

HOUSE BILL NO. 633

INTRODUCED BY E. MATTHEWS

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE LOCALLY FUNDED AND VOTER-APPROVED GENERAL FUND BUDGET AUTHORITY OF SCHOOL DISTRICTS WITH HIGH COSTS OF LIVING; AMENDING SECTION 20-9-306, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. 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) 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;
 - (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;
 - (g) the total data-for-achievement payment; and
 - (h) the special education allowable cost 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

1 American Indian achievement gap payment, 100% of the total data-for-achievement payment, and 140% of the
2 special education allowable cost payment.

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

6 (5) "BASE funding program" means the state program for the equitable distribution of the state's
7 share of the cost of Montana's basic system of public elementary schools and high schools, through county
8 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in
9 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-
10 321.

11 (6) "Basic entitlement" means:

12 (a) for each high school district:

13 (i) \$326,073 for fiscal year 2022 and \$334,453 for each succeeding fiscal year for school districts
14 with an ANB of 800 or fewer; and

15 (ii) \$326,073 for fiscal year 2022 and \$334,453 for each succeeding fiscal year for school districts
16 with an ANB of more than 800, plus \$16,304 for fiscal year 2022 and \$16,723 for each succeeding fiscal year
17 for each additional 80 ANB over 800;

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

20 (i) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or
21 K-12 district elementary programs with an ANB of 250 or fewer; and

22 (ii) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or
23 K-12 district elementary programs with an ANB of more than 250, plus \$2,718 for fiscal year 2022 and \$2,788
24 for each succeeding fiscal year for each additional 25 ANB over 250;

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

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

28 (A) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or

1 K-12 district elementary programs with an ANB of 250 or fewer; and

2 (B) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or

3 K-12 district elementary programs with an ANB of more than 250, plus \$2,718 for fiscal year 2022 and \$2,788

4 for each succeeding fiscal year for each additional 25 ANB over 250; and

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

6 middle school:

7 (A) \$108,690 for fiscal year 2022 and \$111,483 for each succeeding fiscal year for school districts

8 or K-12 district elementary programs with combined grades 7 and 8 with an ANB of 450 or fewer; and

9 (B) \$108,690 for fiscal year 2022 and \$111,483 for each succeeding fiscal year for school districts

10 or K-12 district elementary programs with combined grades 7 and 8 with an ANB of more than 450, plus \$5,434

11 for fiscal year 2022 and \$5,574 for each succeeding fiscal year for each additional 45 ANB over 450.

12 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to

13 20-9-311.

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

15 entitlement for the general fund budget of a district and funded with state and county equalization aid.

16 (9) (a) "Maximum general fund budget" means a district's general fund budget amount calculated

17 from the basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator

18 payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian

19 achievement gap payment, the total data-for-achievement payment, and the greater of the district's special

20 education allowable cost payment multiplied by:

21 ~~(a)~~(i) 175%; or

22 ~~(b)~~(ii) the ratio, expressed as a percentage, of the district's special education allowable cost

23 expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years

24 previous, with a maximum allowable ratio of 200%.

25 (b) (i) For a district in which the median market value for residential properties is greater than the

26 median market value for residential properties in the state, the maximum general fund budget is calculated as

27 follows:

28 (A) if the district median market value is greater than 110% but less than 120% of the statewide

- 1 median market value, the amount calculated in subsection (9)(a) multiplied by 105%;
2 (B) if the district median market value is greater than 120% but less than 130% of the statewide
3 median market value, the amount calculated in subsection (9)(a) multiplied by 110%;
4 (C) if the district median market value is greater than 130% but less than 140% of the statewide
5 median market value, the amount calculated in subsection (9)(a) multiplied by 115%; and
6 (D) if the district median market value is greater than 140% of the statewide median market value,
7 the amount calculated in subsection (9)(a) multiplied by 120%.
8 (ii) The department of revenue shall calculate the median market values in subsection (9)(b)(i),
9 excluding properties with a market value of \$50,000 or less, in odd-numbered calendar years and report this
10 information to the office of public instruction no later than December 1. The values reported must apply to the
11 calculations in subsection (9)(b)(i) and the maximum general fund budgets of districts calculated under this
12 subsection (9) in the two school fiscal years beginning the following July 1.
13 (10) "Over-BASE budget levy" means the district levy in support of any general fund amount
14 budgeted that is above the BASE budget and below the maximum general fund budget for a district.
15 (11) "Total American Indian achievement gap payment" means the payment resulting from
16 multiplying \$223 for fiscal year 2022 and \$229 for each succeeding fiscal year times the number of American
17 Indian students enrolled in the district as provided in 20-9-330.
18 (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds
19 appropriated for the purposes of 20-9-328.
20 (13) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from
21 multiplying \$21.73 for fiscal year 2022 and \$22.29 for each succeeding fiscal year by the district's ANB
22 calculated in accordance with 20-9-311.
23 (14) "Total Indian education for all payment" means the payment resulting from multiplying \$22.70
24 for fiscal year 2022 and \$23.28 for each succeeding fiscal year times the ANB of the district or \$100 for each
25 district, whichever is greater, as provided for in 20-9-329.
26 (15) "Total per-ANB entitlement" means the district entitlement resulting from the following
27 calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:
28 (a) for a high school district or a K-12 district high school program, a maximum rate of \$7,443 for

1 fiscal year 2022 and \$7,634 for each succeeding fiscal year for the first ANB, decreased at the rate of 50 cents
2 per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving
3 the same amount of entitlement as the 800th ANB;

4 (b) for an elementary school district or a K-12 district elementary program without an approved and
5 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of \$5,813 for fiscal
6 year 2022 and \$5,962 for each succeeding fiscal year for the first ANB, decreased at the rate of 20 cents per
7 ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving
8 the same amount of entitlement as the 1,000th ANB; and

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

11 (i) a maximum rate of \$5,813 for fiscal year 2022 and \$5,962 for each succeeding fiscal year for
12 the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional
13 ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the
14 1,000th ANB; and

15 (ii) a maximum rate of \$7,443 for fiscal year 2022 and \$7,634 for each succeeding fiscal year for
16 the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades
17 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
18 800th ANB.

19 (16) "Total quality educator payment" means the payment resulting from multiplying \$3,385 for fiscal
20 year 2022 and \$3,472 for each succeeding fiscal year by the sum of:

21 (a) the number of full-time equivalent educators as provided in 20-9-327; and

22 (b) as provided in 20-9-324, for a school district meeting the legislative goal for competitive base
23 pay of teachers, the number of full-time equivalent teachers that were in the first 3 years of the teacher's
24 teaching career in the previous year.

25 (17) "Total special education allocation" means the state payment distributed pursuant to 20-9-321
26 that is the greater of the amount resulting from multiplying \$287.93 for fiscal year 2022 and \$286.02 for each
27 succeeding fiscal year by the statewide current year ANB or the amount of the previous year's total special
28 education allocation."

NEW SECTION. **Section 2. Applicability.** [This act] applies to the maximum general fund budgets for school districts in school years beginning on or after July 1, 2024.

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