HOUSE BILL NO. 462
INTRODUCED BY PECK, BARDANOUVE, MCCULLOCH, STANG

JANUARY 30, 1991

FEBRUARY 19, 1991

FEBRUARY 20, 1991
FEBRUARY 21, 1991
FEBRUARY 23, 1991

FEBRUARY 25, 1991

MARCH 16, 1991

MARCH 18, 1991
MARCH 19, 1991

IN THE HOUSE

INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION \& CULTURAL RESOURCES.

FIRST READING.
COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.

PRINTING REPORT.
POSTED ON ALTERNATE CONSENT CALENDAR.
THIRD READING, PASSED. AYES, 95; NOES, 3.

TRANSMITTED TO SENATE.
IN THE SENATE
INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION \& CULTURAL RESOURCES.

FIRST READING.
COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.

SECOND READING, CONCURRED IN.
THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.

RETURNED TO HOUSE.
IN THE HOUSE
RECEIVED FROM SENATE.
SENT TO ENROLLING.
REPORTED CORRECTLY ENROLLED.


A bill for an act entitled: "an act to revise the method of Calculating the average number belonging of certain school districts for school funding purposes; amending section 20-9-311, MCA; AND PROVIDING an immediate effective date and an applicability date."
be it enacted by the legislature of the state of montana
Section 1. Section 20-9-311, MCA, is amended to read:
"20-9-311. Calculation of average number belonging (ANB). (1) Average number belonging must be computed by determining the total of the aggregate days of attendance by requarly enrolled, full-time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year plus the aggregate days of absence by regularly enrolled, full-time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year and by dividing the total by 180. However, when a school district has approval to operate less than 180 school days under 20-9-804, the total must be calculated in accordance with the provisions of 20-9-805. For the purpose of calculatirig ANB under this section, the days of
attendance for a regularly enrolled pupil may not exceed 180 pupil-instruction days and 7 pupil-instruction-related days. Attendance for a part of a morning session or a part of an afternoon session by a pupil must be counted as attendance for one-half day. In calculating the ANs for pupils enrolled in a program established under 20-7-117(1), attendance at or absence from a regular session of the program for at least 2 hours of either a morning or an afternoon session will be counted as one-half day attended or absent as the case may be. If a variance has been granted as provided in 20-1-302, ANB will be computed in a manner prescribed by the superintendent of public instruction, but in no case may the ANB exceed one-half for each kindergarten pupil. When any pupil has been absent, with or without excuse, for more than 10 consecutive school days, including pupil-instruction-related days, his absence after the loth day of absence may not be included in the aggregate days of absence and his enroilment in the school may not be considered in the calculation of the average number belonging until he resumes attendance at school.
(2) If a student spends less than half his time in the regular program and the balance of his time in school in the special education prograr, he is considered a full-time special pupil but is not considered regularly enrolled for ANB purposers. If a student spends half or more of his time HB 462
in school in the regular program and the balance of his time in the special education program, he is considered regularly enrolled for ANB purposes.
(3) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that when:
(a) (i) a school of the district is located more than 3 miles beyond the incorporated limits of a city or town or located in the district and 3 miles from another any other school of the district, all of the regularly enrolled, full-time pupils of the school must be calculated individuatiy separately for ANB purposes; or
(ii) a school of the district is located more than 3 miles from any other school of the district and no incorporated territory is involved in the district, all of the regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes;
(b) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;
(c) a midile school has been approved and accredited, all pupils below the 7 th grade must be considered elementary
school pupils for ANB purposes and the 7 th and 8 th grade pupils must be considered high school pupils for ANB purposes; or
(d) a school has not been accredited by the board of pubiic education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the foundation program for the district.
(4) When lith or $12 t h$ grade students are regularly enrolled on a part-time basis, high schools may calculate the ANB to inciude an "equivalent ANB" for those students. The method for calculating an equivalent ANB must be determined in a manner prescribed by the superintendent of public instruction."

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

## NEW SECTION. Section 3. Applicability. [This act]

 applies to the calculation of average number belonging for school fiscal year 1992.-End-

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STATE OF MONTANA - FISCAL NOTE
    Form BD-15
In compliance with a written request, there is hereby submitted a Fiscal Note for HB0462, as introduced.
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## DESCRIPTION OF PROPOSED LEGISLATION:

An act to revise the method of calculating the average number belonging of certain school districts for school funding purposes.

ASSUMPTIONS:

1. School foundation schedules remain at the FY 1991 level.
2. Executive Budget estimates of school foundation revenues and expenditures are used for purposes of comparison.

## FISCAL IMPACT:

Office of Public instruction
Expenditures:
School Equalization - Foundation

- Permissive GTB
- Retirement GTB Total
Funding:

| General Fund | $104,718,000$ | $102,218,000$ | $(2,500,000)$ | $124,454,000$ | $121,954,000$ | $(2,500,000)$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| School Equalization (02) | $289,078,000$ | $289,078,000$ | 0 | $268,871,000$ | $268,871,000$ |  |

## EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The decrease in foundation and GTB aid will require the affected districts to increase permissive or voted levies or reduce expenditures.


Fiscal Note for HBO 462 , as introduced
HB 462

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0462, third reading.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act to revise and phase in the method of calculating the average number belonging of certain school districts for school funding purposes.

ASSUMPTIONS:

1. School foundation schedules remain at the FY91 level.
2. Executive Budget estimates of school foundation revenues and expenditures are used for purposes of comparison.
3. The phase -in found in section 3 of the bill will reduce payments to the affected schools by 20 percent in fY92 and 40 percent in FY93 of the difference between foundation payments calculated under current law and those calculated under this act.

## FISCAL IMPACT:

Office of Public Instruction
Expenditures:
School Equalization - Foundation

- Permissive GTB
- Retirement GTB Total
Funding:
General Fund
School Equalization (02)

| FY '92 |  |  |
| ---: | ---: | ---: |
| Current Law | Proposed Law | Difference |
| $348,547,000$ | $348,099,000$ | $(448,000)$ |
| $31,650,000$ | $31,598,000$ | $(52,000)$ |
| $13,600,000$ | $\frac{13,600,000}{393,297,000}$ | 0 |
| $393,797,000$ |  | $(500,000)$ |
|  |  |  |
| $104,718,000$ | $104,218,000$ | $(500,000)$ |
| $289,078,000$ | $289,078,000$ | 0 |


|  | FY '93 |  |
| ---: | ---: | ---: |
| $\frac{\text { Current Law }}{347,225,000}$ | $\frac{\text { Proposed Law }}{346,329,000}$ | $\frac{\text { Difference }}{(896,000)}$ |
| $32,500,000$ | $32,396,000$ | $(104,000)$ |
| $\frac{13,600,000}{393,325,000}$ | $\frac{13,600,000}{392,325,000}$ | $\frac{0}{(1,000,000)}$ |
|  |  |  |
| $124,454,000$ | $123,454,000$ | $(1,000,000)$ |
| $268,871,000$ | $268,871,000$ | 0 |
|  |  | $1,000,000$ |

## EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The decrease in foundation and GTB aid will require the affected districts to increase permissive or voted levies or reduce expenditures.



Fiscal Note for HBO 462 , third reading
HB 462

APPROVED BY COMM. ON EDUCATION AND CULTURAL RESOURCES

HOUSE BILL NO. 462
INTRODUCED BY PECK, BARDANOUVE, MCCULLOCH, STANG

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE AND TO PHASE IN THE METHOD OF CALCULATING THE AVERAGE NUMBER BELONGING OF CERTAIN SCHOOL DISTRICTS FOR SCHOOL FUNDING PURPOSES; AMENDING SECTION 20-9-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY EAPE DATES."

## STATEMENT OF INTENT

A STATEMENT OF INTENT IS NECESSARY FOR THIS BILL TO CLARIFY THAT THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL PROMULGATE RULES THAT PRESCRIBE PROCEDURES FOR THE AGGREGATION OF THE AVERAGE NUMBER BELONGING OF PUPILS IN SCHOOL DISTRICTS FOR FOUNDATION PROGRAM PURPOSES. THE AUTHORITY FOR RULEMAKING TO SECURE COMPLIANCE WITH SCHOOL BUDGETING LAWS IS GRANTED THE SUPERINTENDENT OF PUBLIC INSTRUCTION IN 20-9-102 AND 20-9-201. THE RULES MUST ADDRESS THE VARIOUS CIRCUMSTANCES CONCERNING LOCATION OF SCHOOL DISTRICTS AND THE SCHOOLS WITHIN THOSE DISTRICTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 20-9-311, MCA, is amended to read:
"20-9-311. Calculation of average number belonging (ANB). (1) Average number belonging must be computed by
determining the total of the aggregate days of attendance by regularly enrolled, full-time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year plus the aggregate days of absence by regularly enrolled, full-time pupils during the second semester of the preceding school fiscal year and the first semester of the current school fiscal year and by dividing the total by 180 . However, when a school district has approval to operate less than 180 school days under 20-9-804, the total must be calculated in accordance with the provisions of 20-9-805. For the purpose of calculating ANB under this section, the days of attendance for a regularly enrolled pupil may not exceed 180 pupil-instruction days and 7 pupil-instruction-related days. Attendance for a part of a morning session or a part of an afternoon session by a pupil must be counted as attendance for one-half day. In calculating the ANB for pupils enrolled in a program established under 20-7-117(1), attendance at or absence from a regular session of the program for at least 2 hours of either a morning or an afternoon session will be counted as one-half day attended or absent as the case may be. If a variance has been granted as provided in 20-1-302, ANB will be computed in a manner prescribed by the superintendent of public instruction, but in no case may the ANB exceed one-half for each kindergarten pupil. When any
pupil has been absent, with or without excuse, for more than
10 consecutive school days, including pupil-instruction-related days. his absence after the loth day of absence may not be included in the aggregate days of absence and his enrollment in the school may not be considered in the calculation of the average number belonging until he resumes attendance at school.
(2) If a student spends less than half his time in the regular program and the balance of his time in school in the special education program, he is considered a full-time special pupil but is not considered regularly enrolled for ANB purposes. If a student spends half or more of his time in school in the regular program and the balance of his time in the special education program, he is considered regularly enrolled for an purposes.
(3) The average number belonging of the regularly encolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that when:
(a) (i) a school of the district is located more than 3 miles beyond the incorporated limits of a city or town or located in the district and 3 miles from another any other school of the district, all of the regularly enrolled, full-time pupils of the school must be calculated

## individuatiy separately for ANB purposes; or

(ii) a school of the district is located more than 3 miles from any other school of the district and no incorporated territory is involved in the district, all of the regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes;
(b) a junior high school has been approved and accredited as a junior high school, all of the regularly encolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;
(c) a middle school has been approved and accredited, all pupils below the 7 th grade must be considered elementary schoal pupils for ANB purposes and the 7 th and 8 th grade pupils must be considered high school pupils for ANB purposes: or
(d) a school has not been accredited by the board of public education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the foundation program for the district.
(4) When 11 th or $12 t h$ grade students are regularly enrolled on a part-time basis, high schools may calculate the ANB to include an "equivalent ANB" for those students. The method for calculating an equivaient ANB must be

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determined in a manner prescribed by the superintendent of
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    NEW SECTION. Section 2. Effective date. [This act] is
effective on passage and approval.
    NEW SECTION. Section 3. Applicability. [This act]
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seheot-fiseat-year-t99z% IS APPLICABLE DURING SCHOOL FISCAL
YEARS 1992 THROUGH 1996 IN THE FOLLOWING MANNER:
    (1) ONE-FIFTH OF THE REDUCTION IN THE FOUNDATION
    PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF
    ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE
    PROVISIONS OF 20-9-311(1), APPLIES IN BUDGETING FOR SCHOOL
    FISCAL YEAR 1992;
    (2) TWO-FIFTHS OF THE REDUCTION IN THE FOUNDATION
    PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF
    ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE
    PROVISIONS OF 20-9-311(1), APPLIES IN BUDGETING FOR SCHOOL
    FISCAL YEAR 1993;
            (3) THREE-FIFTHS OF THE REDUCTION IN THE FOUNDATION
    PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF
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    PROUISIONS OF 20-9-311(1), APPLIES IN BUDGETING FOR SCHOOL
    FISCAL YEAR 1994;
            (4) FOUR-FIFTHS OF THE REDUCTION IN THE FOUNDATION
    PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF
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ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE
PROVISIONS OF 20-9-311(1), APPLIES IN BUDGETING FOR SCHOOL
FISCAL YEAR 1995;
    (5) 100% OF THE REDUCTION IN THE FOUNDATION PROGRAM
SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF ANB
REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE
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1 ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE 2 PROVISIONS OF 20-9-311(1). APPLIES IN BUDGETING FOR SCHOOL FISCAL YEAR 1995;
(5) \(100 \%\) OF THE REDUCTION IN THE FOUNDATION PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF ANB BE [THIS ACT] AND AS CALCULATED UNDER THE PROVISIONS OF 20-9-311(1). APPLIES IN BUDGETING FOR SCHOOL FISCAL YEAR 1996.
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-End-

HOUSE BILL NO. 462
INTRODUCED BY PECK, BARDANOUVE, MCCULLOCH, STANG

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THIRD READING
pupil has been absent, with or without excuse, for more than 10 consecutive school days, including pupil-instruction-related days, his absence after the loth day of absence may not be included in the aggregate days of absence and his enrollment in the school may not be considered in the calculation of the average number belonging until he resumes attendance at school.
(2) If a student spends less than half his time in the regular program and the balance of his time in school in the special education program, he is considered a full-time special pupil but is not considered regularly enrolled for ANB purposes. If a student spends half or more of his time in school in the regular program and the balance of his time in the special education program, he is considered regularly enrolled for ANB purposes.
(3) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly encolled, full-time pupils attending the schools of the district, except that when:
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## HOUSE BILL NO. 462

INTRODUCED BY PECK, BARDANOUVE, MCCULLOCH, STANG

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(1) ONE-FIFTH OF THE REDUCTION IN THE FOUNDATION PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE PROVISIONS OF 20-9-311(1). APPLIES IN BUDGETING FOR SCHOOL FISCAL YEAR 1992;
(2) TWO-FIFTHS OF THE REDUCTION IN THE FOUNDATION PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE PROVISIONS OF 20-9-311(1). APPLIES IN BUDGETING FOR SCHOOL FISCAL YEAR 1993;
(3) THREE-FIFTHS OF THE REDUCTION IN THE FOUNDATION PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE PROVISIONS OF 20-9-31111), APPLIES IN BUDGETING FOR SCHOOL FISCAL YEAR 1994:
(4) FOUR-FIFTHS OF THE REDUCTION IN THE FOUNDATION PROGRAM SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF
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ANB REQUIRED BY [THIS ACT] AND AS CALCULATED UNDER THE
PROVISIONS OF 20-9-311(1), APPLIES IN BUDGETING FOR SCHOOL
FISCAL YEAR 1995;
    (S) 100% OF THE REDUCTION IN THE FOUNDATION PROGRAM
SCHEDULE AMOUNT RESULTING FROM THE AGGREGATION OF ANB
REQUIRED BY ITHIS ACT] AND AS CALCULATED UNDER THE
PROVISIONS OF 20-9-311(1). APPLIES IN BUDGETING FOR SCHOOL FISCAL YEAR 1996.
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