

**Unofficial Draft Copy**

As of: 2020/06/03 03:42:36

Drafter: Pad McCracken, 406-444-3595

67th Legislature

PD 0015

\*\*\*\* BILL NO. \*\*\*\*

INTRODUCED BY \*\*\*\*

BY REQUEST OF THE \*\*\*\*

**THIS WORKING DRAFT RELATES TO ANTICIPATED ENROLLMENT INCREASES AND ISSUE #4 OF THE  
SCHOOL FUNDING MEMO FROM THE APRIL 30 EDIC MEETING**

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS RELATED TO  
ANTICIPATED ENROLLMENT INCREASES; AMENDING SECTION 20-9-314, MCA; AND PROVIDING AN  
EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

**Section 1.** Section 20-9-314, MCA, is amended to read:

**"20-9-314. Procedures for determining eligibility and amount of increased average number**

**belonging due to unusual enrollment increase.** A district that anticipates an unusual increase in enrollment

in the ensuing school fiscal year, as provided for in 20-9-313(1)(d), may increase its ~~basic entitlement and total~~

~~per-ANB entitlement- BASE aid and special education allowable cost payment~~ for the ensuing school fiscal year

in accordance with the following provisions:

(1) Prior to June 1, the district shall estimate the elementary or high school enrollment to be realized  
during the ensuing school fiscal year, based on as much factual information as may be available to the district.

(2) No later than June 1, the district shall submit its application for an anticipated unusual enrollment  
increase by elementary or high school level to the superintendent of public instruction. The application must  
include:

(a) the enrollment for the current school fiscal year;

(b) the average number belonging used to calculate the basic entitlement and total per-ANB  
entitlement for the current school fiscal year;

(c) the average number belonging that will be used to calculate the basic entitlement and total per-  
ANB entitlement for the ensuing school fiscal year;

(d) the anticipated enrollment, including the factual information on which the estimate is based, as

**Commented [MP1]:** ANB increases drive not only the basic and per-ANB entitlements, but other BASE aid components like IEFA, D4A, and GTB, as well as special education.

**Unofficial Draft Copy**

As of: 2020/06/03 03:42:36

Drafter: Pad McCracken, 406-444-3595

67th Legislature

PD 0015

1 provided in subsection (1); and

2 (e) any other information or data that may be requested by the superintendent of public instruction.

3 (3) The superintendent of public instruction shall immediately review all the factors of the application

4 and shall approve or disapprove the application or adjust the enrollment used to calculate the budgeted

5 average number belonging for the ensuing school fiscal year. After approving an estimate, with or without

6 adjustment, the superintendent of public instruction shall:

7 (a) determine the percentage by which the adjusted enrollment exceeds the enrollment used for the

8 budgeted average number belonging; and

9 (b) approve an increase of the average number belonging used to establish the ensuing year's basic

10 entitlement and total per-ANB entitlement in accordance with subsection (5) if the increase in subsection (3)(a)

11 is at least 4% or 40 students, whichever is less.

12 (4) The superintendent of public instruction shall notify the district of the decision by the fourth

13 Monday in June.

14 (5) Whenever an unusual enrollment increase is approved by the superintendent of public instruction,

15 the maximum allowable increase to the average number belonging is equal to the adjusted enrollment as

16 determined by the superintendent of public instruction in subsection (3) minus the sum of:

17 (a) the enrollment used to calculate the budgeted average number belonging for the ensuing school

18 fiscal year; and

19 (b) the lesser of 40 students or 4% of the enrollment used to calculate the budgeted average number

20 belonging for the ensuing school fiscal year.

21 (6) (a) Any entitlement increases resulting from provisions of this section must be reviewed at the

22 end of the ensuing school fiscal year.

23 (b) If the actual enrollment is less than the enrollment used to determine the budgeted ANB, the

24 superintendent of public instruction shall recalculate the district's BASE budget and maximum budget

25 limitations, adopted budget, ~~and BASE aid~~, and the special education allowable cost payment using the greater

26 of the district's unadjusted enrollment or the actual enrollment in place of the adjusted enrollment and:

27 (i) any BASE aid and special education allowable cost payment received by the district in excess of

28 the amount recalculated is an overpayment subject to the refund provisions of 20-9-344(4); and

**Commented [MP2]:** If additional kids don't materialize as anticipated and enrollment actually declines, this change will ensure that a district's budget will not be reduced below what it would've been otherwise entitled to.

**Unofficial Draft Copy**

As of: 2020/06/03 03:42:36

Drafter: Pad McCracken, 406-444-3595

PD 0015

67th Legislature

1 (ii) any revenue received by the district from BASE budget and over-BASE budget levies increased by  
2 the difference between the adjusted enrollment and the actual enrollment is an overpayment and must be used  
3 to reduce the BASE budget levy calculated as provided in 20-9-141 to the extent of any BASE budget levy  
4 revenue overpayment and to reduce the over-BASE budget levy to the extent of any over-BASE budget levy  
5 revenue overpayment in the ensuing school fiscal year. In order to return the full amount of the overpayment to  
6 local taxpayers, the amount of the reduction in the BASE budget mills levied as a result of any overpayment  
7 must be calculated as a final step in computing the district's general fund net BASE levy requirement pursuant  
8 to the procedure set forth in 20-9-141(2) and the district's guaranteed tax base aid must be calculated prior to  
9 the reduction in BASE mills."

10

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

12

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

15

16

- END -