

## 1 SENATE BILL NO. 146

2 INTRODUCED BY D. SALOMON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING EDUCATION LAWS; APPLYING  
5 INFLATIONARY ADJUSTMENTS TO SCHOOL FUNDING COMPONENTS; AMENDING SECTION 20-9-306,  
6 MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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10 **Section 1.** Section 20-9-306, MCA, is amended to read:

11 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following  
12 definitions apply:

13 (1) "BASE" means base amount for school equity.

14 (2) "BASE aid" means:

15 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the  
16 general fund budget of a district;

17 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,  
18 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the  
19 special education allowable cost payment;

20 (c) the total quality educator payment;

21 (d) the total at-risk student payment;

22 (e) the total Indian education for all payment;

23 (f) the total American Indian achievement gap payment; and

24 (g) the total data-for-achievement payment.

25 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic  
26 entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total  
27 at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian  
28 achievement gap payment, 100% of the total data-for-achievement payment, and 140% of the special education  
29 allowable cost payment.

30 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may

1 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through  
2 20-9-369.

3 (5) "BASE funding program" means the state program for the equitable distribution of the state's share  
4 of the cost of Montana's basic system of public elementary schools and high schools, through county equalization  
5 aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the  
6 BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

7 (6) "Basic entitlement" means:

8 (a) for each high school district:

9 (i) ~~\$306,897 for fiscal year 2018 and \$312,636~~ \$315,481 for fiscal year 2020 and \$321,254 for each  
10 succeeding fiscal year for school districts with an ANB of 800 or fewer; and

11 (ii) ~~\$306,897 for fiscal year 2018 and \$312,636~~ \$315,481 for fiscal year 2020 and \$321,254 for each  
12 succeeding fiscal year for school districts with an ANB of more than 800, plus ~~\$15,345 for fiscal year 2018 and~~  
13 ~~\$15,632~~ \$15,774 for fiscal year 2020 and \$16,063 for each succeeding fiscal year for each additional 80 ANB  
14 over 800;

15 (b) for each elementary school district or K-12 district elementary program without an approved and  
16 accredited junior high school, 7th and 8th grade program, or middle school:

17 (i) ~~\$51,149 for fiscal year 2018 and \$52,105~~ \$52,579 for fiscal year 2020 and \$53,541 for each  
18 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

19 (ii) ~~\$51,149 for fiscal year 2018 and \$52,105~~ \$52,579 for fiscal year 2020 and \$53,541 for each  
20 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250,  
21 plus ~~\$2,558 for fiscal year 2018 and \$2,606~~ \$2,630 for fiscal year 2020 and \$2,678 for each succeeding fiscal  
22 year for each additional 25 ANB over 250;

23 (c) for each elementary school district or K-12 district elementary program with an approved and  
24 accredited junior high school, 7th and 8th grade program, or middle school:

25 (i) for the district's kindergarten through grade 6 elementary program:

26 (A) ~~\$51,149 for fiscal year 2018 and \$52,105~~ \$52,579 for fiscal year 2020 and \$53,541 for each  
27 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

28 (B) ~~\$51,149 for fiscal year 2018 and \$52,105~~ \$52,579 for fiscal year 2020 and \$53,541 for each  
29 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250,  
30 plus ~~\$2,558 for fiscal year 2018 and \$2,606~~ \$2,630 for fiscal year 2020 and \$2,678 for each succeeding fiscal

1 year for each additional 25 ANB over 250; and

2 (ii) for the district's approved and accredited junior high school, 7th and 8th grade programs, or middle  
3 school:

4 (A) ~~\$102,299 for fiscal year 2018 and \$104,212~~ \$105,160 for fiscal year 2020 and \$107,084 for each  
5 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with  
6 an ANB of 450 or fewer; and

7 (B) ~~\$102,299 for fiscal year 2018 and \$104,212~~ \$105,160 for fiscal year 2020 and \$107,084 for each  
8 succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with  
9 an ANB of more than 450, plus ~~\$5,115 for fiscal year 2018 and \$5,211~~ \$5,258 for fiscal year 2020 and \$5,354  
10 for each succeeding fiscal year for each additional 45 ANB over 450.

11 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to  
12 20-9-311.

13 (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement  
14 for the general fund budget of a district and funded with state and county equalization aid.

15 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the  
16 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,  
17 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement  
18 gap payment, the total data-for-achievement payment, and the greater of the district's special education allowable  
19 cost payment multiplied by:

20 (a) 175%; or

21 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures  
22 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a  
23 maximum allowable ratio of 200%.

24 (10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted  
25 that is above the BASE budget and below the maximum general fund budget for a district.

26 (11) "Total American Indian achievement gap payment" means the payment resulting from multiplying  
27 ~~\$210 for fiscal year 2018 and \$214~~ \$216 for fiscal year 2020 and \$220 for each succeeding fiscal year times the  
28 number of American Indian students enrolled in the district as provided in 20-9-330.

29 (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds  
30 appropriated for the purposes of 20-9-328.

1 (13) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from  
 2 multiplying ~~\$20.46 for fiscal year 2018 and \$20.84~~ \$21.03 for fiscal year 2020 and \$21.41 for each succeeding  
 3 fiscal year by the district's ANB calculated in accordance with 20-9-311.

4 (14) "Total Indian education for all payment" means the payment resulting from multiplying ~~\$21.36 for~~  
 5 ~~fiscal year 2018 and \$21.76~~ \$21.96 for fiscal year 2020 and \$22.36 for each succeeding fiscal year times the ANB  
 6 of the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.

7 (15) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations  
 8 and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

9 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$7,005 for fiscal~~  
 10 ~~year 2018 and \$7,136~~ \$7,201 for fiscal year 2020 and \$7,333 for each succeeding fiscal year for the first ANB,  
 11 decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each  
 12 ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

13 (b) for an elementary school district or a K-12 district elementary program without an approved and  
 14 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of ~~\$5,471 for fiscal~~  
 15 ~~year 2018 and \$5,573~~ \$5,624 for fiscal year 2020 and \$5,727 for each succeeding fiscal year for the first ANB,  
 16 decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each  
 17 ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

18 (c) for an elementary school district or a K-12 district elementary program with an approved and  
 19 accredited junior high school, 7th and 8th grade program, or middle school, the sum of:

20 (i) a maximum rate of ~~\$5,471 for fiscal year 2018 and \$5,573~~ \$5,624 for fiscal year 2020 and \$5,727  
 21 each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents  
 22 per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same  
 23 amount of entitlement as the 1,000th ANB; and

24 (ii) a maximum rate of ~~\$7,005 for fiscal year 2018 and \$7,136~~ \$7,201 for fiscal year 2020 and \$7,333  
 25 each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for  
 26 each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same  
 27 amount of entitlement as the 800th ANB.

28 (16) "Total quality educator payment" means the payment resulting from multiplying ~~\$3,185 for fiscal year~~  
 29 ~~2018 and \$3,245~~ \$3,275 for fiscal year 2020 and \$3,335 for each succeeding fiscal year by the number of  
 30 full-time equivalent educators as provided in 20-9-327."

