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Education and Local Government Interim Committee
64th Montana Legislature

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TO: ELG Committee Members
FROM: Laura Sankey, Staff Attorney
DATE: April 3, 2016
RE: Administrative Rule Review – April 2016

The following administrative rulemaking action has taken place since the committee last received a rules update in January:

SUPERINTENDENT OF PUBLIC INSTRUCTION

MAR NOTICE NO. 10-10-127: The Superintendent of Public Instruction is proposing to repeal one administrative rule and make a series of amendments related to school finance across a number of chapters of rules. Generally, most of the amendments make minor changes to bring the administrative rules into compliance with recent changes to statute.

The amendments include, among other topics, moving reporting deadlines to allow adequate time for compliance with state and federal reporting requirements; authorizing the investment of excess funds in the student extracurricular activity account; allowing communication systems and safety devices to be included in the bus depreciation fund; and clarifying the calculations for the Average Number Belonging (ANB) and the 3-year average ANB. The rule to be repealed addresses the issuance of bonds by K-12 districts, and the explanation for the repeal is that language in this rule is inaccurate and the subject is better addressed in another existing rule dealing with the calculation of debt limits generally.

In addition, the Superintendent will be publishing an amended rule notice in the April 8 edition of the Montana Administrative Register. This amended notice makes additional changes to the rules calculating ANB and anticipated unusual enrollment increases, including instituting a deadline for reporting the October enrollment count.

[Proposal Notice](#) and [Amended Proposal](#): The Superintendent will hold a public hearing at 9 am on May 5, 2016 to consider the amendments and repeal specified in the notice. The deadline for public comment is 5pm on May 6.

MAR NOTICE NO. 10-11-126: The Superintendent is also publishing a notice in the April 8 Register regarding new rules for the distribution of oil and natural gas production taxes for schools that are directly impacted by oil and natural gas development. The proposed rules result from the negotiated rulemaking process required by SB 260 (2015; Moore). The proposed rules provide definitions for key terms; establish 3 distribution zones for the funds; define the revenue allocation in Zone 1 for recruitment and retention efforts, daily operations, and infrastructure projects; creates a 9-member committee to evaluate requests for grant funding for infrastructure projects in Zone 1; and a provide a method for distributing funds to Zones 2 and 3.

[Proposal Notice](#): The Superintendent will hold a public hearing at 9 am on April 29, 2016 to consider the adoption of the proposed rules. The deadline for public comment is 5pm on May 6.