

HB 36 Significant Enrollment Increase Summary

HB 36 repeals 20-9-314, MCA, which provides procedures for determining eligibility and amount of increased average number belonging (ANB) due to unusual enrollment increase. The bill also removes statutory references to sections 20-3-106, 20-9-141, 20-9-308, and 20-9-313, MCA and modifies section 20-9-166, MCA, to allow significant enrollment increase (SEI) payments.

In general, the SEI payment eligibility process is described in the bill as follows:

1. School districts that experience an enrollment increase based on the October enrollment count in the current year converted to ANB must be greater than the budget limitation ANB for the fiscal year three years prior by 10%.
2. The Office of Public Instruction (OPI) must determine by December 1st each year following the October enrollment count the school districts that qualify for a SEI payment. OPI must notify schools by December 15th of each year of their eligibility for an SEI payment.
3. The SEI payment is described in this bill as an amount that is the difference between 80% of the district's total per-ANB entitlement for that fiscal year using the most current October enrollment count minus the "absorption factor", and 80% of the district's initial per-ANB entitlement for that fiscal year.
4. Absorption factor is defined as an ANB amount rounded to the nearest whole number equal to the sum of five ANB plus 3% of the district's budget limit ANB for that fiscal year.
5. The trustees of a SEI payment qualifying district are to notice OPI of acceptance of all or partial amount of the allowable SEI payment no later than March 1st. A school district general fund budget amendment must be provided to the OPI and, upon successful completion of the budget amendment process, the OPI is to begin distribution of the SEI payments using appropriation authority from the BASE aid appropriation in HB 2 in the following months that direct state aid is distributed to schools by OPI.

HB 36 Significant Enrollment Increase Summary Continued

Table 1.

| Co | Co Name | LE | Le Name | State FY | Absorption | Fall SEI Eligible ANB | SEI Payment |
|----|---------------|------|--------------------------|----------|------------|-----------------------|-------------|
| | | | | | | | \$1,429,630 |
| 01 | Beaverhead | 0009 | Lima K-12 Schools | 2024 | 6 | 1 | \$4,898 |
| 07 | Cascade | 0102 | Cascade H S | 2024 | 8 | 2 | \$12,544 |
| 08 | Chouteau | 0154 | Geraldine K-12 | 2024 | 6 | 1 | \$4,898 |
| 10 | Daniels | 0194 | Scobey K-12 Schools | 2024 | 6 | 1 | \$6,272 |
| 14 | Fergus | 0269 | Grass Range H S | 2024 | 6 | 3 | \$18,816 |
| 14 | Fergus | 0291 | Winifred K-12 Schools | 2024 | 8 | 8 | \$39,187 |
| 15 | Flathead | 0317 | Cayuse Prairie Elem | 2024 | 13 | 1 | \$4,898 |
| 15 | Flathead | 0335 | Whitefish H S | 2024 | 23 | 30 | \$188,160 |
| 15 | Flathead | 0341 | Marion Elem | 2024 | 9 | 5 | \$24,492 |
| 16 | Gallatin | 0351 | Bozeman H S | 2024 | 86 | 50 | \$313,600 |
| 16 | Gallatin | 0363 | Monforton Elem | 2024 | 9 | 12 | \$75,264 |
| 20 | Granite | 0416 | Philipsburg K-12 Schools | 2024 | 8 | 2 | \$9,797 |
| 22 | Jefferson | 0454 | Whitehall H S | 2024 | 9 | 7 | \$43,904 |
| 24 | Lake | 0478 | Polson H S | 2024 | 21 | 17 | \$106,624 |
| 25 | Lewis & Clark | 0502 | Augusta Elem | 2024 | 7 | 1 | \$4,898 |
| 28 | Madison | 0537 | Sheridan Elem | 2024 | 9 | 4 | \$19,594 |
| 28 | Madison | 0543 | Harrison K-12 Schools | 2024 | 7 | 6 | \$29,390 |
| 31 | Mineral | 0582 | St Regis K-12 Schools | 2024 | 7 | 2 | \$12,544 |
| 37 | Pondera | 0671 | Dupuyer Elem | 2024 | 6 | 21 | \$102,866 |
| 44 | Rosebud | 1230 | Lame Deer H S | 2024 | 10 | 11 | \$68,992 |
| 50 | Teton | 0883 | Choteau Elem | 2024 | 11 | 57 | \$279,209 |
| 51 | Toole | 0910 | Shelby Elem | 2024 | 6 | 2 | \$9,797 |
| 52 | Treasure | 0923 | Hysham K-12 Schools | 2024 | 6 | 3 | \$14,695 |
| 54 | Wheatland | 0948 | Judith Gap Elem | 2024 | 5 | 1 | \$4,898 |
| 56 | Yellowstone | 0987 | Pioneer Elem | 2024 | 7 | 6 | \$29,390 |

Entitlements are based on the Per-Pupil amounts of: Elem \$6,123 & HS \$7,840. Section 20-9-306, MCA

Table 2.

Fiscal note estimates reflect the following:

| | FY2024 | FY2025 |
|----------------------|------------------|-------------------|
| Local Assistance DSA | \$-3,500,000 | \$-3,500,000 |
| Local Assistance SEI | \$ 3,560,288 | \$ 3,799,696 |
| Total | \$ 60,288 | \$ 299,695 |

Fiscal Note item 11. For the purposes of this fiscal note, October enrollment count based ANB is based on the FY 2023 fall count ANB inflated by enrollment projections in future years for elementary school, middle school, and high school budget units. There will be **unpredictable variation** in enrollment unrelated to the assumptions used in this fiscal note.