB purposes. The  
22 participating student is not considered to be enrolled in the resident school district.

23 (6) The office of public instruction shall administer the individual student accounts pursuant to  
24 subsection (4)(a) so that:

25 (a) reimbursements are promptly made to parents for the purchase of allowable educational services  
26 for a participating student pursuant to [section 4]; and

27 (b) on a student's 24th birthday, the student's account is closed and any remaining funds in the  
28 student's account are returned to the guarantee account described in 20-9-622.



1 (7) (a) There is an office of public instruction special needs equal opportunity ESA administration  
 2 account within the state special revenue fund created in 17-2-102 consisting of 5% of the money remitted to the  
 3 office of public instruction pursuant to subsection (2).

4 (b) Funds in the office of public instruction special needs equal opportunity ESA administration  
 5 account are statutorily appropriated, as provided in 17-7-502, to the office of public instruction and must be  
 6 used for the costs of administering the program.

7  
 8 **NEW SECTION. Section 10. Special needs equal opportunity education savings trust.** There is a  
 9 special needs equal opportunity education savings trust that is an instrumentality of the state and that is created  
 10 for a public purpose. The trust consists of participating trusts with each participating trust corresponding to an  
 11 account. The assets of one participating trust may not be commingled with the assets of any other participating  
 12 trust. The assets and earnings of any participating trust may not be used to satisfy the obligations of any other  
 13 participating trust. Each participating trust account represents a trust interest in the trust and includes interest  
 14 and investment income earned by the trust account.

15  
 16 **Section 11.** Section 17-7-502, MCA, is amended to read:

17 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
 18 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without  
 19 the need for a biennial legislative appropriation or budget amendment.

20 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with  
 21 both of the following provisions:

22 (a) The law containing the statutory authority must be listed in subsection (3).

23 (b) The law or portion of the law making a statutory appropriation must specifically state that a  
 24 statutory appropriation is made as provided in this section.

25 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-  
 26 407; 5-13-403; 5-13-404; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310;  
 27 10-3-312; 10-3-314; 10-3-802; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-31-1004; 15-31-1005; 15-35-108;  
 28 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-

1 106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410;  
 2 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; [section  
 3 9]; 20-8-107; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004;  
 4 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-54-113;  
 5 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-9-113;  
 6 53-24-108; 53-24-206; 60-11-115; 61-3-321; 61-3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108;  
 7 75-6-214; 75-11-313; 75-26-308; 76-13-151; 76-13-150; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222;  
 8 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-2-526;  
 9 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

10 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
 11 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
 12 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
 13 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined  
 14 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have  
 15 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the  
 16 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement  
 17 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410  
 18 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental  
 19 benefit provided by 19-6-709; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion  
 20 of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115  
 21 terminates June 30, 2021; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on  
 22 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117  
 23 terminates June 30, 2025; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates  
 24 December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023;  
 25 pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to  
 26 sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L.  
 27 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8, Ch. 284, L. 2017, the  
 28 inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec. 1, Ch. 340, L. 2017,

1 the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-  
2 103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-209 terminates  
3 September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029;  
4 pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027;  
5 pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; and pursuant to sec. 5,  
6 Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023.)"

7

8 **NEW SECTION. Section 12. Appropriation.** The following money is appropriated from the state  
9 general fund to the office of public instruction:

10 (1) for fiscal year 2022, \$75,000 for the purpose of Montana special needs equal opportunity  
11 education savings account program administrative costs; and

12 (2) for fiscal year 2023, \$30,000 for the purpose of Montana special needs equal opportunity  
13 education savings account program administrative costs.

14

15 **NEW SECTION. Section 13. Codification instruction.** [Sections 1 through 10] are intended to be  
16 codified as an integral part of Title 20, chapter 7, and the provisions of Title 20, chapter 7, apply to [sections 1  
17 through 10].

18

19 **NEW SECTION. Section 14. Severability.** If a part of [this act] is invalid, all valid parts that are  
20 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
21 the part remains in effect in all valid applications that are severable from the invalid applications.

22

23 **NEW SECTION. Section 15. Effective date.** [This act] is effective July 1, 2021.

24

- END -