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As of: August 2, 2016 (4:08pm)

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\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the \*\*\*\*\*

A Bill for an Act entitled: "An Act revising laws related to programs for high ability/high potential students; establishing a funding component for programs to identify and serve high ability/high potential students; requiring districts to report the number of high ability/high potential students identified and describe the district's programs to serve high ability/high potential students; amending sections 20-2-121, 20-7-901, 20-7-902, 20-9-306, 20-9-308, 20-9-309, 20-9-326, 20-9-344, and 20-9-366, MCA; repealing sections 20-7-903 and 20-7-904, MCA; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

**Section 1.** Section 20-2-121, MCA, is amended to read:

**"20-2-121. Board of public education -- powers and duties.**

The board of public education shall:

(1) effect an orderly and uniform system for teacher certification and specialist certification and for the issuance of an emergency authorization of employment by adopting the policies prescribed by 20-4-102 and 20-4-111;

(2) consider the suspension or revocation of teacher or specialist certificates and appeals from the denial of teacher or specialist certification in accordance with the provisions of

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

20-4-110;

(3) administer and order the distribution of BASE aid in accordance with the provisions of 20-9-344;

(4) adopt and enforce policies to provide uniform standards and regulations for the design, construction, and operation of school buses in accordance with the provisions of 20-10-111;

(5) adopt policies prescribing the conditions when school may be conducted on Saturday and the types of pupil-instruction-related days and approval procedure for those days in accordance with the provisions of 20-1-303 and 20-1-304;

(6) adopt standards of accreditation and establish the accreditation status of every school in accordance with the provisions of 20-7-101 and 20-7-102;

(7) approve or disapprove educational media selected by the superintendent of public instruction for the educational media library in accordance with the provisions of 20-7-201;

(8) adopt policies for the conduct of special education in accordance with the provisions of 20-7-402;

(9) adopt rules for issuance of documents certifying equivalency of completion of secondary education in accordance with 20-7-131;

(10) adopt policies for the conduct of programs for ~~gifted and talented children~~ high ability/high potential in accordance with the provisions of ~~20-7-903 and 20-7-904~~ 20-7-901 and 20-7-902;

(11) adopt rules for student assessment in the public schools; and

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

(12) perform any other duty prescribed from time to time by this title or any other act of the legislature."

{*Internal References to 20-2-121:*  
*20-3-106 ok*}

**Section 2.** Section 20-7-901, MCA, is amended to read:

**"20-7-901. Definitions.** As used in this part the following definitions apply:

~~(1) "Gifted and talented children" means children of outstanding abilities who are capable of high performance and require differentiated educational programs beyond those normally offered in public schools in order to fully achieve their potential contribution to self and society. The children so identified include those with demonstrated achievement or potential ability in a variety of worthwhile human endeavors.~~

(1) "High ability/high potential student" means a student identified by a multi-disciplinary team as:

(a) possessing demonstrated or potential abilities that give evidence of exceptional intellectual, creative, or specific academic capability; and

(b) needing differentiated instruction or services beyond those being provided in the regular school program in order to realize their intellectual, creative or specific academic potential.

(2) "Multi-disciplinary team" means a group of professionally qualified persons assembled by a school district to identify high ability/high potential students in coordination

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

with a student's parents or guardians.

~~(2)~~(3) "Professionally qualified persons" means teachers, administrators, school psychologists, counselors, curriculum specialists, artists, musicians, and others with special training who are qualified to appraise pupils' special competencies."

{Internal References to 20-7-901:  
19-20-302 ok 20-9-309 a}

**Section 3.** Section 20-7-902, MCA, is amended to read:

**"20-7-902. School district programs to identify and serve the ~~gifted and talented child~~ high ability/high potential students.** (1) A school district ~~may~~ shall identify ~~gifted and talented children~~ high ability/high potential students and devise programs to serve them.

(2) In identifying ~~gifted and talented children~~ high ability/high potential students, the school district shall:

(a) ~~consult with professionally qualified persons~~ utilize a multi-disciplinary team and the parents ~~of children~~ or guardians of the student being evaluated;

(b) consider a child's demonstrated or potential ~~gifts or talents~~ abilities; and

(c) use comprehensive and appropriate assessment methods including objective measures and professional assessment measures.

(3) A school district shall notify a student's parents or guardians that a multi-disciplinary team intends to assess a student's ability.

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

(4) The conduct of programs to serve high ability/high potential students must comply with the policies recommended by the superintendent of public instruction and adopted by the board of public education.

(5) A school district shall report to the office of public instruction on the number of identified high ability/high potential students identified and the manner in which identified students are provided differentiated instruction or services beyond those being provided in the regular school program in order to realize their intellectual, creative or specific academic potential.

(6) The superintendent of public instruction shall provide assistance to school districts in identifying and providing programs for high ability/high potential students."

{*Internal References to 20-7-902: None.*}

**Section 4.** Section 20-9-306, MCA, is amended to read:

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

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

(2) "BASE aid" means:

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

(b) the natural resource development K-12 funding payment for a variable percentage of the basic and per-ANB entitlements

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

above the direct state aid for the general fund budget of a district, as referenced in subsection (10);

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

(d) the total quality educator payment;

(e) the total at-risk student payment;

(f) the total Indian education for all payment;

(g) the total American Indian achievement gap payment; ~~and~~

(h) the total data-for-achievement payment; and

(i) the total high ability/high potential payment.

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

(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.

(5) "BASE funding program" means the state program for the

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization 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 BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) for each high school district:

(i) \$300,000 for fiscal year 2016 and \$305,370 for each succeeding fiscal year for school districts with an ANB of 800 or fewer; and

(ii) \$300,000 for fiscal year 2016 and \$305,370 for each succeeding fiscal year for school districts with an ANB of more than 800, plus \$15,000 for fiscal year 2016 and \$15,269 for each succeeding fiscal year for each additional 80 ANB over 800;

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

(i) \$50,000 for fiscal year 2016 and \$50,895 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

(ii) \$50,000 for fiscal year 2016 and \$50,895 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus \$2,500 for fiscal year 2016 and \$2,545 for each succeeding fiscal year for each additional 25 ANB over 250;

(c) for each elementary school district or K-12 district

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

elementary program with an approved and accredited junior high school, 7th and 8th grade program, or middle school:

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

(A) \$50,000 for fiscal year 2016 and \$50,895 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

(B) \$50,000 for fiscal year 2016 and \$50,895 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus \$2,500 for fiscal year 2016 and \$2,545 for each succeeding fiscal year for each additional 25 ANB over 250; and

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

(A) \$100,000 for fiscal year 2016 and \$101,790 for each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with an ANB of 450 or fewer; and

(B) \$100,000 for fiscal year 2016 and \$101,790 for each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with an ANB of more than 450, plus \$5,000 for fiscal year 2016 and \$5,090 for each succeeding fiscal year for each additional 45 ANB over 450.

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

(8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

budget of a district and funded with state and county equalization aid.

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

(a) 175%; or

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

(10) "Natural resource development K-12 funding payment" means the payment of a variable percentage of the basic and per-ANB entitlements above the direct state aid for the general fund budget of a district. The total payment to school districts may not exceed the greater of 50% of the fiscal year 2012 oil and natural gas production taxes deposited into the general fund pursuant to 15-36-331(4) or 50% of the oil and natural gas production taxes deposited into the general fund pursuant to 15-36-331(4) for the fiscal year occurring 2 fiscal years prior to the school fiscal year in which the payment is provided, plus any excess interest and income revenue appropriated by the

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

legislature pursuant to 20-9-622(2)(a). The amount of the natural resource development K-12 funding payment must be, subject to the limitations of this subsection (10), an amount sufficient to offset any estimated increase in statewide revenue from the general fund BASE budget levy provided for in 20-9-141 that is anticipated to result from increases in the basic or per-ANB entitlements plus any excess interest and income revenue appropriated by the legislature pursuant to 20-9-622(2)(a). The superintendent of public instruction shall incorporate a natural resource development K-12 funding payment calculated in compliance with this subsection (10) in preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112.

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

(12) "Total American Indian achievement gap payment" means the payment resulting from multiplying \$205 in fiscal year 2016 and \$209 for each succeeding fiscal year times the number of American Indian students enrolled in the district as provided in 20-9-330.

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

(14) "Total high ability/high potential payment means the payment resulting from multiplying \$10 in fiscal year 2018 and each succeeding year times the ANB of a district or \$100 for each

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

district, whichever is greater, as provided for in [section 7].

~~(14)~~(15) "Total Indian education for all payment" means the payment resulting from multiplying \$20.88 in fiscal year 2016 and \$21.25 for each succeeding fiscal year times the ANB of the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.

~~(15)~~(16) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(a) for a high school district or a K-12 district high school program, a maximum rate of \$6,847 for fiscal year 2016 and \$6,970 for each succeeding fiscal year for the first ANB, decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of \$5,348 for fiscal year 2016 and \$5,444 for each succeeding fiscal year for the first ANB, decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

(i) a maximum rate of \$5,348 for fiscal year 2016 and \$5,444 for each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of \$6,847 for fiscal year 2016 and \$6,970 for each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

~~(16)~~(17) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from multiplying \$20 for fiscal year 2016 and \$20.36 for each succeeding fiscal year by the district's ANB calculated in accordance with 20-9-311.

~~(17)~~(18) "Total quality educator payment" means the payment resulting from multiplying \$3,113 in fiscal year 2016 and \$3,169 for each succeeding fiscal year by the number of full-time equivalent educators as provided in 20-9-327."

{*Internal References to 20-9-306:*

20-5-323 ok 20-5-323 ok 20-7-102 ok 20-7-1404 ok  
20-7-1404 ok 20-7-1404 ok 20-9-325 ok 20-9-327 ok  
20-9-329 ok 20-9-330 ok 20-9-376 ok 20-9-622 ok}

**Section 5.** Section 20-9-308, MCA, is amended to read:

**"20-9-308. BASE budgets and maximum general fund budgets.**

(1) (a) The trustees of a district shall adopt a general fund

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

budget that is at least equal to the BASE budget established for the district. The trustees of a district may adopt a general fund budget up to the maximum general fund budget or the previous year's general fund budget, whichever is greater.

(b) For purposes of the budget limitation in subsection (1)(a), the trustees may add any increase in direct state aid for the basic and per-ANB entitlements and any increases in state funding of the high ability/high potential payment under [section 7], the data-for-achievement payment under 20-9-325, and in the general fund payments in 20-9-327 through 20-9-330 to the district's previous year's general fund budget.

(2) (a) Except as provided in subsection (2)(b), whenever the trustees of a district propose to adopt a general fund budget that exceeds the BASE budget for the district and propose to increase the over-BASE budget levy over the highest revenue previously authorized by the electors of the district or imposed by the district in any of the previous 5 years to support the general fund budget, the trustees shall submit a proposition to the electors of the district, as provided in 20-9-353.

(b) The intent of this section is to increase the flexibility and efficiency of elected school boards without increasing school district property taxes. In furtherance of this intent and provided that budget limitations otherwise specified in law are not exceeded, the trustees of a district may increase the district's over-BASE budget levy without a vote if the board of trustees reduces nonvoted property tax levies authorized by law to be imposed by action of the trustees of the district by at

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

least as much as the amount by which the over-BASE budget levy is increased. The ongoing authority for any nonvoted increase in the over-BASE budget levy imposed under this subsection (2)(b) must be decreased in future years to the extent that the trustees of the district impose any increase in other nonvoted property tax levies.

(3) The BASE budget for the district must be financed by the following sources of revenue:

(a) state equalization aid, as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue, as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

(4) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district, as provided in 20-9-141."

{*Internal References to 20-9-308:*

<i>20-6-703 ok</i>	<i>20-6-704 ok</i>	<i>20-7-435 ok</i>	<i>20-9-141 ok</i>
<i>20-9-303 ok</i>	<i>20-9-310 ok</i>	<i>20-9-310 ok</i>	<i>20-9-310 ok</i>
<i>20-9-353 ok</i>	<i>20-9-353 ok</i>	<i>20-9-353 ok</i>	}

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

**Section 6.** Section 20-9-309, MCA, is amended to read:

**"20-9-309. Basic system of free quality public elementary and secondary schools defined -- identifying educationally relevant factors -- establishment of funding formula and budgetary structure -- legislative review.**

(1) Pursuant to Article X, section 1, of the Montana constitution, the legislature is required to provide a basic system of free quality public elementary and secondary schools throughout the state of Montana that will guarantee equality of educational opportunity to all.

(2) As used in this section, a "basic system of free quality public elementary and secondary schools" means:

(a) the educational program specified by the accreditation standards provided for in 20-7-111, which represent the minimum standards upon which a basic system of free quality public elementary and secondary schools is built;

(b) educational programs to provide for students with special needs, such as:

(i) a child with a disability, as defined in 20-7-401;

(ii) an at-risk student;

(iii) a student with limited English proficiency;

(iv) a child who is qualified for services under 29 U.S.C. 794; and

(v) ~~gifted and talented children~~ high ability/high potential students, as defined in 20-7-901;

(c) educational programs to implement the provisions of

Article X, section 1(2), of the Montana constitution and Title 20, chapter 1, part 5, through development of curricula designed to integrate the distinct and unique cultural heritage of American Indians into the curricula, with particular emphasis on Montana Indians;

(d) qualified and effective teachers or administrators and qualified staff to implement the programs in subsections (2)(a) through (2)(c);

(e) facilities and distance learning technologies associated with meeting the accreditation standards;

(f) transportation of students pursuant to Title 20, chapter 10;

(g) a procedure to assess and track student achievement in the programs established pursuant to subsections (2)(a) through (2)(c); and

(h) preservation of local control of schools in each district vested in a board of trustees pursuant to Article X, section 8, of the Montana constitution.

(3) In developing a mechanism to fund the basic system of free quality public elementary and secondary schools and in making adjustments to the funding formula, the legislature shall, at a minimum, consider the following educationally relevant factors:

(a) the number of students in a district;

(b) the needs of isolated schools with low population density;

(c) the needs of urban schools with high population

density;

(d) the needs of students with special needs, such as a child with a disability, an at-risk student, a student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and ~~gifted and talented children~~ high ability/high potential students;

(e) the needs of American Indian students; and

(f) the ability of school districts to attract and retain qualified educators and other personnel.

(4) The legislature shall:

(a) determine the costs of providing the basic system of free quality public elementary and secondary schools;

(b) establish a funding formula that:

(i) is based on the definition of a basic system of free quality public elementary and secondary schools and reflects the costs associated with providing that system as determined in subsection (4)(a);

(ii) allows the legislature to adjust the funding formula based on the educationally relevant factors identified in this section;

(iii) is self-executing and includes a mechanism for annual inflationary adjustments;

(iv) is based on state laws;

(v) is based on federal education laws consistent with Montana's constitution and laws; and

(vi) distributes to school districts in an equitable manner the state's share of the costs of the basic system of free

quality public elementary and secondary schools; and

(c) consolidate the budgetary fund structure to create the number and types of funds necessary to provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency.

(5) At least every 10 years, the legislature shall form the school funding interim commission pursuant to 5-20-301 for the purpose of reassessing the state's school funding formula."

{*Internal References to 20-9-309:*

5-20-301 ok 20-7-1404 ok 20-9-328 ok 90-6-803 ok  
90-6-811 ok}

NEW SECTION. **Section 7. High ability/high potential payment.** (1) The state shall provide a high ability/high potential payment to public school districts, as defined in 20-6-101 and 20-6-701, to support programs for high ability/high potential students, as defined in 20-7-901 and referenced in 20-9-309.

(2) The high ability/high potential payment is calculated as provided in 20-9-306 and is a component of the BASE budget of the district.

(3) Annually, the office of public instruction shall include in its reports to the board of public education on the accreditation status of schools the number of high ability/high potential students identified by each district. Districts shall provide the office of public instruction with their plans for providing programs for high ability/high potential students with measurable objectives and an explanation of how state funds have

been allocated to provide services for identified students and training for teachers and administrators.

**Section 8.** Section 20-9-326, MCA, is amended to read:

**"20-9-326. Annual inflation-related adjustments to basic entitlements and per-ANB entitlements.** (1) In preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112, the superintendent of public instruction shall determine the inflation factor for the basic and per-ANB entitlements, the data-for-achievement payment, the high ability/high potential payment, and the general fund payments in 20-9-327 through 20-9-330 in each fiscal year of the ensuing biennium. The inflation factor is calculated as follows:

(a) for the first year of the biennium, divide the consumer price index for July 1 of the prior calendar year by the consumer price index for July 1 of the calendar year 3 years prior to the prior calendar year and raise the resulting ratio to the power of one-third; and

(b) for the second year of the biennium, divide the consumer price index for July 1 of the current calendar year by the consumer price index for July 1 of the calendar year 3 years prior to the current calendar year and raise the resulting ratio to the power of one-third.

(2) The present law base for the entitlements referenced in subsection (1), calculated under Title 17, chapter 7, part 1, must consist of any enrollment increases or decreases plus the inflation factor calculated pursuant to this section, not to

exceed 3% in each year, applied to both years of the biennium.

(3) For the purposes of this section, "consumer price index" means the consumer price index, U.S. city average, all urban consumers, for all items, using the 1982-84 base of 100, as published by the bureau of labor statistics of the U.S. department of labor."

{*Internal References to 20-9-326:*  
*20-9-376 ok*}

**Section 9.** Section 20-9-344, MCA, is amended to read:

**"20-9-344. Duties of board of public education for distribution of BASE aid.** (1) The board of public education shall administer and distribute the BASE aid and state advances for county equalization in the manner and with the powers and duties provided by law. The board of public education:

(a) shall adopt policies for regulating the distribution of BASE aid and state advances for county equalization in accordance with the provisions of law;

(b) may require reports from the county superintendents, county treasurers, and trustees that it considers necessary; and

(c) shall order the superintendent of public instruction to distribute the BASE aid on the basis of each district's annual entitlement to the aid as established by the superintendent of public instruction. In ordering the distribution of BASE aid, the board of public education may not increase or decrease the BASE aid distribution to any district on account of any difference that may occur during the school fiscal year between budgeted and

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

actual receipts from any other source of school revenue.

(2) The board of public education may order the superintendent of public instruction to withhold distribution of BASE aid from a district when the district fails to:

(a) submit reports or budgets as required by law or rules adopted by the board of public education; or

(b) maintain accredited status because of failure to meet the board of public education's assurance and performance standards.

(3) Prior to any proposed order by the board of public education to withhold distribution of BASE aid or county equalization money, the district is entitled to a contested case hearing before the board of public education, as provided under the Montana Administrative Procedure Act.

(4) If a district or county receives more BASE aid than it is entitled to, the county treasurer shall return the overpayment to the state upon the request of the superintendent of public instruction in the manner prescribed by the superintendent of public instruction.

(5) Except as provided in 20-9-347(2), the BASE aid payment must be distributed according to the following schedule:

(a) from August to October of the school fiscal year, to each district 10% of:

(i) direct state aid;

(ii) the total quality educator payment;

(iii) the total at-risk student payment;

(iv) the total Indian education for all payment;

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

(v) the total American Indian achievement gap payment;  
(vi) the total data-for-achievement payment; and  
(vii) the total natural resource development K-12 funding payment;

(b) from December to April of the school fiscal year, to each district 10% of:

(i) direct state aid;  
(ii) the total quality educator payment;  
(iii) the total at-risk student payment;  
(iv) the total Indian education for all payment;  
(v) the total American Indian achievement gap payment;  
(vi) the total data-for-achievement payment; and  
(vii) the total natural resource development K-12 funding payment;

(c) in November of the school fiscal year, one-half of the guaranteed tax base aid payment to each district or county that has submitted a final budget to the superintendent of public instruction in accordance with the provisions of 20-9-134;

(d) in May of the school fiscal year, the remainder of the guaranteed tax base aid payment to each district or county; and

(e) in June of the school fiscal year, the remaining payment to each district of direct state aid, the total quality educator payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement gap payment, the total data-for-achievement payment, and the total natural resource development K-12 funding payment.

(6) The distribution provided for in subsection (5) must

**Unofficial Draft Copy**

As of: August 2, 2016 (4:08pm)

LCGFTD

occur by the last working day of each month."

{*Internal References to 20-9-344:*

20-2-121 ok 20-9-314 ok 20-9-347 ok 20-9-347 ok  
20-9-347 ok 20-9-368 ok }

**Section 10.** Section 20-9-366, MCA, is amended to read:

**"20-9-366. Definitions.** As used in 20-9-366 through 20-9-371, the following definitions apply:

(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts.

(2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an eligible district means the taxable valuation in the previous year of all property in the district, except for property value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of a new school district under 20-6-326, divided by the district's prior year GTBA budget area.

(b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation in the previous year of all property in the district, except for property subject to the creation of a new school district under 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the

district used to calculate the district's prior year total per-ANB entitlement amount.

(3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB count used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts.

(4) "Guaranteed tax base aid budget area" or "GTBA budget area" means the portion of a district's BASE budget after the following payments are subtracted:

- (a) direct state aid;
- (b) the total data-for-achievement payment;
- (c) the total quality educator payment;
- (d) the total at-risk student payment;
- (e) the total Indian education for all payment;
- (f) the total American Indian achievement gap payment; ~~and~~
- (g) the state special education allowable cost payment; and
- (h) the total high ability/high potential payment.

(5) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 193% and divided by the prior year statewide GTBA budget area for the state elementary

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As of: August 2, 2016 (4:08pm)

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school districts or the state high school districts.

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 121% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts."

{Internal References to 20-9-366:

15-1-409 20-3-106 \* 20-3-106 \* 20-6-702  
20-9-306 \* 20-9-308 \* 20-9-310 \* 20-9-310 \*  
20-9-310 \* 20-9-346 \* 20-9-346 \* 20-9-351 \*  
20-9-366 \* 20-9-369 \* 20-9-406 ALL OK}

NEW SECTION. **Section 11. {standard} Repealer.**

20-7-903. Programs to serve gifted and talented children --  
compliance with board policy -- funding.

20-7-904. Review and recommendations of proposals.

{Internal References to 20-7-903: 20-2-121 a  
Internal References to 20-7-904: 20-2-121 a}

NEW SECTION. **Section 12. {standard} Codification**

**instruction.** [Section 7] is intended to be codified as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [section 7].

NEW SECTION. **Section 13. {standard} Effective date --**

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**applicability.** [This act] is effective July 1, 2017 and applies to school years beginning on or after July 1, 2017.

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